



NOPSEMA
Australia's offshore energy regulator

2025

Inquiry into Decommissioning Oil and Gas Infrastructure

Submission from the **National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA)** to the Victorian Legislative Council Environment and Planning Committee
October 2025

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1. Introduction

The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) provides this submission to the Victorian Legislative Council Environment and Planning Committee (the Legislative Council) for consideration in the context of the Committee's inquiry into decommissioning oil and gas infrastructure.

2. Scope of this submission

This submission addresses the inquiry's term of reference relevant to NOPSEMA and the 16 September 2025 letter from Ryan Batchelor MLC, Chair, Environment and Planning Standing Committee.

The submission includes an overview of NOPSEMA's role and functions in regulating the petroleum (oil and gas) and greenhouse gas storage activities, which includes decommissioning. Decommissioning of the offshore renewables industry is not addressed in this submission, noting the terms of reference.

This submission does not directly address or provide opinions on areas of policy or matters that are outside of the legislated role and functions of NOPSEMA. Policy responsibility for the Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGs Act) framework rests with the Australian Government Department of Industry, Science and Resources (DISR).

3. Our role

NOPSEMA is Australia's independent regulator for the offshore energy industry, established under the OPGGS Act.

Under the OPGGS Act's regulatory framework, NOPSEMA's role includes oversight of occupational health and safety, structural and well integrity, and environmental management for all offshore petroleum and greenhouse gas storage activities in Commonwealth waters (and in coastal waters where regulatory powers and functions have been conferred). These activities include decommissioning of oil and gas and greenhouse gas storage projects.

Victoria has conferred the regulation of health and safety, structural and well integrity of petroleum and greenhouse gas storage activities to NOPSEMA in their coastal waters. Victoria has not conferred environmental management functions to NOPSEMA.

NOPSEMA is also the regulator for offshore renewables, performing the functions of the Offshore Infrastructure Regulator (OIR) under the *Offshore Electricity Infrastructure Act 2021* (OEI Act). The OEI Act establishes NOPSEMA as the OIR to regulate the offshore renewables sector.

4. NOPSEMA's Legislative Framework

NOPSEMA is an independent statutory authority established under the OPGGS Act. NOPSEMA's functions are detailed in section 646 of the OPGGS Act and are summarised as follows:

- to promote the occupational health and safety of persons engaged in offshore petroleum and greenhouse gas storage operations
- to develop and implement effective monitoring and enforcement strategies to secure compliance by persons with their obligations under the OPGGS Act and regulations, structural integrity law and environmental management law

- to investigate accidents, occurrences and circumstances that affect, or have the potential to affect, occupational health and safety and involve, or may involve, deficiencies in structural integrity or deficiencies in environmental management
- to report on investigations, as appropriate, to the responsible Commonwealth Minister, and to State and Northern Territory petroleum ministers
- to advise persons, either on its own initiative or on request, on matters relating to occupational health and safety, structural integrity, and environmental management
- to make reports, including recommendations, to the responsible Commonwealth Minister, and to State and Northern Territory petroleum ministers on issues relating to Occupational Health and Safety, structural integrity, and environmental management
- to provide information, assessments, analysis, reports, advice and recommendations when requested by the responsible Commonwealth Minister in relation to the Minister performing functions or exercising powers in relation to offshore greenhouse gas storage operations
- to cooperate with the Titles Administrator in relation to the administration and enforcement of the OPGGS Act and regulations and with other Commonwealth, State and Northern Territory agencies and authorities with functions relating to regulated operations.

Further details on the legislative regimes are available at nopsema.gov.au and oir.gov.au.

5. Regulating the decommissioning of offshore oil and gas infrastructure

5.1. Overview

Decommissioning involves the timely, safe, and environmentally responsible removal of, or otherwise satisfactorily dealing with, infrastructure from the offshore area that was previously used to support oil and gas operations.

There are numerous ways of addressing the challenges and opportunities of decommissioning offshore oil and gas infrastructure when it is no longer required. However, regardless of the process, NOPSEMA is fully committed to ensuring decommissioning is carried out in a timely, safe, and environmentally responsible way.

Decommissioning is an inevitable stage in the lifetime of an offshore petroleum project. Decommissioning should be planned from the outset¹ and matured throughout the life of operations, including consideration of late-life asset management, cessation of production, removal of property, plug and abandonment of wells, and finally title relinquishment.

