

LEGISLATIVE COUNCIL ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into Decommissioning Oil and Gas Infrastructure

Melbourne – Friday 6 March 2026

MEMBERS

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**Necessary corrections to be notified to
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WITNESS

Richard Perry, Major Projects Manager, Australia, ExxonMobil.

The CHAIR: Welcome back to the proceedings of the Legislative Council Environment and Planning Committee's Inquiry into Decommissioning Oil and Gas Infrastructure in Victoria. We are joined in this session by a representative from ExxonMobil Australia.

All the evidence that we take is protected by parliamentary privilege as provided by the *Constitution Act 1975* and the provisions of the Legislative Council standing orders. Therefore the information you provide during the hearing is protected by law. You are protected against any action for what you say during this hearing, but if you go elsewhere and repeat those same things, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of the Parliament.

All the evidence is being recorded. You will be provided with a proof version of the transcript following the hearing, and those transcripts will ultimately be made public and posted on the committee's website.

Welcome. It is good to see you again. We will do introductions. Ryan Batchelor, Chair of the Environment and Planning Committee and Member for the Southern Metropolitan Region.

Tom McINTOSH: Tom McIntosh, Member for Eastern Victoria. Hello.

Sarah MANSFIELD: Sarah Mansfield, Member for Western Victoria.

Melina BATH: Good afternoon. Melina Bath, Eastern Victoria Region.

Wendy LOVELL: And Wendy Lovell, Northern Victoria Region.

The CHAIR: And also joining us online, we have –

David ETTERS HANK: Hi. David Ettershank, Western Metropolitan Region.

The CHAIR: Before we start, Richard, if you could just state your full name and the organisation you are appearing on behalf of for the Hansard record, and then we will hand over to you to make an introductory statement.

Richard PERRY: Thanks, Ryan. Richard Perry, ExxonMobil Australia.

The CHAIR: All right. If you want to begin your presentation and we will let you get through that, and then we will ask some questions.

Richard PERRY: Okay. Well, good afternoon. As I mentioned, I am Richard Perry. I am the ExxonMobil Australia major projects manager. Thank you for the opportunity to address the committee this afternoon. I would like to start by acknowledging the traditional custodians of the country throughout Australia and their connections to land, sea and community. We pay our respects to their elders past and present, and we extend that respect to all Aboriginal and Torres Strait Islander peoples here today.

I intend to walk through an overview of ExxonMobil's role in Australia's energy security and our contributions to Australia's economy over our long history. I will also share some of the ways we are maintaining that long-term commitment to the country's energy future and how we are responsibly and safely undertaking Australia's largest decommissioning project right here off the coast of Victoria.

Visual presentation.

Richard PERRY: At ExxonMobil Australia we do have a long, proud history of reliably supplying essential energy to Australians. From our humble beginnings, selling a barrel of cylinder oil to a Bendigo goldmine from our Melbourne office back in 1895, 130 years later we have grown to become one of Australia's most critical energy suppliers. Following our discovery of Australia's first offshore gas at the Barracouta field in Bass Strait some 60 years ago, our Gippsland operations have produced more than half of Australia's crude oil and in the most prosperous days were providing over 10 per cent of all Australian government revenue. That vital role we

play is just as important today as it was decades ago. Today our Gippsland gas makes up 60 per cent of the supply to south-east Australia, and 100 per cent of that gas goes to the Australian domestic market. Every day, our people work to supply almost half of Victoria's transportation fuel needs from our fuel terminal in Melbourne, while every molecule of Gippsland gas produced from Bass Strait goes exclusively to the Australian market, helping to heat and power Victorian homes and fuel Victorian businesses. We have invested over \$41 billion in Australia, and that ongoing investment means that the Gippsland Basin remains the largest single source of gas supply to the east coast domestic market.

I would like to focus now on those Gippsland operations. Our gas production assets in Bass Strait consist of 421 wells, 19 platforms, six subsea facilities, which are effectively assets sitting on the seabed that connect back to the platforms via pipelines, and more than 800 kilometres of subsea pipelines. Gas is produced through these offshore facilities and processed at our Longford gas plant, where natural gas is fed into the domestic gas network directly from Longford. Gas liquids, which are essentially by-products of the gas production process, are sent for further processing to the Long Island Point plant in Hastings before being provided to customers. Altogether these assets form part of the Gippsland Basin joint venture between ExxonMobil and Woodside and the Kipper unit joint venture, which also includes Mitsui. ExxonMobil currently operates these assets on behalf of these joint ventures. However, last year we announced that after operating the Gippsland Basin joint venture for more than 50 years, we are proud to be handing over the reins and transitioning our highly experienced Bass Strait workforce to our valued partner, Woodside. As part of this, the vast majority of our Australian workforce currently supporting the Gippsland Bass Strait operations will become Woodside employees once operatorship is transferred. Pending regulatory approvals, we anticipate this transition will occur later this year. We look forward to working with Woodside as it continues to maximise Gippsland Basin production. Importantly, and relevant to this inquiry, the Gippsland Basin joint venture remains committed to meeting its decommissioning obligations. ExxonMobil and Woodside are aligned on plans to responsibly decommission the joint venture's Bass Strait facilities in line with regulatory requirements.

