

Wilderness Society Submission: Victorian Parliament Inquiry into Decommissioning Oil and Gas Infrastructure

7 November 2025

Introduction

The Wilderness Society is an independent, community-based, not-for-profit environmental advocacy organisation. Our vision is to transform Australia into a society that protects, respects and connects with the natural world that sustains us. We are committed to protecting, promoting and restoring wilderness across the continent for the survival and ongoing evolution of life on Earth. From community activism to national campaigns, we seek to give nature a voice to support the life that supports us all. We are powered by more than 150,000 supporters from all walks of life.

The Wilderness Society has a strong interest in marine conservation and a history of advocating for offshore oil and gas decommissioning in Australia. The Wilderness Society is seeking that oil and gas companies be held accountable for the delivery of timely and complete decommissioning and remediation to protect the marine environment.

The Wilderness Society welcomes the opportunity to make the following submission to the Victorian Parliament's important inquiry into Decommissioning Oil and Gas Infrastructure. The focus of this submission is offshore oil and gas infrastructure decommissioning. The Wilderness Society endorses the comments of Environment Victoria in relation to onshore infrastructure decommissioning.

This submission includes the following sections which are relevant to the terms of reference for this inquiry:

1. The track record of oil and gas companies in dodging and delaying clean up
2. The clean up task for Victoria's oil and gas industry
3. Environmental risks and impacts from oil and gas infrastructure
4. Recommendations to ensure oil and gas companies operating in Victoria are accountable for clean up
5. Opportunities associated with oil and gas clean up.

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1. The track record of oil and gas companies in dodging and delaying clean up

Oil and gas companies operate in a profit-driven financial context where clean up is high cost, yet doesn't generate a profit. This creates a financial incentive for oil and gas companies to minimise or avoid financial expenditure towards clean up activities. Given this, it's little surprise that oil and gas companies have a pattern of avoiding clean up and remediation. Prominent global examples are documented in Table 1, and Australian examples are documented in Table 2. These examples demonstrate the critical role of effective laws and regulations to ensure that oil and gas companies deliver on their responsibility to clean up and remediate the environment following the conclusion of operations. Recommendations for law reform and effective regulation are described in Section 4.

Table 1 - Global examples of oil and gas industry clean up failures

Tui Offshore Oilfield (New Zealand) 2019 - When Tamarind Taranaki entered into voluntary administration in late 2019, the company immediately defaulted on its multi-million-dollar well plugging and decommissioning obligations. This corporate collapse transferred the massive responsibility for the environmental cleanup—including the abandonment of the wells and removal of the production vessel—directly to the New Zealand government. The consequence was an estimated cost of nearly \$614 million, which fell immediately onto the taxpayer. This example exposed that the existing regulatory framework in New Zealand was inadequate, lacking sufficient security mechanisms to cover the full decommissioning cost.

Brae Oilfield Decommissioning (UK) 2020 - The core issue arose when RockRose UKCS8 LLC was sold for just £0.75 (a share sale) to Fujairah International Oil and Gas Corporation. This transaction bypassed the need for regulator consent, after which Fujairah subsequently defaulted on its share of the estimated \$1.8 billion decommissioning cost. This default placed the entire burden of the environmental cleanup on the non-defaulting joint venture partners, forcing them to cover the substantial shortfall. The exposed vulnerability in the regulatory regime that could ultimately leave taxpayers responsible if all private partners failed. This example highlighted the significant financial risk associated with transferring massive environmental liabilities in the UK's oil and gas sector.

Empire Energy Group Limited's exit from the Appalachian Basin (US) 2024 - Empire successfully divested its US subsidiary, which holds an estimated 2,400 conventional wells across New York and Pennsylvania, to a smaller, existing regional producer. While the sale generated revenue and paid off debt for Empire, the transaction's primary effect was to shift the extensive plugging and abandonment liabilities to the new, less-capitalized private entity. The inherent danger is that if this smaller successor company were to face financial distress or eventual bankruptcy, the enormous backlog of wells requiring closure could become "orphaned." In such a scenario, the responsibility for properly plugging the wells, which are major sources of long-term methane emissions and potential groundwater contamination, would ultimately fall to state regulators and taxpayers, converting a private industry cost into a massive, unfunded public liability for environmental clean up.