However, recent cases have shown the complexity of the decommissioning task. Decommissioning requires many disciplines – including engineering, environmental science, logistics, and safety – all of which must be coordinated precisely. Long lead times are often required to secure globally limited specialised rigs and equipment. For example, a significant challenge for many titleholders is the limited availability of heavy lift

¹ See Table 1, in NOPSEMA's [Planning for decommissioning Information Paper](#), for examples of decommissioning activities in each stage of an oil and gas project.

vessels as large-scale decommissioning works in the North Sea, Gulf of Mexico and Asia Pacific have intensified global demand.

There is no 'one size fits all' approach to decommissioning. The nature and complexity of property varies considerably between projects and when combined with the safety, environment, economic and technical considerations, mean that decommissioning each well and piece of property will have its own unique challenges. Decommissioning plans and programs should be developed to suit the specific circumstances of the petroleum project.

As the regulator for Australia's offshore oil and gas industry, NOPSEMA plays a key role in implementing the [Australian Government's decommissioning framework](#), through the OPGGS Act. Key principles for decommissioning, reflected in the framework and the OPGGS Act includes:

- Decommissioning is the responsibility of titleholders
- Early planning for decommissioning is required
- Removal of all property is the 'base case' – noting alternative end state options may be accepted
- Decommissioning must be completed before seeking the consent of the Joint Authority to surrender the title.

NOPSEMA is the expert regulator for safety, well integrity and environmental management for offshore oil and gas activities. NOPSEMA assesses duty holders' permissioning documents, to determine whether safety, well integrity and environmental risks, for a decommissioning activity, have been appropriately identified and will be managed to levels that are as low as reasonably practicable (ALARP). Environmental impacts and risks must also be managed to levels that are acceptable. The titleholder is ultimately responsible for the activities and outcomes of their nominated operator.

The titleholder is the entity registered as the holder of a petroleum permit, lease or licence over a title area and is responsible for compliance with the OPGGS Act. The operator of a facility is the person who has been nominated by the titleholder to have day-to-day management and control of the facility and its operations.