We understand how critically important our supply of Gippsland gas is, and we continue to invest in unlocking the full potential of our assets. We recently completed the Kipper 1B project, which started delivering gas late last year, and have committed to developing the Turrum phase 3 project, which will be vital to Australia's east coast energy security. Our recent investment in the Kipper compression project close to doubles the production capacity from the Kipper field. This project alone supplies as much gas as is consumed by Victorians in an entire year. Then we have the BOC and Air Liquide CO₂ processing facilities, which recycle and purify CO₂ that has been extracted from Gippsland gas at Longford. The last photo down the bottom is our Hastings generation plant over at Long Island Point, where we recently installed three small low-emission, energy-efficient power generation units to transform ethane into electricity. These generators are capable of producing 35 to 40 megawatts of electricity to power Victorian homes.

Back to offshore, in addition to all this ongoing investment to deliver more Gippsland gas to Australia, we are undertaking both ExxonMobil's and Australia's largest offshore decommissioning project right here in Bass Strait. Following more than 50 years of delivering energy to Australia, 13 of our platforms and four subsea facilities and around half of all of our wells no longer produce oil and gas. You can see these facilities within the yellow dotted line in the map. Around six facilities will continue to supply gas to the domestic market until the early to mid-2030s. Therefore we need to take a staged approach to decommissioning, and we plan to start our first campaign, which we are calling 'campaign 1', to remove the facilities that are no longer producing oil or gas in 2027.

Just like all our activities in our industry, decommissioning is highly regulated with complex and robust regulatory processes involving a number of federal, state and local government bodies and independent regulators. We are currently undertaking a complex regulatory pathway to ensure we obtain all the required approvals from Commonwealth, state and local government regulators. For campaign 1 we are working through obtaining over 80 separate approvals from a range of regulators. We will not undertake any work unless we have the necessary regulatory approvals. Here are just a few examples of approvals we require for state-based activities: we need EPBC, or *Environment Protection and Biodiversity Conservation Act*, approval from the federal government Department of Climate Change, Energy, Environment and Water. We have had a number of *Marine and Coastal Act* consents we require from the Victorian Department of Energy, Environment and Climate Action, and at a local government level we required a planning permit for building and works at Barry Beach Marine Terminal from the South Gippsland Shire Council.

As one of the largest and longest standing employers in the Gippsland region, we are proud to support the local community by providing skilled employment, utilising local services and suppliers, and assisting many community groups and schools through our community contributions program. We are committed to meaningful consultation and engagement, and we have a number of different channels we utilise to engage with our communities. Some examples of these include quarterly information sessions across Gippsland towns and columns in local newspapers. We have annual stakeholder dinners, we have one-on-one engagements and we also have a monthly newsletter we issue, which currently is sent to over 600 stakeholders. Since 2020 we have had over 30,000 stakeholder interactions to discuss our decommissioning plans. This includes around 25,000 emails and over 380 meetings. ExxonMobil Australia are also proud of the social investments we have been making in local communities, communities that many of our employees call home. Over the last year we have contributed to over 70 charities and community organisations close to our operating sites.

Moving into the specifics for the Campaign 1 project, I would like to share an animation we share with all of our stakeholders to help people understand how the platforms will be safely removed and transported to shore. We have recently awarded a contract to Allseas marine contractors, who own the vessel you can see here, which is the *Pioneering Spirit*. They are a Dutch contractor, and this vessel is specifically designed and built to do this type of work. We will remove the topsides in a single lift with the bow of the vessel like a catamaran configuration. Then what we can see here is the removal of a jacket from the stern of the vessel using the lifting system, or the jacket lift system, as they call it, which is again specifically designed for this type of application.

Allseas have done numerous platform removals with this vessel. It has been commissioned for about 15 years and has done many of these activities in the North Sea and elsewhere. This will be the first time it has come to Australia, so we certainly look forward to having it in the field.

We will transfer each of the structures in sheltered Commonwealth waters, so this will not be occurring in state waters. The *Pioneering Spirit* will not enter state waters. We will transfer the structures onto barges or heavy transport vessels, and as you can see here, we will then bring them in through Corner Inlet and into Barry Beach, where we will off-load them onto the quay and take them to their set-down location.

The little red transporters you can see there are called self-propelled modular transporters. They are remote-controlled, so they will go in under each of these structures as they come in, take them over a bridge which bridges over the existing quay wall and then take each of the structures to its designated location. So it is quite different to how these structures went out, most of them from Barry Beach, and this is a technology today that we can utilise much more precisely with how we manoeuvre these structures around the site.

Once we have the structures safely ashore, we will undergo the process of dismantling and recycling at Barry Beach Marine Terminal, which has been part of the offshore industry since the late 1960s. For nearly 60 years Barry Beach has served as the main supply depot for Esso to support Bass Strait offshore operations. In 2023 over 20,000 tonnes of supplies were delivered to our platforms across about 85 voyages. At the same time the terminal has played a key role in supporting nearly \$3 billion of decommissioning activity we have completed in recent years as we prepare our offshore facilities for removal. In fact we have already brought in over 10,000 tonnes of steel and concrete to Barry Beach, which has gone on to be recycled. Most of our offshore facilities were fabricated at Barry Beach through the 60s, 70s and 80s, and it is great to see this location continue to be utilised for decommissioning and recycling, providing a full cradle-to-grave story that reinforces the capabilities of the Gippsland region.

