

14 November 2025

Parliament of Victoria
Legislative Council Environment and Planning Committee
Parliament House, Spring Street
EAST MELBOURNE VIC 3002
oilgasinfrastructure@parliament.vic.gov.au

Dear Committee Secretary,

RE: Parliament of Victoria's Inquiry into Decommissioning Oil and Gas Infrastructure

Australian Energy Producers welcomes the opportunity to make this submission to the Parliament of Victoria's Inquiry into Decommissioning Oil and Gas Infrastructure. The Australian oil and gas industry is committed to responsible, safe, and environmentally sustainable operations.

Effective, risk-based and nationally consistent approaches to decommissioning are essential to maintaining community confidence, protecting the environment and enabling investment in Australia's energy system.

Offshore decommissioning in Commonwealth waters is, and should remain, a Commonwealth responsibility. Almost all offshore infrastructure off Victoria sits in Commonwealth waters and is regulated under Federal law, with the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) as the independent regulator. A comprehensive, mature regime is in place.

The Offshore Petroleum and Greenhouse Gas Storage Act 2006 in combination with Australia's international obligations, provide strong, enforceable requirements for offshore decommissioning, including relating to safety, environmental management, financial assurance and trailing liability.

In this context, Victoria should avoid duplicative or inconsistent regulation offshore. The most effective role for the Victorian Government is to recognise Commonwealth primacy in offshore Commonwealth waters and not seek to overlay new, state-based controls on offshore decommissioning activities. Instead, where infrastructure is in Victoria's jurisdiction (such as ports, coastal interfaces, onshore processing and waste facilities), the focus should be on streamlined approvals, clear interfaces with the Commonwealth and support for local capability.

Decommissioning decisions must also remain a case-by-case matter. NOPSEMA requires evidence-based assessments to demonstrate equal or better environmental outcomes, and prescriptive Victorian positions on offshore approaches risk cutting across this national framework.

Industry is delivering significant decommissioning outcomes and investment under the current Commonwealth Government-led system. Companies operating in Bass Strait and the Otway Basin have permanently plugged and abandoned hundreds of wells, removed and recycled large volumes of infrastructure and committed billions of dollars to decommissioning, all under Commonwealth oversight. This demonstrates that the existing regulatory architecture is working as intended and that titleholders are actively meeting their obligations.

Engagement with Traditional Owners and communities is likewise embedded in federal regulation. Existing consultation requirements, including with Traditional Owners, are robust and well-established. Victoria can best add value by facilitating partnerships, supporting capacity-building and creating pathways for participation, rather than duplicating federal processes or introducing separate, overlapping consultation regimes.

Within this established framework, the Victorian Government can play a constructive and focused role that does not involve expanding state jurisdiction offshore or imposing parallel decommissioning controls.

Australian Energy Producers recommend that priorities:

- **Recognise the Commonwealth Government's lead role in Commonwealth waters.** The Inquiry should affirm that offshore decommissioning in Commonwealth waters is a federal responsibility and that NOPSEMA is the lead regulator. This will help maintain certainty for investors and communities and avoid duplication.
- **Support transparent registries and industry-led planning.** Victoria should recognise the transparency provided by existing petroleum registries and encourage voluntary updates on ownership changes to support informed stakeholder confidence. It should also support industry-led decommissioning plans aligned with national frameworks, including coordination with emerging sectors such as offshore wind to optimise use of existing infrastructure and minimise disruption.
- **Reinforce confidence in existing controls.** Public and stakeholder confidence is supported when governments speak with one voice. Victoria can strengthen understanding of stringent decommissioning obligations that already apply to the offshore oil and gas industry, including in relation to plugging and abandonment, removal or alternative arrangements, environmental protection, financial assurance and trailing liability.
- **Clarify interfaces between state and Commonwealth jurisdiction, including with respect to state waters and onshore infrastructure.** Where Victorian approvals are required (for example, at ports, onshore reception and recycling facilities, or in state waters), the Victorian Government focus should be on clear, efficient processes that align with Commonwealth decisions rather than re-examining offshore decommissioning decisions already taken under federal law.

- **Streamline approvals and build local capability.** The Victorian Government should explore streamlined approvals, targeted incentives and local capacity-building initiatives to facilitate efficient decommissioning activity of infrastructure in the State's jurisdiction, consistent with the National Decommissioning Roadmap.
- **Enable local economic and workforce opportunities.** Decommissioning is a multi-decade opportunity for regional jobs, skills and businesses. The Victorian Government should work with industry to explore incentives or local capacity building initiatives to support training, local content and recycling capacity that can maximise local benefits.
- **Support genuine collaboration with Traditional Owners and communities.** Federal regulation requires comprehensive consultation with Traditional Owners and communities. Victoria can complement this by facilitating partnerships, information-sharing and employment pathways for Traditional Owners and local communities, rather than introducing duplicative offshore consultation regimes.
- **Enable timely re-zoning and productive re-use.** The Victorian Government should work cooperatively with industry to ensure sites previously used for oil and gas operations are re-zoned in a timely, fit-for-purpose way so they can continue to contribute to Victoria's economy.