Figure 1 – Decommissioning over the life cycle of an oil and gas project

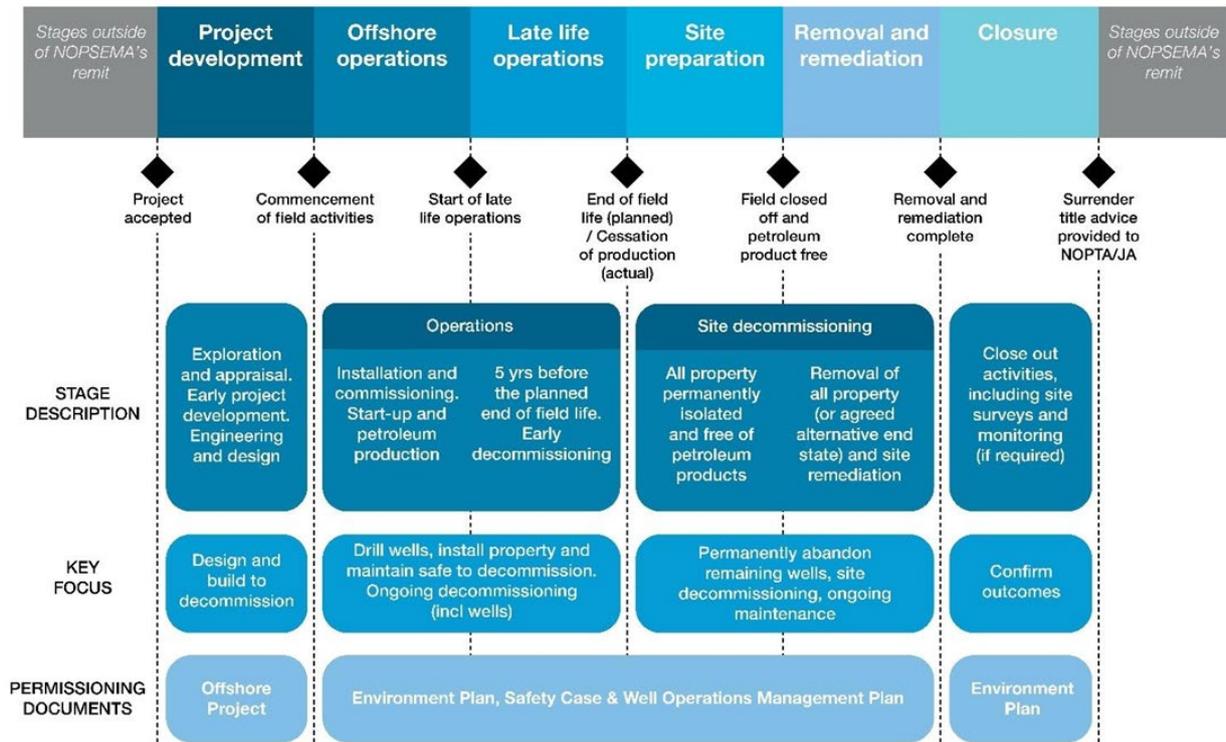


Figure 1 – The process of decommissioning over the life cycle of a petroleum project

5.2. Planning for proactive decommissioning

Experience in Australia and internationally has shown the ability to decommission safely and cost effectively becomes increasingly challenging the longer the wait between ceasing production and completion of decommissioning.

As a result, NOPSEMA has set a range of targets that provide simple, time-based expectations for decommissioning. These targets aim to minimise uncertainty, support the transparency of NOPSEMA's regulatory actions and help ensure consistent, transparent and risk-based regulatory decisions. Further information on NOPSEMA's approach and decommissioning targets is detailed in our [2024 – 2029 Decommissioning Compliance Strategy](#).

It is imperative that risks associated with petroleum projects are [managed proactively](#) throughout the life of the project. Property should be progressively decommissioned to minimise inherent risks to people and the environment. Titleholders are expected to include appropriate information on decommissioning in permissioning documents at all stages of the life cycle of the petroleum project. The three key permissioning documents under the OPGGS Act, relevant to decommissioning include:

- [Environment Plans](#)
- [Well Operations Management Plans](#)
- [Safety Cases](#)

The environment plan (EP) is the document in which arrangements in relation to property decommissioning activities and management of associated environmental impacts and risks can be put forward by a titleholder and accepted by NOPSEMA.

The well operations management plan (WOMP) must include a description of the arrangements that will be in place for the permanent abandonment of well(s), considering the eternal perspective of the process. An accepted well operations management plan must remain in place until the well has been permanently abandoned and NOPSEMA is reasonably satisfied with the written report of the abandonment process.

A facility must always have a safety case in force until decommissioning activities are completed, and the facility no longer exists. Any decommissioning related operations or works conducted at a facility must be described within the safety case.

5.3. Section 572 of the OPGGS Act

Section 572 of the OPGGS Act outlines the core legal obligations for decommissioning offshore petroleum infrastructure. It requires titleholders to maintain all property used in operations in good condition and to remove any structures, equipment, or other property that is no longer in use or intended for use in connection with authorised activities.

NOPSEMA oversees titleholder compliance through key regulatory instruments: the EP, Safety Case, and Well Operations Management Plan. These documents must be reviewed and resubmitted at least every five years, with the expectation that decommissioning plans and arrangements mature progressively throughout the life of the operation.

In addition to these permissioning tools, NOPSEMA may apply a range of compliance and enforcement mechanisms, including General and Remedial Directions under the OPGGS Act, to ensure titleholders meet their decommissioning obligations. These approaches are detailed in NOPSEMA's Decommissioning Compliance Strategy 2024–2029, which outlines expectations for timely, safe, and environmentally responsible decommissioning.

For further information, please refer to [NOPSEMA's s572 maintenance and removal of property policy](#).

5.4. Addressing decommissioning before title surrender under s270

Under s 269 of the OPGGS Act, a titleholder may apply to the National Offshore Petroleum Titles Administrator (NOPTA) for the [Joint Authority's](#) consent to surrender their title. Holders of exploration permits, production licences or pipeline licences can apply to surrender the permit or licence in whole or part. Retention leases and infrastructure licences can only be surrendered in their entirety.

Subsection 270(3) sets out the criteria that must be met before the Joint Authority may consent to the surrender of a title. These include decommissioning obligations. In particular, the titleholder must have, to the satisfaction of NOPSEMA:

- removed, or caused to be removed, all property brought into the surrender area by any person engaged or concerned in operations authorised by the title, or made arrangements that are satisfactory to NOPSEMA in relation to that property.
- plugged or closed off any wells made in the surrender area by any person engaged or concerned in the operations authorised by the title.
- provided for the conservation and protection of the natural resources in the surrender area.
- made good any damage to the seabed or subsoil in the surrender area caused by any person engaged or concerned in the operations authorised by the title.

