

Decommissioning Compliance Strategy 2024 - 2029



Introduction and purpose

Decommissioning is a routine and inevitable stage in the lifetime of an offshore petroleum project. Decommissioning should be planned from the outset and matured throughout the life of operations, including consideration of late-life asset management, cessation of production, removal of property, plug and abandonment of wells, and finally title relinquishment. As the regulator for Australia's offshore energy industry, 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 permissioning documents and by monitoring and enforcing titleholders' compliance to ensure they meet their decommissioning obligations.

This Strategy outlines the actions NOPSEMA will take to achieve its vision for decommissioning all petroleum wells, structures, equipment and property in Commonwealth waters. NOPSEMA is publishing this in the interests of transparency and in response to the Australian Government's Decommissioning Guideline and

the Ministerial Statement of Expectations issued to NOPSEMA in 2022. The key principles of this framework, as outlined in the Offshore Petroleum: Decommissioning Guidelines, are:

- Decommissioning is the responsibility of titleholders – this includes timely and effective planning for decommissioning.
- Early planning for decommissioning is encouraged – as part of design and concept selection, as well as in early stages of project development.
- Removal of all property is the “base case” – this is consistent with Australia's international obligations. Options other than full removal may be considered but must comply with the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGSA) and its regulations, including the principles of ecologically sustainable development.
- Decommissioning must be completed before the end of title - Ensure that all decommissioning activities are conducted under the framework of the OPGGS Act and regulations.



NOPSEMA's vision for decommissioning

NOPSEMA's vision is that decommissioning of offshore petroleum wells, structures and property is completed in a timely, safe, and environmentally responsible manner. In regulating for decommissioning, NOPSEMA's objectives are to:

- Ensure titleholders have appropriate plans for decommissioning and are completing activities in a timely manner.
- Provide certainty to industry regarding their obligations relating to decommissioning.
- Improve understanding and build capacity in safe and responsible decommissioning.
- Encourage knowledge sharing with all stakeholders.



Expectations and targets

Experience in Australia and internationally has shown the ability to decommission safely and cost effectively becomes increasingly challenging the longer the wait between ceasing production and completion of decommissioning. To achieve its vision, NOPSEMA has set a range of targets that provide simple, time-based expectations for decommissioning. These targets aim to minimise uncertainty, support the transparency of NOPSEMA's regulatory actions and help ensure consistent, transparent and risk-based regulatory decisions.

The targets cannot cover every case or variation – they may be too short or too long in some cases. They also do not supersede any facility or activity specific timelines, or alternative end-states, that are accepted via a permissioning document.

NOPSEMA expects Titleholders progressively decommissioning structures, equipment and property over the operating life of each project, as that property becomes redundant and is no longer in use to best manage risks. If an alternative end-state to full removal is proposed, NOPSEMA expects Titleholders to make the case in their permissioning documents that risks associated with reusing or leaving property unused or wells suspended or shut in are both acceptable and reduced to as low as reasonably practicable, taking into account the condition and structural integrity of the infrastructure.

NOPSEMA expects Titleholders always maintain all property and equipment in good condition and repair. NOPSEMA will consider the ongoing maintenance proposed by Titleholders in permissioning documents so that it is clear that property will be maintained such that it is safe to access and use that property, and will be maintained to enable the safe and environmental responsible decommissioning in the future.

NOPSEMA's targets for decommissioning

Assets or production systems no longer producing

Floating infrastructure is removed as soon as practicable and within 12 months of permanently ceasing production.

All wells are plugged and abandoned within 3 years of the production system¹ ceasing production.

All structures, equipment and property (including pipelines, platforms and all other subsea infrastructure) that forms part of a production system decommissioned to approved end-state as soon as reasonably practicable and no later than 5 years from that production system permanently ceasing production.

Redundant (non-producing) wells and infrastructure within a producing asset or production system

Redundant² wells are suspended with downhole barriers within 12 months of loss of real-time monitoring wherever practicable. Any wells that cannot be monitored in real time and are not suspended are monitored at least annually until downhole barriers can be installed.

Regardless of other work being carried out in the field, each well must be plugged and abandoned as soon as practicable:

- If a rig is contracted to undertake infill drilling or workovers within a field, it is NOPSEMA's expectation that suspended wells within the field are abandoned.
- Wells that have been suspended within a larger active production system, must be abandoned no later than 10 years from when it was suspended.

Subsea structures, equipment and property to be decommissioned progressively as it ceases to be used, over the operating life of the project, to approved end state as soon as practicable or otherwise as agreed by NOPSEMA.

