

ACTU D.No 28/2022

31 August 2022

NOPSEMA

Attention: Environment Plan Submissions
Level 8, 58 Mounts Bay Rd
Perth WA 6000

Via email: submissions@nopsema.gov.au

To whom it may concern,

Re: Esso Australia Resources Pty Ltd Gippsland Basin Decommissioning Campaign #1 Steel Piled Jackets End State [Environment Plan](#)

Since its formation in 1927, the ACTU has been the peak trade union body in Australia. There is no other national confederation representing unions. For 90 years, the ACTU has played the leading role in advocating in the Fair Work Commission, and its statutory predecessors, for the improvement of employment conditions of employees. It has consulted with governments in the development of almost every legislative measure concerning employment conditions and trade union regulation over that period.

The ACTU consists of affiliated unions and State and regional trades and labour councils. There are currently 43 ACTU affiliates. They have approximately 2 million members who are engaged across a broad spectrum of industries and occupations in the public and private sector.

The ACTU welcomes the opportunity to provide this submission on the Esso Australia Resources Pty Ltd Gippsland Basin Decommissioning Campaign #1 Steel Piled Jackets End State Environment Plan.

The submitted Environment Plan should not be approved for the following reasons:

- Esso must comply with s.572 (2) and (3) of the *Offshore Petroleum and Greenhouse Gas Storage Act* (OPGGGS Act) that requires all property and infrastructure to be properly maintained and then removed when it is no longer used. Esso has not made an adequate case for a deviation from these removal requirements.
- The Environment Plan concentrates on the “end state” and ignores any legislative and regulatory provisions for the electrical safety of workers, platforms, and vessels and also fails to make provision for the disposal of any electrical apparatus (or parts thereof) and materials that will result from the decommissioning process.
- Esso is proposing to cut off the Halibut, Fortescue, Cobia, Mackerel, Kingfish A, Kingfish B, West Kingfish, Flounder steel jackets at 55m below sea level (see p.19, p.136 of the EP). These structures are located at depths of 73-93m (p.22-26 of the EP), meaning that very large structures between 18m and 38m tall would be left on the seafloor to deteriorate

and collapse, in particular:

- a. Esso is also proposing to leave stubs of up to 5m high at the Bream A and Whiting platforms, located in shallower water¹; and
 - b. Esso has also indicated it is considering dumping dismantled materials at sea (p.19 of the EP).
- NOPSEMA must require Esso to re-submit an Environment Plan with the following end state for the 10 Steel Jacket Platforms included in the Plan:
 - a. An improved Option D that cuts the steel jackets flush with the seabed. There is no need for 5 metres of the jacket to be left in place. We are not satisfied that cutting flush with the seafloor requires dredging.
 - b. All dismantled materials to be transferred onshore for proper disposal and recycling in Australia.
 - NOPSEMA should require that the deadline for removal of this disused offshore oil and gas infrastructure be brought forward so that it is complete by 2025. This is essential to allowing necessary new offshore renewable energy infrastructure to be constructed in this area.

No deviation from removal requirements should be allowed

- It is concerning that after making billions in profit from its Bass Strait facilities since 1969, including \$71 billion in the past 7 years alone, that Esso has left facilities disused and poorly maintained since 2008. NOPSEMA had to issue [Direction 871](#) in May 2021 to require Esso to begin to take steps to comply with its obligations for proper maintenance and removal of its Bass Strait infrastructure under the OPGGS Act. NOPSEMA warned that ‘the level of planning and timing proposed for removal is not commensurate with the scale of decommissioning activities required,’ that maintenance of the Perch and Dolphin facilities was not adequate, and that the structural integrity of a number of facilities was uncertain.²
- Deviating from the base case of full removal must only occur if it is impossible to safely remove the oil and gas infrastructure. We are not satisfied that Esso have made this case. Instead they seem to argue that there are environmental benefits to leaving infrastructure in place.
- Oil and gas facilities are essentially approved as temporary structures that must be removed when extraction is complete. Esso’s Bass Strait infrastructure has been in place for approximately 50 years. However Esso are now seeking permission to leave infrastructure in place for up to 1,400 years while it deteriorates. It is impossible for us to predict the risks that could develop and how the use of this sea area will change in this time.
- Once decommissioning, removal, well plugging, and remediation of the seabed are complete, Esso will seek to surrender their petroleum licences and titles back to the Joint Authority, which includes the Victorian and Commonwealth governments (see p.29 and 32 of the EP). Surrendering titles and licences also removes Esso’s responsibility for any future problems. It is essential that all infrastructure is properly and thoroughly removed and secured before titles and licences are surrendered.

¹ See also ExxonMobil, [Evaluating Decommissioning Options](#), p.4.

² NOPSEMA, [General Direction s.572 to Esso Australia and BHP Billiton Petroleum](#), 20 May 2021.