We assessed a range of ports for which had the best capability to continue supporting our decommissioning activities and determined Barry Beach has the best combination of proximity to field, sheltered transportation for the structures, lay-down space available and proximity to the required workforce in Gippsland. We have navigated a complex regulatory pathway to obtain all the necessary approvals from Commonwealth and state regulators so that we can start preparing Barry Beach to be our onshore reception centre. These regulatory approvals were critical to enabling the Campaign 1 project, and with these approvals in hand we recently commenced works to prepare Barry Beach for the decommissioning work ahead.

I will show now an animation from our other contractor, a key contractor that we brought on to do our dismantling works. We have contracted with CMA Contracting, who are a Gippsland-based contractor and recently did the Hazelwood power decommissioning works. They will be coming on board to support us with this phase of the work. What you can see here – and I have just frozen the animation – is that the green line that

you can see around here is the perimeter of what we are calling the onshore reception centre. That is the location where all the structures will come into. It is within the existing Barry Beach site, so that is all well contained within what is existing at the location.

Zooming in, what we will be doing is establishing office space here for the workforce that we will bring in to do this work, and we will be installing a water treatment facility so that all water that is coming off the site will go through that water treatment facility to ensure there are absolutely no contaminants getting into the Ramsar wetlands. As part of our preparation works, and I know there has been quite a lot of interest in hazardous waste, once we get the structures to shore we will go through a series of removing all the hazardous waste before we start the full demolition process, and that will all be handled in compliance with all of the regulatory requirements for those hazardous wastes, such as asbestos and NORM. Once we have done that, then we will bring the structures to ground, and this will be done on an impermeable membrane. Part of our preparation works are to install an impermeable membrane so that any liquids that may come out of the facilities or any run-off from rain during the process will be captured and will go through that wastewater treatment plant that I mentioned before.

The basis for this and the design of our layout for Barry Beach and setting it up for this work is what we would see as the gold standard, which is Norwegian yards that have done similar work. We are modelling our structure and set-up for Barry Beach along the same lines, including the impermeable membrane and the water treatment facilities. The jackets, as you see there, are a little more straightforward. They are just carbon steel and concrete structures, so they will be brought to ground as well and then cut up for sending off for recycling.

Just before I wrap up I want to share this very high-level timeline of our decommissioning plans. As you can see in the upper left, we are currently heavily focused on our campaign 1 project, which we just walked through. We will remove the campaign 1 platforms in late 2027, which you can see there in the green box, and progress with approximately three years of dismantling and recycling at Barry Beach, whilst in parallel we are planning for future campaigns as other assets progressively reach the end of their productive lives.

As you can see, our decommissioning is a complex, multiyear set of projects, and I hope today I gave you a taste of the very robust and complex regulatory regime that is in place to hold us to account on our commitment to responsible decommissioning. We anticipate there will be more than 700 jobs created to support our decommissioning activities over this time. This is in addition to the over 1000 jobs supporting our ongoing supply of Gippsland gas from our remaining facilities until they too come to be decommissioned sometime in the next decade. As I shared earlier, decommissioning is a complex activity, but I hope that this information has provided you with a helpful overview of the careful planning and preparation and the robust regulatory regime that are supporting our efforts. Thank you for your time.

The CHAIR: Thank you, Richard. We will start with some questions. You mentioned at the start of the presentation the nature of the joint venture with Woodside and that there is a process of transition, subject to regulatory approval occurring, that will transfer the operations solely into Woodside's domain. Is that correct? Is my understanding from what you told us correct?

Richard PERRY: Not quite, Ryan. The current joint venture is a 50–50 joint venture between ExxonMobil and Woodside with Exxon as the operator, and so this transition is just a transition of operatorship. ExxonMobil will retain 50 per cent and Woodside will also retain 50 per cent, but Woodside will operate it, as opposed to ExxonMobil.

The CHAIR: Is ExxonMobil going to operate the decommissioning process? I suppose that is the nub of my question.

Richard PERRY: No, the decommissioning project execution will transfer to Woodside as the operator. However, ExxonMobil will retain its 50 per cent stake in all of that activity. The projects to date have been fully aligned between both shareholders, and they will continue to be so. ExxonMobil will still be here and will still maintain its 50 per cent interest.

The CHAIR: The presentation, the plans and the walkthroughs that you have given us – how much of that will be continued by Woodside as the new operator of the project?

Richard PERRY: Our expectation would be that that is maintained throughout. As I mentioned, Woodside are our existing partner, and they are fully aligned in lockstep with all of our plans for future outlook for gas as well as for decommissioning. The expectation would be that that would be continued. They are certainly fully aligned and committed to all of the contracts we have in place to do all our decommissioning work.

The CHAIR: When you say ‘expectation’ – it is an interesting word. Does it involve obligation? Does it involve regulatory requirements? Is everything going to be the same as is being presented to us today in terms of the contracts process, regulatory requirements, obligations post transfer?

