

Summary – issues and opportunities, potential options and questions

1. Decommissioning obligations

1.1 Issues and opportunities

- 1.1.1 Decommissioning obligations only explicitly apply to property
- 1.1.2 Exact decommissioning timeframes are not specified
- 1.1.3 The consent to surrender requirements only operate at the end of title
- 1.1.4 Aspects of the criteria for consent to surrender are unclear
- 1.1.5 Express decommissioning criteria do not apply to all ways titles or parts of titles can become vacant acreage

1.2 Potential options

- 1.2.1 Expressly require property removal or alternative arrangements
- 1.2.2 Apply a timeframe or more precise regulatory trigger for property removal
- 1.2.3 Insert express decommissioning obligation(s)

Questions

1. Should the property removal obligation be amended to specifically require titleholders to either remove property or make other arrangements that are satisfactory to NOPSEMA? Please articulate why or why not.
 - o If yes: What mechanisms do you propose as most effective for seeking acceptance of alternative arrangements, and why?
2. Should timeframes for property removal be mandated? Please articulate why or why not.
 - o If yes: At what time(s)? Should it be a legislative or non-legislative trigger?
 - o If no: what is an alternative approach to ensure that decommissioning is undertaken at the appropriate time?
3. Should a new standalone decommissioning obligation be included within the regime? Please articulate why or why not.
 - o If yes: What would be appropriate decommissioning requirements? What would be an appropriate regulatory trigger for such an obligation? What would be an appropriate penalty or penalties, or what other enforcement actions should be available for non-compliance?

2. Information available to Government

Advance and up-to-date planning information

2.1 Issue and opportunity

- 2.1.1 No requirement for advance decommissioning planning and up to-date information on infrastructure

2.2 Potential options

- 2.2.1 Require additional decommissioning information in environment plans
- 2.2.2 Require a stand-alone decommissioning plan
- 2.2.3 Require a regular inventory of infrastructure

Questions

4. Should titleholders be required to inform government of their overarching plans for decommissioning? Please articulate why or why not.
 - o If yes: At what time(s) should this occur? What is the most appropriate method?
5. Should titleholders be required to periodically update government about decommissioning-related information, including an inventory of infrastructure and its status, and a progress report on decommissioning items of infrastructure? Please articulate why or why not.
 - o If yes: What information should be required and when should it be required?

Close-out reporting

2.3 Issue and opportunity

- 2.3.1 Decommissioning-related environmental close-out reporting not required

2.4 Potential options

- 2.4.1 Implement an environmental 'close-out' report

Questions

6. Should titleholders be required to submit 'close-out' reporting after decommissioning? Please articulate why or why not.
 - o If yes: What content should be included in the reporting? When should the reporting be required? Should the reporting be made publicly available?

3. Legal responsibility

Statutory responsibility for undertaking decommissioning

3.1 Issues and opportunities

- 3.1.1 Statutory responsibility for undertaking decommissioning not explicitly stated

3.2 Potential options

- 3.2.1 Clarify legal responsibility for decommissioning
- 3.2.2 Provide for alternative liability arrangements

Questions

7. Should current titleholders be made expressly (in the OPGGS Act) liable for the costs of carrying out their decommissioning obligations? Please articulate why or why not.
 - o If yes: Are there any responsibilities that should be excluded?
8. Should alternative liability arrangements be included in a revised framework, providing government with the ability to pursue previous titleholders in the chain of ownership if the current titleholder is unwilling or unable to decommission? Please articulate why or why not.
 - o If yes: Should this be implemented retrospectively or only prospectively?

Ongoing/long term civil liability

3.3 Issues and opportunities

- 3.3.1 Civil liability arrangements are not explicitly stated

3.4 Potential options

- 3.4.1 Clarify that civil liability rests with the titleholder in perpetuity
- 3.4.2 Enable liability release in appropriate circumstances
- 3.4.3 Government assume infrastructure ownership under an approved program

Questions

9. Should titleholders be released from liability in appropriate circumstances? Please articulate why or why not.
 - o If yes: What are the circumstances that might be appropriate? Which prescribed point(s) might be appropriate? What additional steps should be taken to ensure decommissioning has been undertaken to an acceptable standard?
10. Should titleholders ever be released from liability for infrastructure left in the marine environment? Please articulate why or why not.
 - o If yes: What arrangements would be appropriate?