Perpetual Energy cut and run (Canada) 2016 - Perpetual transferred many of its money-losing properties, including assets with an estimated \$134 million in environmental liabilities, to the newly formed Sequoia Resources for a nominal \$1. When Sequoia went bankrupt in 2018, the Orphan Well Association (OWA), funded primarily by industry levies, was left to inherit an estimated 1,800 to 2,000 wells and associated infrastructure with a clean up cost of roughly \$200 million, effectively doubling the OWA's existing inventory. The impact is significant: first, the environment suffers from the prolonged existence of aging, unplugged wells that can leak methane and contaminants; and second, the taxpayer ultimately bears the cost, both through the industry's need for government support (such as the federal government's \$1.7 billion commitment in 2020) and the higher levies imposed on solvent industry players. While a 2024 settlement saw Perpetual agree to pay \$30 million to the OWA, this covered only a fraction of the total cleanup bill, underscoring the legal difficulty in holding predecessor companies fully accountable and necessitating stricter new provincial regulations to prevent financially weak buyers from acquiring such colossal, unfunded liabilities in the future.

Table 2 - Australian examples of oil and gas industry clean up avoidance

Northern Endeavour liquidation - Woodside sold the Northern Endeavour, a floating rig, and the Laminaria and Corallina (LamCor) fields associated with it in the Timor Sea, to Northern Oil and Gas Australia (NOGA) for a nominal amount. When NOGA operations were shut down due to safety concerns, the company went into liquidation, and the Australian Government had to take on the clean up operation. While the cost of this operation has been recovered from the offshore oil and gas industry collectively, it will not cover the event of any future similar Incident.

Woodside's Nganhurra riser turret mooring decay - The Nganhurra rising turret mooring (RTM) was a 2,500 tonne structure anchored to the ocean floor 20 kilometres from the World Heritage-listed Ningaloo Marine Park in the oceans off northern Western Australia. After letting the infrastructure degrade to the point of making removal challenging, Woodside proposed to sink the RTM, leaving it on the ocean floor. Woodside also tried to avoid the clean up work by claiming it could become an "artificial reef", despite containing hazardous and harmful chemicals. Ultimately, after a significant environmental campaign and public pressure, Woodside eventually undertook the RTM removal.

ExxonMobil and Woodside's dangerous Bass Strait infrastructure - A joint venture between ExxonMobil subsidiary Esso, and Woodside, is responsible for 10 platforms, three subsea facilities, 16 pipelines and approximately 200 wells that are no longer producing oil and gas. The decrepit state of this infrastructure has resulted in multiple worker safety incidents and seven reported hydrocarbon spills or leaks since 2012. The companies are seeking to abandon the lower sections of eight rigs in the ocean, which is approximately 15,000 tonnes of steel, and have failed to outline plans for the removal of disused pipeline. Esso has been the recipient of a staggering 38 directions or safety notices.

Woodside Griffin field anchor and chain abandonment - Woodside plans to leave eleven anchors (11 tonnes each) and associated 30m chain bridles, five piled foundations and six mid-depth buoy concrete gravity bases in the ocean. This

equipment consists almost entirely of steel and concrete that should be recycled. This infrastructure could and should have been installed in a way that facilitated easy removal.

Chevron rig dumping in West Australian state waters - Chevron plans to convert eight of the nine disused platforms into so-called “artificial reefs.” These rigs comprise approximately 15,000 tonnes of steel that could and should be recycled. Chevron is attempting to pass long-term liability for these rigs to the Western Australian Government. It is unclear whether analysis on long-term environmental impacts of such extensive volumes of infrastructure being left in the marine environment has been undertaken.

Santos Bayu-Undan pipeline delay - Santos is seeking to avoid the removal of the 502 km Bayu-Undan pipeline, either by reusing it through a carbon pollution dumping proposal or with a “decommissioning” option that leaves some or all of the pipeline within Commonwealth waters in the ocean.