Richard PERRY: The answer to that is yes. All of the obligations with regard to this topic and decommissioning will be the same as they are today. The obligations are to the joint venture, which is maintained.

The CHAIR: Is ExxonMobil engaged in decommissioning processes elsewhere in the world?

Richard PERRY: Absolutely. We have done numerous decommissioning projects in various parts of the world, and we recently completed a project with seven platforms in Canada, in Nova Scotia, which is quite similar to this process. We are also currently executing projects in the Gulf of Mexico as well as in the North Sea. We have quite a lot of experience with doing decommissioning like this. We also have a centre of excellence within ExxonMobil that works specifically around how we do decommissioning and make sure there is consistency in our approach and how we do it. We will maintain, back to your other question, access to that through the ongoing joint venture. Even though it will be Woodside, we will still have access to all of that expertise.

The CHAIR: What are the key lessons that you think you can take from those recent and comparable decommissioning projects that would apply here, particularly the key risks that you identified through those projects and the mitigations you are putting in place in this project of those risks?

Richard PERRY: I think one of the biggest ones that we learned – and we spent a lot of time in our planning process – for campaign 1 was getting the right expertise in to execute the work. As I mentioned, we have contracted with Allseas, who are what we would regard to be, if not the best, one of the best in the business to do this type of work and very experienced in what they do. That has been a lesson learned across industry: to potentially try to do this with less experienced contractors, given this is a growing area of the industry, has maybe not gone as well as planned, so we have made sure that we have got premier contractors on this to make sure that we get this done in the safest and most environmentally efficient way.

The CHAIR: That is my time. Mr Ettershank.

David ETTERS HANK: Thank you, Chair. Thank you, Richard. You certainly win the prize for most dramatic animations of any of the presentations I have seen. Could I ask you just in terms of trying to understand the transaction with Woodside, which I think was where the Chair was going as well: do you retain all of the ongoing operational obligations and risks associated with decommissioning and ensuring that there is no future pollution, or has Woodside bought into 50 per cent of that risk and obligation?

Richard PERRY: Woodside currently has bought into 50 per cent of the risk, as they are 50 per cent operator, so that would be maintained just with ExxonMobil being the non-operator and Woodside as the operator. All those obligations, specifically around decommissioning obligations, are equally shared. That is exactly the same after this transition.

David ETTERS HANK: We have been given the impression that your obligation – your duty of care, if you like – does not have a use-by date. I am just trying to understand: why would Woodside buy into half of that obligation, given it could be pretty risk associated?

Richard PERRY: Again, I think you are going to talk to Woodside next, and maybe it is a question best posed to them. However, they already carry 50 per cent of the risk, in the way you are putting it, so I do not think there is any change in the risk profile.

David ETTERS HANK: Okay. But they have bought into all of these old wells that are going to be decommissioned, as well as a couple of new ones in Gippsland. Is that right?

Richard PERRY: They are already 50 per cent owner of all of the assets, and they will maintain their 50 per cent ownership of all of the assets, as will ExxonMobil.

David ETTERS HANK: Okay. All right. Thank you. In terms of the process that you will be employing, that is premised upon effectively taking the tops off and cutting a certain level of metres below the water, and basically you just seal it at that point. Is that correct?

Richard PERRY: Are you referring to the platforms themselves?

David ETTERS HANK: Yes, getting rid of that. You have got your rig on the top, you have got your stands and then obviously you have got a network of pipes.

Richard PERRY: Yes, that is right. The platforms themselves, the ones that you saw in the animation – we are taking out 12 of those, or 12 structures, as part of this first campaign. Each one will have each topside or upper section above water removed, and then we will cut the lower section and remove it. Those structures are piled. There are nails, for want of a better word, driven down into the seabed some 80 metres, so we will not be planning to take all of that out. We will need to cut them off at a height, and that is where there is some debate as to where the height is. From a safety-of-navigation perspective, the International Maritime Organization requires at least 55 metres of clear water. So from mean sea level down you cannot have any structures that are shallower than that depth, so that is our minimum cut-off depth. Then we are working through what the best location is to cut each one of those off to make sure we have got the safest execution method.

David ETTERS HANK: Okay. So then the actual pipeline – the pipes that are associated with that are also cut off at the same level? Or do you take them down to the seabed?

Richard PERRY: We take the pipelines down to seabed. Part of our preparation work is we clean all the pipelines. We send down what are called ‘pigs’ in the industry. What it is is effectively steel wool that we run down through the pipe to scrape the inside of the pipe, and we send all of that through to Longford, where it can be processed. Then the pipelines are effectively freed of hydrocarbon within them. Then once we are ready to remove the structures, we cut them off at the seabed and leave them full of sea water.

David ETTERS HANK: Do you do that cleaning the length of the pipeline to Longford, or is it just in the area of the decommissioning?

Richard PERRY: As I am sure you can appreciate, it is a network – a bit like a spider web. There is a very detailed sequence of cleaning each of these pipes into a hub. And then eventually, once we have got all of those branches cleaned, we do clean the trunk lines back to shore. So at the end of the day, all of the pipelines will be completely cleaned.