For further information please refer to the visual overview at Attachment 1 of the guideline articulating the [Australian Government's decommissioning framework](#), the [NOPTA factsheet](#) on the surrender of offshore petroleum titles and [NOPSEMA's s270 title surrender policy](#).

5.5. Decommissioning executed to date

NOPSEMA has also assessed and accepted 30 in-force decommissioning-related [environment plans](#) and has issued 13 decommissioning-related [General Directions](#) to ensure compliance with OPGGS Act obligations.

In the last five years a large volume of wells have been plugged and abandoned, including:

- 203 wells across the Bass Strait (Esso)
- 34 wells across Enfield, Minerva, Stybarrow and Balnaves (Woodside)
- 9 wells across Mutineer, Exeter and Finucane (Santos)
- 7 wells across Basker, Manta, Gummy (Amplitude)

NOPSEMA maintains close regulatory oversight of titleholders' progress in their decommissioning planning and execution. Our expectations are set out in our Decommissioning Compliance Strategy. Our compliance efforts have resulted in the decommissioning of many petroleum wells and structures throughout Australia.

The default decommissioning requirement under the OPGGS Act is full removal of property and permanent plugging and abandonment of wells. In limited circumstances NOPSEMA may accept an alternative proposal where the environmental impacts and risks can be demonstrated in an EP to be reduced to as low as reasonably practicable and be of an acceptable level.

Decommissioning can often be subject to unexpected delays for a variety of reasons, for example:

- The limited availability of heavy lift vessels, specialised equipment and onshore disposal facilities capable of handling large-scale offshore infrastructure can affect decommissioning timeframes.
- For many legacy assets, the lack of certainty regarding the condition of aging infrastructure can lead to unexpected engineering challenges that require additional planning and remediation time.
- Titleholders proposing to re-use the facilities for further petroleum recovery or alternative uses such as carbon capture and storage.

5.6. Decommissioning under conferred arrangements in Victorian coastal waters

As noted above, Victoria has conferred the regulation of health and safety, structural and well integrity of petroleum and greenhouse gas storage activities to NOPSEMA in their state coastal waters.

In short, this conferral is achieved through the Victorian Parliament passing applicable legislation that confers powers to NOPSEMA. If further information on the basis for conferral under Victoria's legislation is required, this should be sought from the appropriate Victorian policy area, and from DISR in relation to the policy framework for the Commonwealth OPGGS Act.

Under these conferred arrangements, NOPSEMA is able to assess well integrity through WOMPS and any safety cases that may be applicable to any proposed decommissioning activity. However, NOPSEMA does not have jurisdiction to assess the management of environmental impacts and risks for operations in Victorian coastal waters, as per the regime outlined above for Australian Commonwealth offshore waters, as Victoria has not conferred regulatory functions in relation to environmental management to NOPSEMA.

Currently, there are no offshore oil and gas platforms in Victorian coastal waters. However, there are wells and pipeline infrastructure that will require decommissioning when no longer in use.

6. NOPSEMA and the Victorian Department of Energy, Environment and Climate Action

NOPSEMA and the Victorian Department of Energy, Environment and Climate Action (DEECA) have executed a 'Deed of Standing Offer in relation to the provision of offshore regulatory services' (the Deed). The Deed enables NOPSEMA to provide DEECA categories of services related to regulatory assessment support, regulatory compliance support and other regulatory support or services requested by DEECA in the scope of the Deed. The Deed enables NOPSEMA to provide regulatory services that are not within the scope of current conferred arrangements as detailed above, such as environmental management.

Examples of the sort of regulatory services NOPSEMA can provide DEECA under the Deed, within Victoria's jurisdiction, includes:

- review and assessment of environment plan documents
- provision of written observations, findings and/or recommendations arising from review and assessment of documents
- provision of advice for the purposes of ensuring good oilfield practice in environmental management
- compliance monitoring, inspection and investigation activities.

Under the Deed, in 2023 NOPSEMA undertook an environmental management inspection for a drilling activity in Victorian coastal waters.

7. Background to NOPSEMA's environmental management role

Victoria has not conferred regulatory functions on NOPSEMA in relation to environmental management of operations in Victorian coastal waters. Conferral of additional functions to NOPSEMA would be a matter for Government.

