# Review of Esso Australia Resources: Gippsland Basin Decommissioning Campaign #1 End State Environment Plan

# Submission from the Maritime Union of Australia

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*National Offshore Petroleum Safety and Environmental Management Authority*

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## Introduction

This submission has been prepared by Maritime Union of Australia (MUA).

The MUA is a division of the 120,000-member Construction, Forestry, Maritime, Mining and Energy Union and an affiliate of the 20-million-member International Transport Workers' Federation (ITF). The MUA plays a leadership role in several tripart discussions where unions represent workers experience and expertise on the offshore oil and gas sector.

The MUA represents approximately 14,000 workers in the stevedoring, shipping, offshore oil and gas, port services and commercial diving sectors of the Australian maritime industry.

MUA members will play a vital role in the process of decommissioning disused oil and gas property around Australia as they work on all propelled vessels in the offshore oil and gas industry in roles such as maritime crew, crane operators and divers.

Our membership will also work in port terminals processing all decommissioned oil and gas infrastructure being transported to recycling yards for disposal. Full removal of offshore equipment is part of a just transition for workers in the oil and gas industry affected by the energy transition.

MUA members will be carrying out a significant amount of the work outlined in this Environment Plan. MUA members are already working for Esso carrying out decommissioning activities on its Bass Strait infrastructure covered in other Environment Plans.

## Summary

As a significant number of MUA members work both onboard vessels and in ports that will carry out decommissioning activities, the union would like to address some matters regarding Esso Resources Australia's campaign 1; environmental plan document number: DC1-EM-ALL-RPPLN-0003.

1. MUA to be consulted as a relevant person
2. The MUA's position on the end state of steel pile jackets
3. Further concerns regarding this Environment Plan

## 1. Relevant Person consultation

The MUA identifies as a relevant person under Section 11a (d) of the *Offshore Petroleum and Greenhouse Gas and Storage (Environment) Regulations 2009* which says the titleholder must consult with Relevant Persons. The definition of Relevant Person includes:

> (d) a person or organisation whose functions, interests or activities may be affected by the activities to be carried out under the environment plan, or the revision of the environment plan

We wish to be consulted on future environment plans regarding proposed end states of Esso's disused oil and gas equipment and decommissioning activities in the Bass Strait, including all the work covered by NOPSEMA Direction 871.

## 2. End state of steel pile jackets

The submitted Environment Plan should not be approved. Esso must comply with s.572 (2) and (3) of the *Offshore Petroleum and Greenhouse Gas Storage Act* (OPGGS 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.

Esso are 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.

- Esso is also proposing to leave stubs of up to 5m high at the Bream A and Whiting platforms, located in shallower water.[1]
- Esso has also indicated it is considering dumping dismantled materials at sea (p.19 of the EP).

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

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:

- An improved Option D that cuts the steel jackets flush with the seabed. There is no need for 5 meters of the jacket to be left in place. We are not satisfied that cutting flush with the seafloor requires dredging.
- All dismantled materials must 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 several 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.

[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.

- 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.
- 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).

[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.

- 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. Transparency of Information

Esso have not made public the reports about the supposed environmental benefits of leaving equipment in place. As the decision maker, NOPSEMA can request for this additional information to be released as part of the assessment process. It is vital that the titleholder is held accountable for ensuring transparency of all documents to the public.

In particular the following documents should be released:

- AIMS. (2022a, May). Marine communities of offshore platforms and surrounding natural habitats in the Gippsland region, south-east Australia. (Draft Rev A), 117. Prepared for Esso Australia Pty Ltd.
- AIMS. (2022b, May). The role of platform facilities and subsea pipelines on connectivity of key marine fauna in the Gippsland region, south-east Australia. Research Proposal prepared for Esso Australia Pty Ltd.
- AIMS. (2022c, May). Contribution of platforms to secondary fish production in the Gippsland region, south-east Australia . Research Proposal prepared for Esso Australia Pty Ltd.
- Sih, T., Cure, K., Yilmaz, I. N., Macreadie, P., & McLean, D. (2021a, March). Ecological Assessment from Industrial Remotely Operated Vehicle (ROV) Inspection Footage: Platforms & Pipelines Lookbook. A report provided to ESSO Australia Resources Pty Ltd.
- Deakin University and Australian Institute of Marine Sciences,. Sih, T., Cure, K., Yilmaz, I. N., Macreadie, P., & McLean, D. (2021b, April 21). Marine biota associated with oil and gas infrastructure off the Gippsland coast. Final Report for Esso Australia, 107. Deakin University and the Australian Institute of Marine Science.
- Sih, T., Cure, K., Yilmaz, I., Macreadie, P., & McLean, D. (2022). Marine life and fisheries associated with offshore oil and gas structures in southeastern Australia and possible consequences for decommissioning. Publication in prep.
- Results of the Contaminant Levels Survey in the Marine Environment of the Gippsland Basin (Hook S. E., et al., 2022) Commonwealth Scientific and Industrial Research Organisation (CSIRO)
- Potential Impacts Posed by different Decommissioning Scenarios: Commercial Shipping (AMC Search, 2022a) (AMC Search, 2022b) Australian Maritime College (AMC) Search
- Gippsland Decommissioning Project Campaign 1, SPJ Rate of Degradation Study Plc, 2022

### 4. Further Concerns

- The highest environmental and safety standards 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).
    - 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.
    - New offshore wind projects should use appropriate 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.

## 5. Summary of Position

The MUA urges 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 disused offshore oil and gas infrastructure, as per the OPGGS Act.

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

In terms of the welfare of workers out on the Gippsland Basin campaign, the union looks forward to Esso engaging with the MUA about the safest way to carry out this work.