David ETTERS HANK: Thank you. And could you just tell me what sort of tonnage we are talking about? Based on your current proposal or that 55 metres below, what sort of tonnage of carbon steel are we talking about coming ashore, and where is it going to be recycled?

Richard PERRY: It is about 60,000 tonnes of steel. We will be breaking that down, and then it will be sent off for recycling from Barry Beach. Our preference would be to do it in Australia, and we are working with the Australian Steel Institute to understand the capability of the various locations to take that that are available in Australia.

David ETTERS HANK: Thank you very much.

The CHAIR: All right. Thank you. Ms Bath.

Melina BATH: Thank you, Mr Perry. Three hundred thousand stakeholder interactions – you deal with the South Gippsland Shire Council, and you have got 70-plus community groups and charities that you have assisted in terms of benefits. I am very interested that consultation is a two-way street, so I am interested in that consultation involvement. Has there been feedback? When there is feedback, how does Exxon take that on board? Can you give us an example – you may need to take it on notice – about the changes to either your plan or proposal or, you know, something of that nature? How has the interaction net-benefited the region?

Richard PERRY: I certainly do not need to take it on notice, Melina. We are heavily engaged with these processes, and we have adjusted our plans on a number of occasions as to how we are going to do the work. A very good example is, for those who may have spotted it in the animation, when the jackets, these steel structures underwater, are brought in, in the animation it shows them being across the barge, so with the ends hanging overboard. We have had feedback from your constituents around Corner Inlet that there is some concern about marine growths dropping off into the water. We have adjusted our plans, and we are now employing what are called heavy transport vessels, which have a wider deck and enable us then to bring in those structures transversely, so basically all on the back deck, and minimise that risk that we had feedback was a real concern for people in that area.

Another example, just very briefly, is we had looked at just bringing in the structures the same as they went out, so skidding them in or sliding them in. We have changed now to using those self-propelled modular transporters, the little moon buggies you saw in the animation. The intent of those is to enable us more manoeuvrability, so again, a more complex and probably not the lowest cost solution, but it enables us to get around regrowth of native vegetation, which therefore we do not have to remove. That was causing some significant concern for, again, people around your constituency with regard to birdlife and native fauna.

Melina BATH: At Barry Beach marine terminal onsite.

Richard PERRY: Correct.

Melina BATH: You mentioned that you have decommissioned projects in Canada and the North Sea et cetera and that you are meeting high standards. Is there – take it on notice if you need to – independent verification that you are meeting high standards? Is there any assessment of those standards by another body or a university or something?

Richard PERRY: It may be a question for NOPSEMA when you do speak to them. There is an international consultation group or body that NOPSEMA work with and some of the other regulators work with to do just that, to assess how decommissioning is being done in other jurisdictions to ensure that they are holding titleholders like ourselves to account to doing what is best industry practice. That would be what I would say would be the measure. When we have done this work in other locations those regulators are sharing how that is being done, and it continues to raise the bar in this area with the regulatory bodies. Then they oversee all of the work we are doing, and we do not proceed without their agreement.

Melina BATH: Thank you. I have another set of questions. You mentioned CMA. CMA certainly were magnificent, I would say, in the decommissioning of Hazelwood and the removal of the stacks in what could be described as art in a decommissioning sense, in my opinion and looking at it live. What were some of the decisions that made you choose them? One was on land. Why do you feel that CMA is a good fit? Including Gippsland jobs – but why were they a good fit for your unpacking on land, your disassembling on land?

Richard PERRY: I think, just as you have said, we watched with interest the Hazelwood process, and we are very impressed with CMA, or the Delta Group – they are part of the Delta group – and their capability. We did quite an extensive assessment of different options for people or contractors who could come and do this work. There are no Australian dismantling contractors who have done dismantling of platforms in this way here, so we are pioneering in that space. We specifically selected CMA on the basis that they are a local contractor, and we have since worked with them. We have all been over to Norway and the UK to spend time with dismantling contractors there to learn together exactly how this is done well in those jurisdictions and how they can input to make sure that they are going to do this in the safest way.

Melina BATH: Thank you. I have got more questions, but my time is up.

The CHAIR: Thank you, Ms Bath. Mr McIntosh.

Tom McINTOSH: Thank you. I want to start off on recycling of product. What is Exxon's view on the scrap metal being sent overseas, being used in Victoria, in Australia, its commercial reuse and the current frameworks we have got in Australia to support that?

Richard PERRY: I would say, as I mentioned before, certainly our preference and the case to beat is going to be to do it locally. It makes sense to do that. We are some years away from having steel to recycle at scale, so

we will continue to watch that market. And as I mentioned, we are working with the Australian Steel Institute around assessing where the capabilities lie to manage our particular steel that we are going to have. It is very heavy walled and quite a lot of power is required to manage what we will have. So that is probably our outlook on it. We will continue to monitor with the objective of trying to identify an Australian mill that this could go to. We are actually doing decommissioning in Altona, as you may know, at the moment, and we have sent about 1500 tonnes of steel from Altona recently to the Laverton facility; we also have another 40,000 tonnes that we will be processing at Altona over the coming years as well – so cumulatively quite a lot of steel to recycle. And just back on CMA, that was Hazelwood. Hazelwood was about 100,000 tonnes of steel as well, so they are well experienced with recycling and doing it in Australia.