4. Financial responsibility mechanisms

Financial capacity to decommission

4.1 Issues and Opportunities

- 4.1.1 Assessment of financial capacity to decommission is a point-in-time assessment
- 4.1.2 Concerns expressed about late-life changes in ownership
- 4.1.3 Information on titleholders' decommissioning capacity is not required for a change in parent company ownership or control of a titleholder company

4.2 Potential option

- 4.2.1 Allow assessment of titleholder's capacity to undertake obligations to be conducted at any time

Questions

11. Should government be able to conduct assessments of a titleholder's capacity to fulfil its obligations at any time? Please articulate why or why not.
 - o If no: What alternative approach is proposed to ensure titleholders have the continued capacity to fulfil their obligations?

Financial securities for decommissioning

4.3 Issues and Opportunities

- 4.3.1 Australia does not currently require provision of financial security for decommissioning

4.4 Potential options

- 4.4.1 Implement an express statutory requirement for financial security for decommissioning
- 4.4.2 Require financial security for decommissioning on a discretionary basis
- 4.4.3 Establish a dedicated decommissioning fund
 - o 4.4.3.1 Individual
 - o 4.4.3.2 Pooled
- 4.4.4 Expand existing financial assurance requirements

Questions

12. Should industry be required to hold and demonstrate sufficient financial security to meet its decommissioning costs? Please articulate why or why not.
 - o If yes: What form of security should be implemented? How should the security be administered? When should the security be required and how might this be triggered? Should the security requirement apply to all titleholders (i.e. current titleholders as well as new ones)?

5. Post-title compliance and enforcement

Relevant duties and obligations for remedial directions

5.1 Issue and opportunity

- 5.1.1 Remedial directions do not reinstate relevant duties and obligations

5.2 Potential option

- 5.2.1 Ensure former titleholders have appropriate duties and responsibilities

Submitting risk management plans

5.3 Issue and opportunity

- 5.3.1 Former titleholders cannot submit and have approved risk management documents

5.4 Potential options

- 5.4.1 Expand the range of persons able to submit a risk management plan
- 5.4.2 Establish a new decommissioning title

Questions

13. Should a former titleholder operating under a remedial direction be subject to all the duties and responsibilities as if it were operating under their previous title? Please articulate why or why not.
 - o If no: Should certain duties or responsibilities be excluded or additional duties or responsibilities included?
14. Should a former titleholder be permitted to submit risk management plans? Please articulate why or why not.
 - o If yes: What limits, if any, should be placed on this?
15. Should a 'person' (or another entity other than a former titleholder) be permitted to submit risk management plans? Please articulate why or why not.
 - o If yes: Who should be allowed to submit these plans?
16. Should a new category of title be established to enable a former titleholder to have a current title under which to undertake relevant decommissioning and remediation activities with relevant regulatory approvals? Please articulate why or why not.
 - o If yes: What limits, if any, should be placed on this?

Circumstances for issuing remedial directions

5.3 Issue and opportunity

- 5.3.1 Remedial directions cannot be issued to former titleholders in some circumstances

5.4 Potential option

- 5.4.1 Ensure remedial directions can be issued to all former titleholders

Questions

17. Should NOPSEMA and the Minister be permitted to issue remedial directions to *all* former titleholders?
 - o Note: This would be regardless of how the relevant title came to an end (e.g. including surrender and transfer), and where in the chain of ownership the relevant titleholder sits.

6. Other issues and opportunities

Research and collaboration

6.1 Issues and opportunities

- 6.1.1 Research
- 6.1.2 Collaboration
- 6.1.3 Current Australian collaboration and research

Questions

18. Is there additional research (and/or development) being undertaken relevant to decommissioning that government should be aware of?
 - o If yes: What research/development is being undertaken and by whom? What is the timeframe for this research/development? Will the results be made public and if so how/where? Please provide details.
19. Is there additional research that should be undertaken on decommissioning, and in particular on environmental standards? Please provide details.
 - o If yes: What areas should be researched? Should government be involved? Which entities should be involved and what should their roles be?
20. Should more be done to encourage industry collaboration to help ensure that options for the continued use of offshore petroleum infrastructure in Commonwealth waters are explored prior to its decommissioning? Please articulate why or why not.
 - o If yes: What are the current barriers to collaboration? What is suggested to break these down? Who should be responsible for this? Should government be involved? If so, how?

Decommissioning market opportunities

Questions

21. Is there interest and merit in creating an Australian offshore petroleum decommissioning industry? Please articulate why or why not.
 - o If yes: What opportunities are there? Should government be involved in establishing this industry and, if so, how?
 - o Offshore petroleum industry: noting your participation and lead would be crucial, what is your appetite for being involved in and supporting the development of an Australian offshore petroleum decommissioning industry? Please outline potential methods for involvement and resources you might be willing to contribute.

Broader decommissioning issues and opportunities

Questions

22. Are there other issues relating to decommissioning that are not covered in this discussion paper and you think it is appropriate for government to be involved in?
 - o If yes: What are they? What is the suggested government involvement?