NOPSEMA commenced responsibility for regulating environmental management for all offshore petroleum in Commonwealth waters following the passage of the Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011. This bill completed a reform process to strengthen the regulation of offshore petroleum activities and reduce unnecessary regulatory burden. Additionally, this reform also delivered on the government's commitment to the Council of Australian Government's reform priorities to deliver a seamless national economy.

The Government at the time identified another key driver for these reforms was also the Varanus Island gas pipeline explosion in 2008 and the uncontrolled release of oil and gas from the Montara Wellhead Platform in 2009 which highlighted inadequacies in the offshore petroleum regulatory regime. A particular concern was a shortage of technical staff in the respective State/Territory Designated Authorities' departments with the necessary qualifications, skills and experience to regulate a complex, high hazard industry.

Regulatory responsibility for the environmental management of greenhouse gas activities in Commonwealth waters was transferred from the responsible Commonwealth Minister to NOPSEMA following the passage of the Offshore Petroleum and Greenhouse Gas Storage Amendment (Miscellaneous Amendments) Bill 2019.

Since its establishment, NOPSEMA has recruited experts with extensive experience and qualifications (many hold Doctoral and/or Masters degrees) in environmental sciences and offshore oil and gas. Environment specialists generally have a range of previous experience related to environmental disciplines such as marine science, baseline studies, monitoring and modelling; environment impact assessments; preparation of environmental policy guidance related to protected areas and species; environmental quality; and environmental management systems. NOPSEMA also has a team of dedicated experts with backgrounds in oil spill and emergency response arrangements who have extensive experience gained within Australia and internationally.

8. Background to NOPSEMA's regulation of Environment Plans

The following information provides the Legislative Council context on how NOPSEMA regulates environment plans (EPs) in offshore Commonwealth waters.

NOPSEMA's experts regulate environmental management through the OPGGS Act's Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2023 (the Environment Regulations). To meet these regulations, all offshore activities including exploration, development, production and decommissioning must:

- be consistent with the principles of ecologically sustainable development (ESD); and
- reduce risk to the environment to as low as reasonably practicable (ALARP) and an acceptable level.

Before an activity, like decommissioning, takes place, the titleholder must demonstrate to NOPSEMA in an environment plan (EP) for the activity that they have:

- identified the environmental risks and impacts of the activity; and
- appropriate systems, practices and procedures (i.e. control measures) in place to ensure those risks and impacts will be acceptable and reduced to ALARP.

For all petroleum activities in Commonwealth waters, including decommissioning, titleholders are required to submit an environment plan (EP) to NOPSEMA under the Environment Regulations. It is an offence to undertake an offshore petroleum activity without an accepted EP for that activity.

The EP must demonstrate that the environmental impacts and risks of the activity will be reduced to an acceptable level (amongst other criteria) before the EP can be accepted.

An EP that includes an activity that has potential to cause long-term impacts to the environment (including social, economic and cultural features of the environment) without appropriate mechanisms to manage or mitigate those impacts would not be acceptable.

'Environment' is defined in the Environment Regulations and means (a) ecosystems and their constituent parts, including people and communities; and (b) natural and physical resources; and (c) the qualities and characteristics of locations, places and areas; and (d) heritage values of places; and includes the social, economic and cultural features of these matters (a to d).

For the EP to be accepted it must meet the requirements of the Environment Regulations including demonstrating that cultural features of the environment are reduced to ALARP and acceptable levels, among other things. NOPSEMA also assesses whether the EP has appropriate environmental performance outcomes, standards and control measures to reduce the impacts and risks to an acceptable level.

The EP acceptance process is often iterative, with NOPSEMA requesting additional information or clarifications on a case-by-case basis. If NOPSEMA is reasonably satisfied that the environment plan meets

the acceptance criteria set out in the regulations, the EP must be accepted. NOPSEMA will also publish the accepted EP on the NOPSEMA website.

An accepted EP provides the environmental management requirements that must be met by the titleholder against which NOPSEMA can secure compliance. Failure to comply with an accepted EP is an offence, as well as grounds for NOPSEMA to withdraw its acceptance of the EP.

NOPSEMA also monitors and enforces the compliance of regulated activities, to ensure titleholders are meeting their commitments in the Environment Regulations and the ongoing implementation and compliance with the accepted EP. Inspections are a critical part of NOPSEMA's compliance strategy and are undertaken for a range of reasons, including to monitor duty holder's compliance with relevant legislation, including the commitments they made in their permissioning documents. When a serious incident is reported, NOPSEMA will commence an investigation. Investigations are undertaken to determine what went wrong, share lessons learned and, where necessary, hold the responsible parties to account through enforcement action.