Tom McINTOSH: When you say we are some years away, you mean just because of where we are at on the decommissioning timeframe as far as we are some years away from the steel reaching the recycling market? Is that what you meant?

Richard PERRY: Yes, that is right. We will bring all these structures in. In late 2027 we would start the dismantling process. But the start of that is to do the soft stripping, so that is to remove the hazardous waste from the walls.

Tom McINTOSH: Yes, that is fine. So it is just the timeframe of the program of work?

Richard PERRY: Yes.

Tom McINTOSH: So what are your options as to where that steel goes at the moment?

Richard PERRY: As I said, we are looking at –

Tom McINTOSH: Or in the future?

Richard PERRY: Laverton is certainly an option, and that would probably be the ideal case. But as I mentioned, we are working with the Australian Steel Institute to understand where the options are, and then we can start to work with each of those as we get closer to the time and see what their availability is to take our steel.

Tom McINTOSH: To bring it back to, say, percentages rather than tonnes, out of Altona, I think you said 1500 tonnes, maybe another 40,000 over time, go to Laverton. The percentage of your steel: where is it currently going? Is it all staying in Australia or is some going offshore?

Richard PERRY: Just to clarify, the 1500 tonnes has gone to Laverton to date. We still have another 40,000 to come out of Altona, and we will have another 60,000 to come from Barry Beach. We have not decided yet exactly where that is going to go. As I mentioned, we need to work through with the Australian Steel Institute where this can go based on the timeframes we have got and their capabilities.

Tom McINTOSH: As part of those considerations, does that include offshore or you would be looking at where it can go within Australia?

Richard PERRY: The preference is certainly Australia. Offshore may be an option, but it would not be our preference.

Tom McINTOSH: Do you think Victoria has an opportunity to become a metal and steel recycler for projects around Australia? I know from when we previously have heard from you guys there are a lot of projects up off Western Australia and whatnot. What are your views on that?

Richard PERRY: It is probably a little bit outside of my area of expertise. However, I do know that some of the other operators have sent material to Laverton to be recycled. So as the industry develops, I think there is opportunity for recycling for mills in Australia for sure.

Tom McINTOSH: Have Esso done any work around the economic benefits either to yourselves in disposing of that material to a recycler as opposed to shipping it offshore or any of the economic benefits to jobs and perhaps any of the environmental or emission-reduction benefits of keeping that product here in

Australia or even some of the – I am sure it is outside of your scope, but I am interested also in the potential, maybe national security is not the right word, but ensuring we have got resources here for our nation.

Richard PERRY: It is not something we have worked out in detail yet, because it is somewhat down the track, but it is another one of the reasons we brought in CMA. We will work closely with them to determine exactly where our steel does go, collectively, to bring in their expertise over the coming years.

Tom McINTOSH: Just to close, would it be your preferred outcome that that steel is recycled here in Australia?

Richard PERRY: That would be the preference.

Tom McINTOSH: Okay. Thank you. Thanks, Chair.

The CHAIR: Thank you. Dr Mansfield.

Sarah MANSFIELD: Thank you for appearing. Apart from the platforms, will all of your infrastructure in the Bass Strait, including all the pipelines, be removed?

Richard PERRY: We are working through what the best environmental outcome is at the moment for the other assets. The focus at the moment is on the structures and bringing those in and recycling those. I think the challenge around the lower sections of the jackets, as well as the pipelines, is determining what is the best outcome for the environment. As I mentioned, the piles for the jackets go down quite deep into the seabed. A number of our pipelines similarly are buried, so we need to work through – and that is what we are going through at the moment – doing some assessments around what the environmental impact of removal is versus the benefit of bringing it into shore.

Sarah MANSFIELD: Is cost a consideration in that decision-making?

Richard PERRY: Cost is a consideration, but it is not the primary one. The primary one is the environmental impact of removing these structures and having to dredge up the seabed to take them out.

Sarah MANSFIELD: In 1989 – I appreciate that is a while ago – Esso published a research paper on decommissioning in the Bass Strait in the APPEA journal, and that paper promoted partial removal as a cheaper option. Its conclusion was that full removal to shore is an environmentally sound option that is in excess of AEMO requirements but cannot be justified in economic terms. Is that still the approach that Exxon has – looking for ways to reduce costs and liabilities rather than prioritising environment and other requirements?

Richard PERRY: I cannot speak to that particular paper, but I would say certainly today the approach we take is to look on a case-by-case basis at each pipeline and each structure to determine what the right outcome is. We also then have to work closely with the relevant regulators, so in this case it is NOPSEMA and DCCEEW. In the event that there is not agreement to leaving something in situ, we are fully committed to removing it in its entirety.

Sarah MANSFIELD: Have you got modelling on the differential costs of the different extent of removal?