2. The clean up task for Victoria’s oil and gas industry

The oceans adjacent to Victoria have been industrialised by the oil and gas industry with more than 20 production platforms, over 2,000 kilometres of pipelines and umbilicals, and more than 400 wells.¹

Significant parts of this infrastructure are no longer in use, including the 13 non-operational platforms in the Bass Strait owned by an ExxonMobil and Woodside joint venture, and the Minerva field infrastructure in the Otway Basin owned by Woodside and Amplitude Energy. Much of this infrastructure ceased operation many years ago and is well overdue for clean up and remediation.

3. Environmental risk and impacts from oil and gas infrastructure

Disused and degrading oil and gas infrastructure presents risks to the marine environment as outlined below.

Late-life infrastructure failures

Aging and poorly maintained oil and gas infrastructure is more likely to fail, causing environmental pollution. For example, in 2024 alone, there were three hydrocarbon spills

¹<https://www.industry.gov.au/publications/australias-offshore-resources-decommissioning-roadmap/understanding-australias-decommissioning-value-chain>

or leaks from ExxonMobil and Woodside's ageing Bass Strait infrastructure. These were a hydrocarbons and "inhibitor water" spill from a ruptured pipeline near the West Kingfish platform in April 2024², a 200 litre hydrocarbons spill in May 2024³, and a 21,000 litre diesel spill⁴ in August 2024.

Further Australian examples of oil and gas infrastructure failures include:

- Woodside's hydrocarbon spill at the Griffin field in Western Australia⁵
- Santos' leaking Legendre wells in the Carnarvon Basin, off the coast of Western Australia⁶
- Santos' methane leakage at 13 locations on the seabed near Santos facilities around Varanus Island off the Pilbara coast⁷
- Leakages at the Chevron operated Barrow Island oil operations⁸
- Leaking methane at Santos' gas storage tank in Darwin.⁹

Delays to the decommissioning of disused aging oil and gas infrastructure make the eventual clean up job more challenging, complex, dangerous, and likely to cause environmental problems. For example, the recent attempt by Woodside to decommission the Minerva field off the coast of Victoria resulted in a major incident, causing hundreds of kilograms of plastic to pollute the marine environment and beaches across western Victoria.¹⁰

Impacts on the marine environment where infrastructure is abandoned

It is common practice for oil and gas companies to seek to abandon disused infrastructure in the marine environment. While companies often argue that this is to preserve "habitat", minimise disturbance, and limit emissions, these are bad faith arguments. The real objective is to save on the costs of removal, recycling, disposal and remediation.

²<https://www.theguardian.com/australia-news/2024/apr/07/investigation-under-way-after-gas-pipeline-off-victorian-coast-ruptures>

³<https://wilderness.org.au/news-events/senate-estimates-reveals-second-spill-in-two-months-at-exxon-mobils-dilapidated-bass-strait-platforms>

⁴<https://www.nopsema.gov.au/sites/default/files/documents/Environmental%20Improvement%20Notice%201952.pdf>

⁵<https://www.abc.net.au/news/2025-05-27/offshore-regulator-investigates-woodside-oil-spill-wa-ningaloo/105342436>

⁶<https://www.watoday.com.au/national/western-australia/santos-wells-have-been-leaking-gas-into-the-ocean-off-wa-for-a-decade-20230612-p5dg0d.html>

⁷<https://www.boilingcold.com.au/gas-is-escaping-near-santos-wells-offshore-varanus-island/>

⁸<https://www.abc.net.au/news/2025-07-15/calls-for-greater-regulation-after-barrow-island-gas-leak/105530062>

⁹<https://www.abc.net.au/news/2025-09-01/methane-leak-darwin-lng-plant-kept-secret-from-public/105692718>

¹⁰<https://www.smh.com.au/environment/conservation/how-parts-of-a-dead-gas-rig-washed-up-on-our-beaches-20250514-p5lz1t.html>

Abandoned oil and gas infrastructure presents the following ongoing risks to the marine environment:

- Contamination from toxic substances, including mercury and radioactive materials that are used in some infrastructure, such as pipelines
- Alterations to marine habitat that may facilitate the movement of invasive species and the crossing of potential habitat, altering native species across natural biogeographic barriers
- Alterations to marine habitat that alter the distribution, behaviour and inter-species interactions of native species
- The interaction between the establishment of so-called novel habitats and increases in environmental contaminants leading to increased bioaccumulation into the food chain.