Industry is actively delivering against its regulatory obligations through investment in safe, environmentally responsible decommissioning. Active collaboration between industry, State and Commonwealth governments will ensure regulatory clarity, environmental protection, support energy security and provide confidence to investors, workers and communities as Victoria's offshore assets progress through decommissioning.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'PKM', enclosed within a circular scribble.

Peter Kos
Director Victoria
Australian Energy Producers

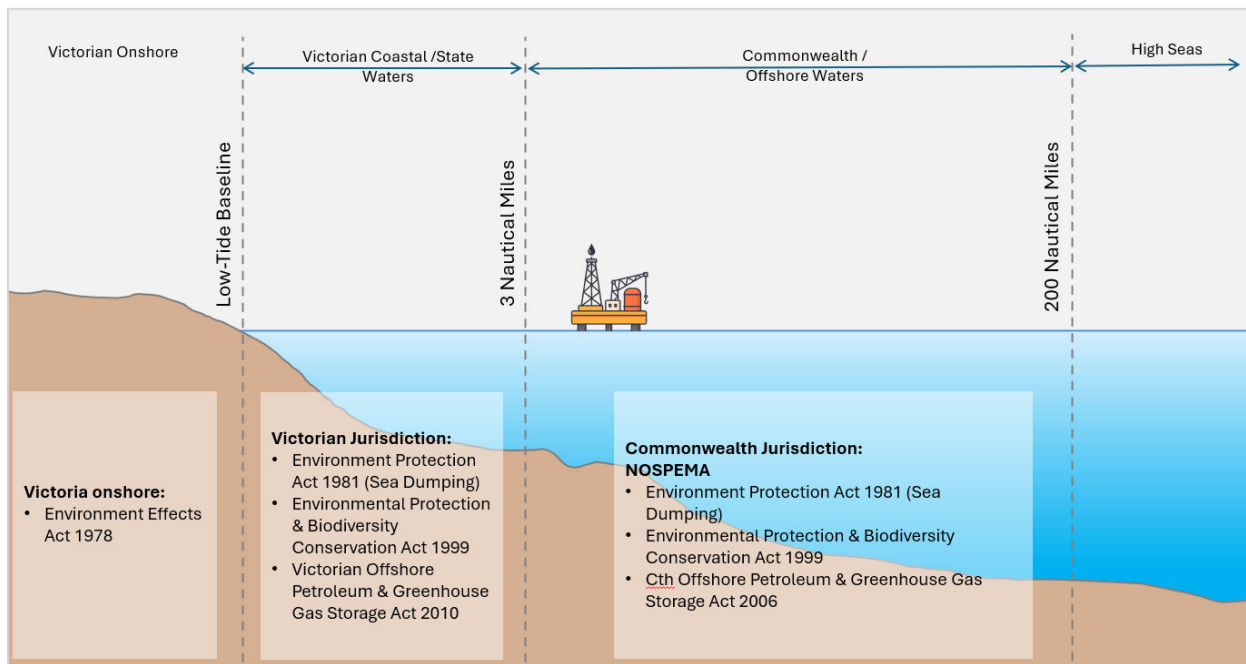
Attachment 1. Australia’s offshore Decommissioning Framework

Almost all oil and gas infrastructure in offshore Victoria falls under Commonwealth jurisdiction. Under international law, Australia has sovereignty over the territorial sea and sovereign rights for exploring and developing mineral and hydrocarbon resources over the Exclusive Economic Zone and the Continental Shelf. This jurisdiction extends from the territorial sea baseline to the outer edge of the Continental Shelf (**Figure 1**).

This means that most of Victoria’s offshore activity is regulated and managed by the federal government. This framework ensures consistent oversight of exploration, production, and decommissioning activities in offshore areas beyond state coastal waters.

The Commonwealth’s jurisdiction typically extends from three nautical miles (nm) offshore to the edge of Australia’s Exclusive Economic Zone, providing a unified regulatory approach to safety, environmental protection, and resource management across the nation’s offshore energy industry.

Figure 1 Offshore Maritime Boundaries¹



For offshore Victoria state jurisdiction, petroleum exploration, development, decommissioning is within “sovereign territory that includes states waters 3nm from low sea and Commonwealth waters”, the principal legislative instruments being:

- Offshore Petroleum and Greenhouse Gas Storage Act 2010

¹ Geoscience Australia

- Offshore Petroleum and Greenhouse Gas Storage Regulations 2021.