When NOPSEMA determines a breach of the Environment Regulations has occurred, NOPSEMA may take enforcement action to rectify the breach, avoid a recurrence and act as a deterrent. Enforcement action can include issuing improvement and prohibition notices, giving directions, requesting a revision or withdrawing acceptance of an environment plan and prosecution.

Further information about NOPSEMA's approach to foster intentional compliance and deter non-compliance can be found at [NOPSEMA's Compliance Strategy](#).

9. Conclusion

In conclusion, this submission provides an overview of our role and jurisdiction and information on how NOPSEMA regulates decommissioning in accordance with government policy and the OPGGS Act. Key provisions of the OPGGS Act and its regulations have been canvassed, with links to relevant policies or guidelines.

Details have been provided on the limits to NOPSEMA's role in applying conferred powers for the regulation of the decommissioning of oil and gas infrastructure in Victorian coastal waters. While Victoria has conferred, and NOPSEMA is able to regulate: health and safety, structural and well integrity of petroleum and greenhouse gas storage activities in Victorian state coastal waters – the conferred arrangements do not include functions in relation to environmental management.

For the Legislative Council's context, this submission has also provided background to NOPSEMA's environmental management functions and detail on how these functions are regulated through environment plans under the OPGGS Act and its regulations. This provides the Legislative Council a clear appreciation of the Commonwealth's full suite of decommissioning permissioning documents.

We trust that this submission provides useful and practical context to inform the Legislative's Committee's inquiry.

10. Appendix A – Victorian coastal waters regulated facilities as at October 2025

NOPSEMA does not have jurisdiction to assess the management of environmental impacts and risks for these operations in Victorian coastal waters, as per the regime outlined above for Australian Commonwealth offshore waters, as Victoria has not conferred regulatory functions in relation to environmental management to NOPSEMA.

Duty holder	Well	Status
Beach Energy (Operations) Limited	Black Watch 1	Operational
Beach Energy (Operations) Limited	Enterprise 1	Operational
Beach Energy (Operations) Limited	Halladale 2	Operational
Beach Energy (Operations) Limited	Speculant 1	Operational
Beach Energy (Operations) Limited	Speculant 2 ST1	Operational
GB Energy (VIC) Pty Limited	Golden Beach 2	Abandoned - wellhead retrieved

Duty holder	Facility	Type	Status
Beach Energy (Operations) Limited	Otway Subsea Pipeline VIC/PL36(V)	Pipeline Facility	Safety case accepted
Beach Energy (Operations) Limited	Yolla A Pipeline VIC/PL34(V)	Pipeline Facility	Safety case accepted
Cooper Energy (CH) Pty. Ltd.	Casino Pipeline VIC/PL37(V)	Pipeline Facility	Safety case accepted
Cooper Energy (PBF) Pty. Ltd.	Patricia Baleen Pipeline VIC/PL31(V)	Pipeline Facility	Safety case accepted
Cooper Energy (Sole) Pty. Ltd.	Sole Offshore Pipeline VIC/PL006401(V)	Pipeline Facility	Safety case accepted
Esso Australia Pty Ltd	Barracouta to Shore VIC/PL1(V)	Pipeline Facility	Safety case accepted
Esso Australia Pty Ltd	Barracouta to Shore VIC/PL4(V)	Pipeline Facility	Safety case accepted
Esso Australia Pty Ltd	Bream A to Shore VIC/PL32(V)	Pipeline Facility	Safety case accepted
Esso Australia Pty Ltd	Halibut to Shore VIC/PL5(V)	Pipeline Facility	Safety case accepted
Esso Australia Pty Ltd	Marlin to Shore VIC/PL2(V)	Pipeline Facility	Safety case accepted
Esso Australia Pty Ltd	Perch to Shore VIC/PL21(V)	Pipeline Facility	Safety case accepted

Esso Australia Pty Ltd	Snapper to Shore VIC/PL13(V)	Pipeline Facility	Safety case accepted
Tasmanian Gas Pipeline Pty Ltd	Tasmanian Gas Pipeline VIC/PL30(V)	Pipeline Facility	Safety case accepted
Woodside Energy Global Pty Ltd	Minerva Pipeline VIC/PL33(V)	Pipeline Facility	Safety case accepted