Richard PERRY: We do not have modelling for it, so it depends on how you go about removing it and it depends on how you do the campaign work as to what this may cost. We are looking at that at the moment for the jacket bases. We are committing, as I mentioned, to removing those if it is not agreed with the regulators that they could be left in situ, given the environmental benefit that we may see. Therefore, we are starting to work through that process, but it does depend very heavily on what vessel you bring in to do the work and then other work you might be able to couple up with doing that.

Sarah MANSFIELD: Okay. If there has not been any modelling, does that mean that then there is no sense of the overall potential cost of decommissioning works depending on the different options that you might take?

Richard PERRY: Well, I think there are various metrics and norms, so similar to the work that Xodus have just done for DISR. They have used similar metrics and norms to put together ‘This is what we think it may cost for the entire industry in Australia.’ So there are metrics –

Sarah MANSFIELD: Sorry to interrupt; I am just short on time. Surely you have costed this out. This is a potentially quite significant ongoing liability. Esso still has a 50 per cent interest in the costs of this decommissioning work. Surely you have a sense of the potential extent of that liability.

Richard PERRY: I think we have a feel for the extent. However, the pipelines in the full removal scenario would be done at the cessation of gas production, so it is some 10 years away. By the time we come to doing that, we will have different technologies and different ways to remove pipelines. It is not something that we have got a great lot of detail on, but we are fully committed to doing the full removal in the event that that is required by the regulator.

Sarah MANSFIELD: Have you put aside any funding to support that decommissioning work?

Richard PERRY: We will have sufficient funding to do all the decommissioning work.

Sarah MANSFIELD: Exxon has a patchy history when it comes to environmental and workplace violations that have occurred during its operations in the Bass Strait over the past 50 years and particularly in the last decade. We know that during the current decommissioning works there have been a couple of incidents. We have had the condensate spill at the West Kingfish platform in April 2024, and then another spill, an oil spill, in September 2024. Obviously – and I know you have presented this – decommissioning is very environmentally sensitive and difficult work. It is dangerous work as well. There is no real return on investment for companies doing this. How can communities have confidence in your ability to undertake this work safely both from a workplace safety and also environmental safety perspective?

Richard PERRY: Sarah, you are right. We have had some incidents. We strive for perfection offshore, and there have been disappointing times when we have had some incidents in the past. We thoroughly investigate those, in conjunction with the regulator, to ensure we learn from those and make sure they will not happen again. I can confirm that we will be bringing in, as I said, world-class contractors to do this work, and we will ensure this is done in the most environmentally and safe way.

Sarah MANSFIELD: Thank you. That is my time.

The CHAIR: Ms Lovell.

Wendy LOVELL: Thanks. I have just got one question, and then I am going to cede my time to Ms Bath. I am just wondering – you talk about perhaps leaving some of the lower jacket in situ and some of the pipelines in situ. Will you retain responsibility for that infrastructure if there is a failure later on and it does need to be removed, or do you see yourselves walking away at that point from any responsibility?

Richard PERRY: Wendy, the legislation is very clear that there is trailing liability for all of the facilities. Regardless of that, we will make sure that we meet all of our obligations and we do our decommissioning in full compliance with the regulators. Once we have completed that, we will relinquish title, and they need to approve that, that they are satisfied we have done our work. In the event, though, that something does come up at a later date, they can call us back to do anything, to do remediation work, and that trailing liability is in place today.

Wendy LOVELL: Thank you. Melina.

Melina BATH: Thank you. Thanks, Chair. Thanks, Wendy. Look, again, I am just going back to the local community. When we were down at Leongatha we spoke to a number of groups there, one of them being the South Gippsland Shire Council, about the need for adequate infrastructure for housing and roads and the like. In a sense this may sit outside your remit, but what work has Exxon done to forward plan the workforce that is coming there and any infrastructure or requirements in terms of housing? How have you engaged in that process?

Richard PERRY: As I mentioned, Melina, we have spent a lot of time down in that area engaging with both council and with your constituents down there to understand what some of the challenges are with regard to both roads and accommodation. Another one of the reasons that CMA was chosen is that of the 60 to 80 jobs we are expecting to be there for some three years, we are expecting the vast majority of them to be local workforce. So we are not expecting from an accommodation standpoint to have a significant impact. We

certainly plan to use a lot of the hotels and facilities down there, particularly during the load-in activity, which goes on for about three months in the back end of next year. But beyond that, for the longer term employment we are expecting that to come from predominantly local workforce.

Melina BATH: Thank you. In terms of housing, you have engaged with South Gippsland Shire Council. We are recommending to state government, or we are going to. Is there something that we need to be doing in that space as a committee?

Richard PERRY: I did hear the council's discussion with you when you talked to them down at Leongatha. Again, from our perspective I think the vast majority of the work will be local, so we do not see a significant impact for the decommissioning campaign. I do fully understand from the council their concern around if you are doubling that down with the wind maintenance work, which could significantly amplify the accommodation requirements. We will continue to work with the council to make sure that we are clear on when that is, and hopefully it will dovetail in quite well, assuming offshore wind goes ahead with our activities.