Decommissioning in offshore Commonwealth waters are subject to several principal legislative instruments:

- *Environment Protection Act 1981 (Sea Dumping)*
- *Environmental Protection & Biodiversity Conservation Act 1999*
- *Offshore Petroleum & Greenhouse Gas Storage Act 2006.*

Decommissioning in Victorian waters (from the low tide baseline to 3nm) are subject to several legislative instruments (figure 2. Regulatory requirements for petroleum decommissioning in Victoria):

- *Environment Effects Statement (EES)*
- *Planning Permit and Planning Scheme Amendment*
- *Marine Coastal Act Consent*
- *EPA Development and Operational Licences.*

Offshore decommissioning is also subject to international agreements, which are enacted through Australian law, the most prominent being:

- United Nations International Maritime Organisation (IMO) - 1953
- United Nations Convention on the Law of the Sea (UNCLOS) - 1958
- International Convention for the Prevention of Pollution from Ships (MARPOL) - 1973/78
- London Convention & Protocol - 1972
- Basel Convention - 1992
- Minamata Convention – 2013/23.

These international agreements establish global standards for environmental protection, maritime safety, and pollution prevention, all of which are directly relevant to offshore oil and gas activities. They are administered by the Commonwealth offshore regulator because Australia, as a signatory, must ensure national compliance with these treaties in areas under its jurisdiction beyond state waters. This centralised regulation enables consistent application of international obligations ensuring that decommissioning practices protect the marine environment and align with Australia's global commitments.

The principal regulator for decommissioning in Commonwealth offshore areas is the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA). NOPSEMA is Australia's independent expert regulator for health and safety, structural (well) integrity and environmental management for all offshore energy operations and greenhouse gas storage activities in Commonwealth waters, and in coastal waters where regulatory powers and functions have been conferred by a state or territory.

NOPSEMA plays a key role in implementing the Australian Government's decommissioning framework. It ensures this by promoting a heightened focus on the planning and execution of decommissioning during the assessment of permission documents, and also by monitoring and enforcing titleholders' compliance to ensure they meet their decommissioning obligations.

Figure 2, provides a brief representation of the regulators and regulatory requirements for petroleum in Victoria.

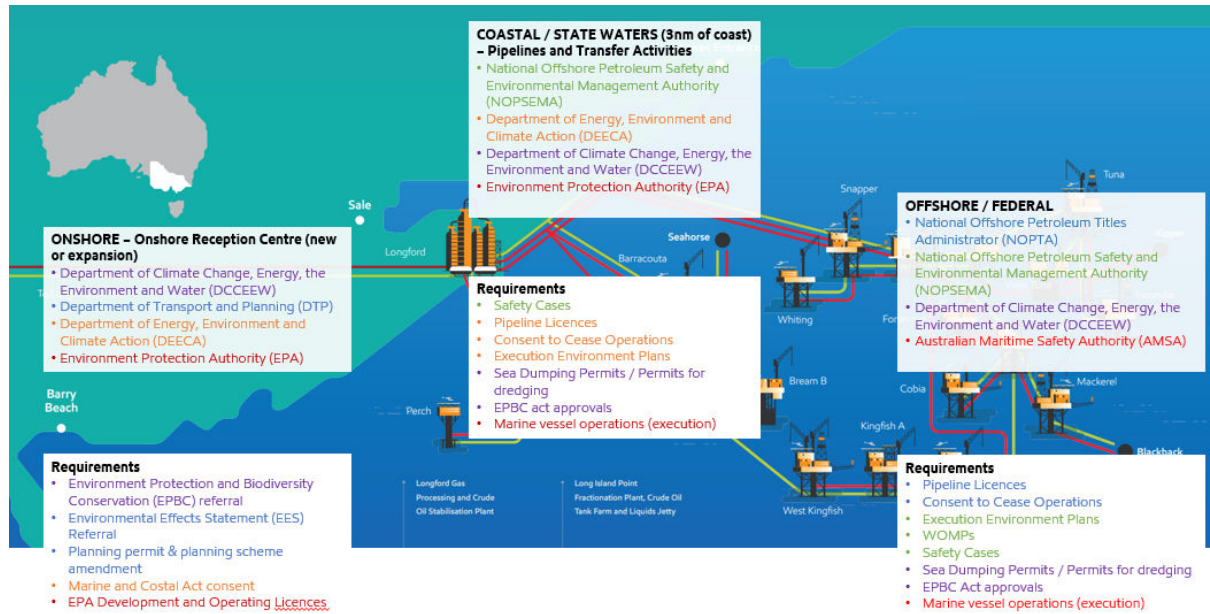


Figure 2 Regulatory requirements for petroleum decommissioning in Victoria