Naturally Occurring Radioactive Materials, heavy metals and trace metals are groups of contaminants associated with oil and gas structures.¹¹ In addition, sediments and drill cuttings at production sites can be contaminated with residual hydrocarbons (e.g., polycyclic aromatic hydrocarbons (PAH), and other toxic substances¹² that adversely affect marine organisms, as well as products from the degradation of the infrastructure itself (e.g. corroded steel and plastics).¹³

¹¹ Hook, S. E., Foster, S., Althaus, F., Bearham, D., Angel, B. M., Revill, A. T., ... & Hayes, K. R. (2023). The distribution of metal and petroleum-derived contaminants within sediments around oil and gas infrastructure in the Gippsland Basin, Australia. *Marine Pollution Bulletin*, 193, 115196. <https://www.sciencedirect.com/science/article/pii/S0025326X2300629X>

¹² OESEA4 (2022) UK Offshore Energy Strategic Environmental Assessment - OESEA4 Environmental Report. Department for Business, Energy, and Industrial Strategy. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/106167/OESEA4_Environmental_Report.pdf; Adedayo, A. M. (2011). Environmental risk and decommissioning of offshore oil platforms in Nigeria. *NIALS Journal of Environmental Law*, 1, 1-30. <https://nials-nigeria.org/pub/ELJOriginal.pdf>; Breuer, E., Stevenson, A. G., Howe, J. A., Carroll, J., & Shimmield, G. B. (2004). Drill cutting accumulations in the Northern and Central North Sea: a review of environmental interactions and chemical fate. *Marine pollution bulletin*, 48(1-2), 12-25. <https://www.sciencedirect.com/science/article/abs/pii/S0025326X03003989>

¹³ Koppel, D. J., Gissi, F., Oluwoye, I., & Cresswell, T. (2023). Do we know enough to make future-proofed decisions about contaminants when decommissioning offshore oil and gas infrastructure?. *The APPEA Journal*, 63(2), S309-S314. <https://www.publish.csiro.au/AJ/AJ22173>

4. Recommendations to ensure oil and gas companies operating in Victoria are accountable for clean up

Make the existence, ownership, management and decommissioning of oil and gas infrastructure transparent

The vast majority of oil and gas infrastructure offshore of Victoria has been installed in Commonwealth waters (beyond three nautical miles of the coast), meaning it's the regulatory responsibility of the National Offshore Petroleum Safety and Environment Management Authority (NOPSEMA). However, some pipelines and wells have also been installed in state waters closer to shore, making them the responsibility of Victoria's resources regulator.

Right now, Victoria and Australia lack a comprehensive and transparent dataset on oil and gas infrastructure. This is a barrier to its effective regulation, contractors planning for decommissioning activities, and the ability of First Nations people, local communities and environmental organisations to scrutinise the activities of an industry with a track record of causing environmental harm.

Recommendation 1: *That the Victorian Government, in collaboration with the Australian Government Decommissioning Directorate and National Offshore Petroleum Safety and Environment Management Authority (NOPSEMA), develop a publicly available register of oil and gas infrastructure that is updated regularly and includes: infrastructure type, projected oil/gas, ownership, operatorship, cessation of production date and decommissioning date.*

Enforce existing laws that require the removal of disused oil and gas infrastructure

Commonwealth and Victorian law make clear the obligation on oil and gas companies to decommission infrastructure when it is no longer in use. At the Commonwealth level, this obligation is enshrined in the *Offshore Petroleum Greenhouse Gas Storage Act 2006 (Cth)*, section 572. In Victoria, it is required by the *Offshore Petroleum and Greenhouse Gas Storage Act 2010 (Vic)*, section 621.

Despite the clear and long-standing legal obligation on oil and gas companies to remove infrastructure no longer in use, both Commonwealth and Victorian regulators have historically failed to enforce this obligation.

The Northern Endeavour debacle, described in Table 2, was a stark wake-up call to oil and gas regulators around Australia that failure to regulate decommissioning could and would result in companies avoiding clean up costs at the expense of taxpayers and the environment.

The Northern Endeavour and other examples outlined in Table 1 and Table 2 demonstrate why strong and effective regulation of decommissioning is so critical. The negative environmental impacts from delayed decommissioning or attempts to abandon infrastructure in-situ described in Section 3, further demonstrate why enforcement of timely decommissioning must be a high priority regulatory activity.