¹ A redundant well is defined as a well with no future production use, aligned with commitments in the field development plan and annual field review process administered by the National Offshore Petroleum Titles Administrator (NOPTA).

² A production system is defined by common infrastructure such as flow lines & processing facilities that can be isolated and made hydrocarbon free once no longer in production.

NOPSEMA's approach

NOPSEMA uses a risk-based, tiered approach to regulate decommissioning (Table 1). The approach is informed by criteria focusing on time remaining to cessation of production, uncertainty surrounding that timing, financial capacity and the Titleholder's performance in planning for decommissioning. All production facilities and petroleum activities have been assigned one of four tiers, which are used by NOPSEMA to prioritise resources and guide its compliance approach. While this approach intends to provide greater consistency for decision making, it is acknowledged that each case will be unique and there will be a range of circumstances that need to be taken into account before compliance action is taken.

- Actively monitor and oversee compliance
- Advise and engage with all duty holders
- Direct actions where necessary

- Advise and provide feedback and recommendations
- Actively monitor and oversee compliance
- Require commitments and/or remedial action

- Engage and educate
- Feedback and recommendations
- Support compliance

- Engage and educate
- Guidance
- Support compliance

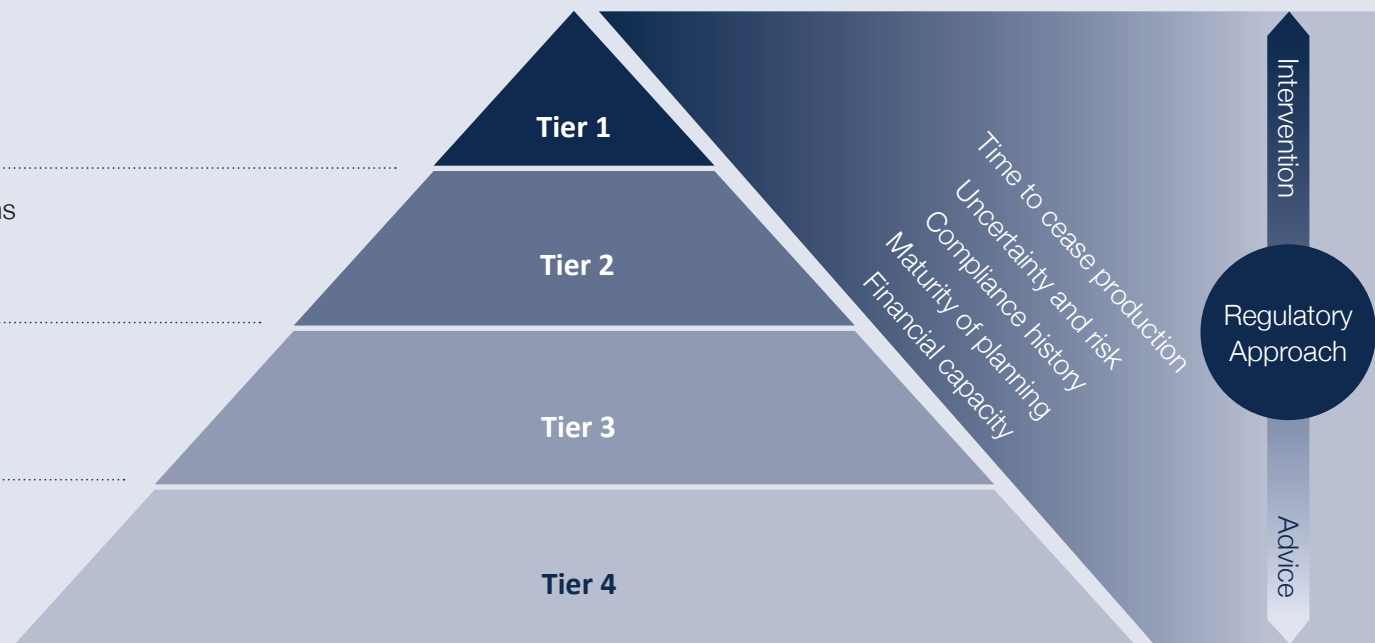
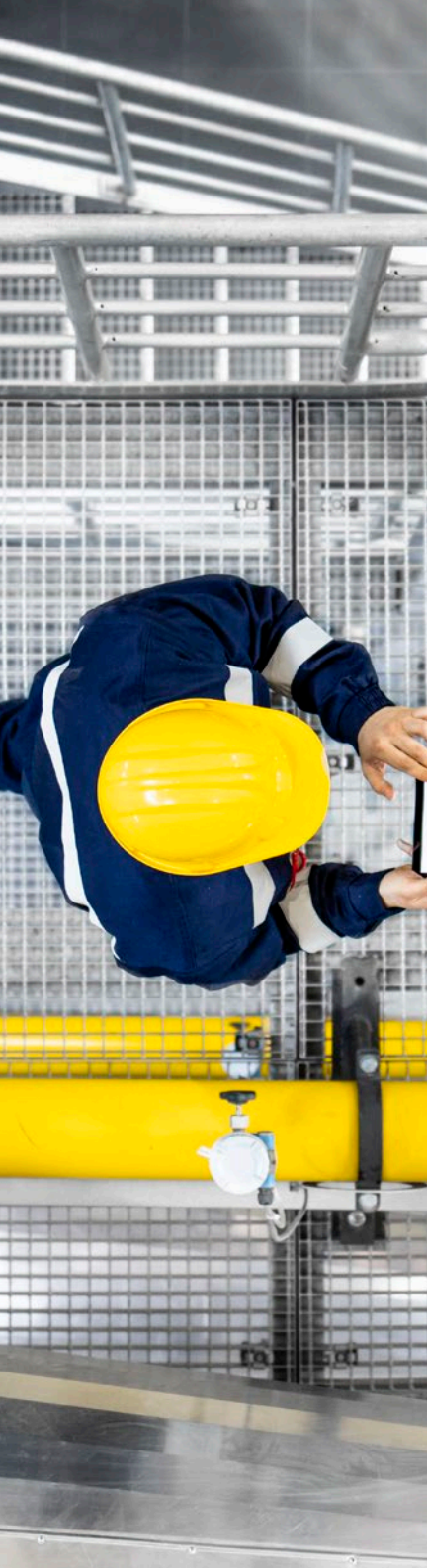


