

# Submission to the Victorian Parliamentary Inquiry into Oil and Gas Infrastructure Decommissioning.

Friends of the Earth Melbourne  
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## About Friends of the Earth

Friends of the Earth (FoE) is an international federation of grassroots organisations with chapters across Australia and more than 50,000 active supporters. Our federation includes other well-known grassroots groups, such as School Strike for Climate and Market Forces. Friends of the Earth Melbourne (FoEM) has been campaigning on environmental and social justice issues for over 50 years.

## Introduction

Since the 1960s, hydrocarbon companies have been extracting oil and gas from the Bass Strait<sup>1</sup> with full knowledge that they would be legally required to remove all infrastructure following the cessation of production.<sup>2</sup> Despite this, a permissive regulatory environment has established a culture of delay. More than sixty years after the drilling of the first offshore well in the Gippsland Basin little progress has been made in planning for the clean-up. Regulation of offshore decommissioning is the purview of the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA). However, the Victorian government has responsibility for oversight of the on-shore demolition of rigs, the removal of infrastructure from waters within 3 nautical miles of shore, and the domestic recycling of steel. Additionally, as a member of the Joint Authority, the Victorian Government has influence over whether a title may be surrendered to the National Offshore Title Authority (NOPTA). A requirement of title surrender is complete infrastructure removal and seafloor remediation.<sup>3</sup>

ExxonMobil Australia and Woodside are about to begin the largest single decommissioning campaigns in Australia's history.<sup>4</sup> Twelve oil and gas rigs will be transported from the Gippsland basin to a small marine port in Corner Inlet, surrounded by protected wetlands and adjacent to a marine reserve. There they will be demolished.<sup>5</sup> Regulatory decisions made during this campaign will set precedents for decommissioning around the country. FoEM believes the Victorian Government has an opportunity to demonstrate real leadership by ensuring all infrastructure is removed from the Southern Ocean and supporting the establishment of a safe, clean decommissioning industry with strong environment and labour protections.

This submission will outline FoEM's position on the following:

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<sup>1</sup> ExxonMobil Australia (n.d) [Bass Strait](#) retrieved 05/11/25

<sup>2</sup> Commonwealth of Australia (2006) Offshore Petroleum and Greenhouse Gas Storage Act 2006. Section 572.

<sup>3</sup> NOPSEMA (2025) [Section 270 Consent to Surrender Title](#) - NOPSEMA advice.

<sup>4</sup> Lepic, B. (2024) [Allseas set for largest ever decom campaign in Australian history](#). Splash magazine. Retrieved 05/11/25

<sup>5</sup> ExxonMobil (2024) [Gippsland Basin Decommissioning Information Bulletin June 2024](#). p.4

1. Complete removal of infrastructure.
2. Demolition and recycling of rigs.
3. Worker protections and a just transition.
4. Recommendations.

## Complete Removal of Infrastructure

Friends of the Earth Melbourne urges the Committee to reaffirm the legal and moral expectation that all oil and gas infrastructure must be completely removed from Commonwealth and State waters at the end of its productive life.

This requirement is clearly articulated under section 572 of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth) (OPGGGS Act), which mandates the removal of all property from a title area unless written ministerial consent is given to leave it in place. This expectation reflects obligations under international law and has been known to proponents since the establishment of the Bass Strait fields.<sup>6</sup>

While the legislation requires complete removal of infrastructure, the offshore petroleum decommissioning guidelines suggest alternative end states may be considered if they deliver ‘...equal or better environmental outcomes compared to complete removal...’.<sup>7</sup> This loophole has inspired industry to pursue the argument that abandoned infrastructure provides habitat. The suggestion that abandoned rigs act as “artificial reefs” is not supported by a scientific consensus and the persistence of the argument in industry communications is a case of greenwashing. Research highlights that oil and gas structures contain hazardous materials—such as Naturally Occurring Radioactive Materials (NORM), heavy metals (e.g., mercury, lead, arsenic), and residual hydrocarbons—that accumulate over decades of operation.<sup>8</sup> Long term studies of the ecotoxicological impacts of these substances are impractical; one isotope of radium commonly associated with infrastructure has a half life of 1600 years.<sup>9</sup> Studies also suggest that rigs may pose ongoing environmental and biosecurity risks by, for example, enabling the movement of invasive species.<sup>10</sup>

The precautionary principle is a cornerstone of environmental governance in Australia. It dictates that in situations of scientific uncertainty, primacy should be awarded to environmental protection.<sup>11</sup> Leaving oil and gas infrastructure in situ is inconsistent with this fundamental principle. Immediate and complete removal of retired infrastructure is the only appropriate expectation.

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<sup>6</sup> Department of Industry, Science, Energy and Resources (2022) [Guideline: Offshore petroleum decommissioning](#) p.5

<sup>7</sup> Ibid. Guideline 3.15.

<sup>8</sup> MacIntosh et al. (2022) [Ecotoxicological effects of decommissioning offshore petroleum infrastructure: A systematic review](#). *Critical Reviews in Environmental Science and Technology* 52(18) p.3291-3294

<sup>9</sup> MacIntosh et al. (2022)

<sup>10</sup> McLean et al. (2022) [Influence of offshore oil and gas structures on seascape ecological connectivity](#). *Global Change Biology* 28(11) p.3526

<sup>11</sup> Bruce Lindsay and Emily Giblin (2022) [Briefing Note: The importance of the precautionary principle in environmental and natural resource law](#). *Environmental Justice Australia*.