Melina BATH: Yes, thank you. It can be a positive, in my opinion, not a negative, but there needs to be that planning. Can I ask you, in relation to contingencies and cost overruns – it will be Exxon and then Woodside – from Exxon's point of view, what about if there are unforeseen environmental impacts? I guess for the long-term ramifications when you have not quite got the costs nailed down – and I can understand your comment to Ms Mansfield – what about contingencies? How do you deal with those so that your legacy is sound?

Richard PERRY: In our planning for decommissioning, as mentioned there in my presentation, it is a very long stage process. We have efficient and more than adequate funds to make sure we cover off on doing the work at the right time. Woodside is the same. We are going to maintain that 50 per cent relationship all the way through. There is absolute commitment from both companies – and on this part I can speak on behalf of Woodside – to be committed to doing this work, because they already are, as are ExxonMobil.

Melina BATH: Thank you.

The CHAIR: Ms Watt.

Sheena WATT: Hello. Thank you so much for joining us, Mr Perry. I just had a question that goes to one of our earlier witnesses Dr Cresswell. It was about naturally occurring radioactive materials and mercury. Can you talk to me a little bit about your detection systems and safety measures in place around those two considerably dangerous materials that may be found in the course of your decommissioning work?

Richard PERRY: Yes, certainly. We do have a very thorough inventory of where we do and do not have hazardous waste, and this is not just NORM, mercury – it is even things like batteries, asbestos and things like that. We have a thorough inventory for all of the platforms and what we have. Another benefit to having Allseas come and do this work is a single lift, so that means we do not disturb any of that when we bring it through Corner Inlet and onto Barry Beach. Once it is all safely there, then we go through a process of stripping out those hazardous materials, so that is all done under the EPA requirements and in full consultation with all the relevant regulators to remove all of that and then appropriately manage it and deal with the right disposal pathways.

Sheena WATT: 'Disposal pathways' – by that you mean finding a waste management company that will take it on? We are talking about radioactive waste, for example. Where is it going according to your systems in place?

Richard PERRY: Barry Beach today has a licence for NORM.

Sheena WATT: Yes.

Richard PERRY: So when we have that, we bring it to shore and then we manage it through our NORM processing processes, and we will do the same when we bring in a larger volume, then you take all the piping out. Specifically for NORM, if it tests to have it, you take it out, and then we process it so it ends up we clean off the scale, because the NORM is in the scale within the urea of the pipes. Then that gets put into the right containers that are managed per the radiation guidelines, and then it will be taken off to disposal locations, which likely will be WA. That is where we have our national nuclear disposal location.

Sheena WATT: Okay. That is kind of essentially what I was looking for. The next question I wanted to go to was to understand your relationship with traditional owners and your consultation processes around traditional owners. As Ms Bath said earlier, consultation does form a big part of what you do, so I am interested particularly in your traditional owner engagement. If you could talk to that, that would be very good for me.

Richard PERRY: Sure. We have got a very good relationship, a long-term relationship, with GLAWAC, which is our representative.

Sheena WATT: I am familiar with them.

Richard PERRY: You are familiar. We meet with them on a very frequent basis, a monthly basis, and we talk through all of our activities and consult on all the work we are doing, not just decommissioning but more broadly.

Sheena WATT: Are there any benefits that flow as a result of that partnership, or is it all consultation only?

Richard PERRY: We are working with them at the moment around how they may be engaged more broadly with our projects, particularly the decommissioning project. We also talk to them about some of the community programs that we are looking at – seagrass opportunities in Corner Inlet is one we are looking at – and they are heavily engaged with us on that opportunity to go out and replant seagrass.

Sheena WATT: Are there jobs opportunities that are part of your discussions? Or are we looking at third parties to grow some grass?

Richard PERRY: We certainly expect so. We have particular roles that we need. An area they are particularly interested in is our cetaceans, so our whales. We will need marine mammal observers to come out for all of these vessels and do these activities. That is certainly an opportunity we are looking at with them as to bringing them on to help us with that program.

Sheena WATT: I understand that there would be significant First Nations engagement with respect to your Nova Scotia project, knowing and being familiar with some of the rights that Indigenous people in Canada hold. I am interested to see if that similarly high standard is being applied here, or is it a new way of doing here in Victoria?

Richard PERRY: I cannot speak directly to the Indigenous engagement, particularly for that Nova Scotia project, so I cannot comment on the differences between our scope. I do certainly know, having worked in St John's in Newfoundland, there is a heavy engagement with Indigenous groups there. Similarly, we had many of them on construction sites doing work with us. I do think there are opportunities to do similar here.

Sheena WATT: Is that an expectation that has been conveyed by the traditional owner group that you are working with?

Richard PERRY: It has certainly been an area of interest. Our country manager met with their CEO just a couple of weeks ago to talk through some more of these specifics around areas that we can work better together.

Sheena WATT: Wonderful. Thank you. That is all for my time, Chair.

The CHAIR: Thanks, Ms Watt. Mr Perry, thanks so much for your appearance today and your assistance with this inquiry, not only now but also on our recent visit down to the Barry Beach terminal and the briefings we have received. It has been very informative, and we appreciate the time that you and your colleagues have taken with the committee. You will be provided with a draft copy of the transcript to review in the coming week.

With that, the committee will take a short break.

Witness withdrew.