Recommendation 2: *That the Victorian Government enforce the obligation on companies to remove non-operational oil and gas infrastructure within the state's regulatory responsibility to prevent adverse environmental impacts. Enforcement must require timely removal immediately following cessation of operational activities to reduce the risk of post-operational failures prior to and during decommissioning activities.*

Recommendation 3: *That the Victorian Government enforce full removal of infrastructure and reject bad faith attempts to abandon infrastructure in the marine environment.*

Introduce a bonding regime to ensure oil and gas companies have the financial means to decommission infrastructure in the Victorian jurisdiction

The offshore oil and gas industry profits during the extraction stage, but has costs of clean up and rehabilitation once extraction has ceased. It's common for companies in other sectors, for example mining, to be required to pay an upfront security, such as a rehabilitation bond, to ensure funds exist for these clean up and rehabilitation activities.

It is a legal requirement that the emerging offshore wind industry be required to provide financial assurance for decommissioning activities. It's also a requirement for onshore pipelines in Victoria. However, no such obligation exists for offshore oil and gas infrastructure in Victorian waters.

Recommendation 4: *That the Victorian Government introduce into the Offshore Petroleum and Greenhouse Gas Storage Act 2010 (Vic) a bonding regime for oil and gas companies to ensure funds will be available in the event that a company fails to undertake clean up. Bonds must be paid into a third-party account and must be based on the cost as if the Victorian Government were required to undertake the clean up. Payment of clean up bonds must be a prerequisite for any new approvals. For existing activities, bonds should be collected as soon as possible.*

Introduce trailing liability for offshore oil and gas infrastructure in Victoria

Following the Northern Endeavour debacle, the Commonwealth Government legislated trailing liability as a mechanism to enable clean up costs to be recouped from previous infrastructure owners in the event of the current owner declaring bankruptcy. While this is now in place as a safeguard for infrastructure in Commonwealth waters, Victoria does not have the same safeguard and could be left to bear the cost and responsibility of clean up where the owner goes bankrupt.

The Wilderness Society notes the Victorian Government has recently introduced legislation to introduce trailing liability for onshore mining in Victoria.¹⁴ We would welcome the same in relation to decommissioning of offshore oil and gas infrastructure.

Recommendation 5: *That the Victorian Government introduce into the Offshore Petroleum and Greenhouse Gas Storage Act 2010 (Vic) a trailing liability for offshore oil and gas infrastructure in Victorian state waters to mirror the equivalent Commonwealth Scheme.*

5. Opportunities associated with oil and gas clean up

Workforce development

Establishment of a local Victorian decommissioning industry is an opportunity to support a wide range of local workers, including boilermakers, riggers, crane operators, electricians, marine crews, and recycling workers. The workforce that built and maintained this infrastructure can be part of cleaning it up. Decommissioning can offer training pathways for young apprentices and support the development of local capacity in regions like Gippsland, where Barry Beach Marine Terminal is already equipped to support offshore logistics. The Wilderness Society endorses the submission and recommendations of the Maritime Union of Australia in relation to actions to support decommissioning workforce development.

Steel recycling

Oil and gas infrastructure includes significant volumes of steel. Unfortunately, the cheapest option for companies right now is to send this steel overseas.

¹⁴<https://www.parliament.vic.gov.au/parliamentary-activity/hansard/hansard-details/HANSARD-2145855009-32959#38X1>

Recommendation 6: *That the Victorian Government works with other Australian Governments and the green steel industry to create a pathway for local recycling of steel from oil and gas infrastructure.*

Conclusion

Oil and gas companies have a track record globally and in Australia of avoiding, delaying and minimising clean up activities at the end of operations. This past practice demonstrates the clear need for strong and effective regulation by governments to ensure the environment, communities and taxpayers are not left with the polluting legacy of an industry that has profited and then walked away.

The Wilderness Society welcomes the role this inquiry can play in recommending:

- Strengthened laws to hold oil and gas companies accountable for clean up
- Stronger enforcement of existing laws to ensure companies complete fulsome and timely clean up
- Actions to support the development of a decommissioning industry with workforce and steel recycling opportunities.

- END -