While the majority of offshore infrastructure is in Commonwealth waters, the Victorian Government has absolute control over the kilometers of pipeline that stretch across the state's territorial seabed.<sup>12</sup> As a member of the Joint Authority the Victorian Minister for Resources also has influence over the final condition of title areas in the Federal jurisdiction.<sup>13</sup> The Joint Authority is the decision maker regarding the surrender of petroleum titles. Complete removal of infrastructure is the base case expectation prior to title surrender and the FoEM urges the Committee to reinforce the expectation that the Victorian Minister for Resources reject any end states that involve in-situ abandonment.

Financing decommissioning is the responsibility of industry. Section 571 of the OPGGS Act states the expectation that a titleholder must at all times maintain financial assurance sufficient to meet all liabilities arising from their petroleum activities.<sup>14</sup> Oil and Gas companies should be expected to pay clean-up bonds that guarantee they have adequate funding available for complete removal.

Victoria can lead by example and refuse any attempt by industry to “dump” infrastructure under the guise of repurposing or reuse. The expectation of complete removal is already law—it now requires political will and enforcement.

## Demolition and Recycling of Rigs

Decommissioning is hazardous industrial work that must be undertaken with full environmental safeguards and independent oversight.

FoEM is concerned that current proposals to demolish Bass Strait rigs at the Barry Beach Marine Terminal—a facility adjacent to the Corner Inlet Ramsar wetlands—do not meet adequate environmental or occupational safety standards.

Rig dismantling involves handling materials contaminated with NORM, PCBs, and hydrocarbons. Without purpose-built containment infrastructure, there is a significant risk of contamination of soil, groundwater, and nearby wetlands. FoEM calls for a purpose-built, licensed hazardous decommissioning facility for onshore rig demolition and real time environmental monitoring for all decommissioning activities.

Regarding materials recovery, Victoria must prohibit the export of decommissioned steel for overseas processing. Studies by the National Waste and Recycling Industry Council show domestic recycling generates three times more economic value and 3.5 times more jobs than export.<sup>15</sup> Recycling steel in Victoria would also cut greenhouse emissions by up to 75 percent compared to new steel production.<sup>16</sup> A moratorium on the export of scrap steel from

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<sup>12</sup> ExxonMobil (2023) [Planning for pipeline decommissioning in Bass Strait](#). p.5

<sup>13</sup> National Offshore Petroleum Titles Administrator (2023) [Surrender of offshore petroleum titles fact sheet](#). p.2

<sup>14</sup> Commonwealth of Australia (2006) Offshore Petroleum and Greenhouse Gas Storage Act 2006. Section 571 (2).

<sup>15</sup> National Waste and Recycling Industry Council (2023) [Economic and Environment Benefits from an Australian Unprocessed Ferrous Scrap Metal Export Ban](#) pp.26-27

<sup>16</sup> Ibid pp. 27-28

decommissioning projects would strengthen Victoria's circular economy and green manufacturing base.

## Worker Protections and a Just Transition

Decommissioning presents a unique opportunity to ensure safe, unionised, and locally led jobs in regional Victoria. Workers who built and maintained this infrastructure should be at the forefront of cleaning it up. These workers should be employed under appropriate industry agreements. Decommissioning jobsites should be organised so workers may enjoy union oversight of safety and labour conditions. Industry should also be expected to provide training and apprenticeship programs for regional and First Nations workers.

A just transition framework should ensure that decommissioning and steel recycling are not outsourced to low-cost overseas contractors, but performed domestically, building a sustainable industry that aligns with Victoria's climate, employment, and regional development goals.

## Recommendations

### **Recommendation 1.**

The Committee advises the Victorian Government to establish a comprehensive and publicly available register of all infrastructure in, or adjacent to, the state of Victoria. This register should include:

- a. Ownership and liability.
- b. Type, age, location and condition.
- c. Waste profile (expected contaminants).
- d. Status and history of regulatory compliance.

### **Recommendation 2.**

The Committee maintains the baseline expectation of complete removal by:

- a. Recommending the Victorian Government use its Joint Authority powers to ensure no title is surrendered until all infrastructure has been removed and the seafloor remediated.
- b. Advising the Victorian Government to enforce the expectation of complete removal for all infrastructure in the State's jurisdiction.

**Recommendation 3.**

The Committee recognise the relationship between decommissioning and circular economy goals and opportunities by:

- a. Preventing the export of any ferrous metal waste and mandating domestic recycling.
- b. Encouraging the establishment of a publicly owned decommissioning hub for rig demolition and recycling and the staging and future demolition of offshore wind projects.

**Recommendation 4.**

The Committee recommends the Victorian Government fully utilise its powers as a Joint Authority member to enforce financial assurances by approving no new title, variation or transfer until the titleholder has lodged a bond with a third party sufficient to cover comprehensive decommissioning including full removal.

**Recommendation 5.**

The Committee advises the Victorian Government to ensure strong workforce protections, qualified workers and a just transition by developing a long-term decommissioning workforce plan that:

- a. Delivering vocational pathways for existing oil and gas workers.
- b. Funding and facilitating training pathways for high-risk decommissioning work.
- c. Establishing inclusion pathways for First Nations workers, women and young people in the developing decommissioning industry.

## Conclusion

The decommissioning of oil and gas infrastructure represents a defining environmental and industrial challenge for Victoria. The companies that profited from decades of extraction must bear full responsibility for cleanup, and the Victorian Government must ensure that this work is done safely, transparently, and in the public interest.

The Committee has a responsibility to protect communities, workers and the environment before the profits of corporations. Victoria now has the opportunity to become a national leader in decommissioning by establishing a vibrant new industry, supporting local jobs, and preventing a toxic offshore legacy for future generations.