Why infrastructure must not be left in place

- Leaving infrastructure in place would result in significant cost savings for Esso and their partner Woodside. There is no benefit for the workforce or community of leaving this infrastructure to deteriorate in place.
- Almost the whole area covered by this Environment Plan is likely to become a part of the new Gippsland Offshore Electricity Area, set to be declared later in 2022.³ There is an urgent need to clear disused and deteriorating infrastructure so the area can be used to build offshore wind farms to generate electricity urgently needed when coal-fired power stations shut down. NOPSEMA and Esso are planning for the decommissioning and removal work in this EP to start in 2027 (p.18 of the EP, NOPSEMA [Direction 871](#)). This isn't good enough.
- Australia's offshore oil and gas workforce should be employed to use their skills to carry out the work of decommissioning and removal. We are concerned that Esso's preferred option E, leaving 8 of the jackets in place at 55m below the sea's surface, has been chosen to save labour costs for saturation divers, not to mention the further cost of transport and proper disposal of these structures (see p.19, p.136). 5m stubs should not be left behind at the Bream A and Whiting platforms, located in shallower water.⁴
- The infrastructure covered in this EP is located in a 'biogeographic break'. On one side of this break specific ecosystems and species are found that are distinct from those on the other side of the break. The break is caused by the different ocean currents (warm from the East Australian Current and cold from the Southern Ocean) and because of the extensive sand along the coast and seafloor without islands, rocky reefs or other structures. This means that there is only limited connectivity between Wilson's Promontory and far East Gippsland.
 - a. Our concern is that if left in place over approximately the next 1,400 years, the structures could act as stepping stones across the biogeographic break and lead to the invasion of species into ecosystems other side of the boundary where they have never been present before. If this occurred we would expect that there would be a fundamental change in ecological composition and structure of those areas and we would expect this change to then spread laterally around the country unchecked by other barriers.
 - b. The commentary in the EP about the 'novel ecosystem' dwelling on the infrastructure is likely to be a sign that they are already acting as stepping stones (p.343, p.359 of the EP).
 - c. We have not seen any genuine assessment of this risk, either in a likelihood sense or in the potential impact. We believe that the impact would be very significant at a near-continental scale if it was realised. The strengthening of the Eastern Australian current from climate change would increase the chance of this risk.

³ Department of Climate Change, Energy, the Environment and Water, [Offshore renewable energy infrastructure area proposal: Bass Strait off Gippsland](#), August 2022. An interactive map showing offshore oil and gas infrastructure and the renewable energy zone is available [here](#).

⁴ In addition to the EP, this is outlined in ExxonMobil, [Evaluating Decommissioning Options](#), p.4.

Next steps

- Esso has not made public the reports about the supposed environmental benefits of leaving equipment in place. These must be released.
- The highest environmental and safety standards (particularly including electrical safety) should be applied to the processes for disposal and recycling of the dismantled materials.
- We are concerned that Esso is pre-empting the NOPSEMA approval process and the public consultation by already having ‘detailed discussions with DCCEEW’ and progressing permit applications under *the Environment Protection (Sea Dumping) Act 1981* to leave infrastructure in place (p.43 of the EP).
- We are concerned that the [Esso document](#) which NOPSEMA describes on its consultation page as a ‘summary’ of the Environment Plan is misleading and is not an accurate reflection of the Environment Plan and the options Esso is required to consider. NOPSEMA should not be promoting this documents or similar future documents. We are concerned that the inaccurate information in this document will distort the public consultation process.
- There has been some discussion by offshore wind developers of reusing parts of the Bass Strait oil and gas infrastructure for offshore wind projects, including offshore substations. This possibility is mentioned by Esso as ‘Option A’, but they say they will plan for removal ‘until such time as a viable re-use option is identified and plans approved’ (p.59 of the EP).
 - a. We are concerned that such proposals could be used by oil and gas companies to avoid their obligation to properly decommission and remove this infrastructure as per the OPGGS Act. Most of this infrastructure is well beyond its designed life, and has been exposed to a harsh marine environment for over 50 years, and has been identified by the offshore petroleum regulator as being in a poor state of repair.
 - b. New offshore wind projects must use fit for purpose, specifically designed and adequately engineered purpose-built infrastructure.
- Once the end state is determined, close consideration should be given to the safest ways of carrying out the decommissioning and removal work.

We urge NOPSEMA to reject Esso’s proposal to cut the eight deep water structures covered in this EP at 55 meters below sea level, and to leave up to 5m of the two shallower-water structures in place. NOPSEMA must ensure that Esso complies with their obligations to remove all of its disused offshore oil and gas infrastructure, as per the OPGGS Act. Failure to do so amounts to a windfall to Esso at the expense of future jobs and industries.

Leaving infrastructure in place will set a dangerous precedent for the rest of Esso’s decommissioning campaign, and for other Australian decommissioning projects.

Yours sincerely,



Liam O’Brien
Assistant Secretary