Table 1: Risk tiers, indicators and potential regulatory actions in relation to decommissioning.

Tier	Description	Indicators	Actions
1	The titleholder has failed to meet decommissioning targets or planning for decommissioning is under developed to the point that NOPSEMA has lost confidence that the titleholder will be able to meet decommissioning targets without regulatory intervention.	<ul style="list-style-type: none"> Schedules, plans, strategies, or budgets are not sufficiently matured and/or do not demonstrate targets will be met. Titleholder does not appear to have the capacity to meet decommissioning targets. Engagement with the titleholder and subsequent actions indicate reluctance to make the changes necessary to meet decommissioning targets. NOPSEMA wishes to set a clear, binding and transparent expectations for decommissioning. There are wells or other property that pose a risk to the environment or other marine users and/or may lose (structural) integrity. 	<p>Regulatory intervention likely to include a combination of the actions, for example:</p> <ul style="list-style-type: none"> Activity/facility specific compliance plan developed by NOPSEMA. Increased level of inspections / compliance monitoring. Request detailed, wholistic plans (including schedules and milestones). Proactive liaison and provision of advice at an increased frequency (nominally quarterly). Communication with non-operating titleholders (i.e., JV partners) and possible inspection. Request NOPTA consider title related intervention. Issue enforcement (e.g., General Direction).
2	Planning for decommissioning is immature and/or there is a high degree of uncertainty regarding the timing of cessation of production and NOPSEMA lacks confidence that the titleholder will be able to meet decommissioning targets without heightened regulatory oversight.	<ul style="list-style-type: none"> Insufficient action and planning to date to give confidence that decommissioning targets will be met (e.g., scientific and engineering studies, market scans to commence contracting etc). Insufficient detail within the plans, strategies and other documents to indicate a sound understanding of the scope and method of the decommissioning activities. Insufficient resources allocated and spent (people and/or budget) to enable targets to be met. Engagement indicates that titleholder may not be fully committed to meeting or exceeding NOPSEMA's decommissioning targets. A potential asset sale or change of Titleholder or Operator is being explored. 	<p>Heightened regulatory oversight and potential intervention, for example:</p> <ul style="list-style-type: none"> Provision of regulatory advice setting out NOPSEMA's concerns and expectations to prevent escalation to Tier 1. Increased collaboration with NOPTA and other relevant stakeholders. Require contemporary permissioning documents (addressing decommissioning) to be in place within specified timeframes. Increased level of inspections / compliance monitoring. Request detailed, wholistic plans and commitments (including schedules and milestones) to provide confidence in ability to decommission in a timely manner. Proactive liaison at an increased frequency. Enforcement issued to address specific issues, including improvement notices, request for proposed revision.

Tier	Description	Indicators	Actions
3	The project is in a late-life operations phase, or there is some uncertainty regarding the remaining time to cessation of production, and NOPSEMA is reasonably confident, given the current actions and attitude of the Titleholder, that the project will meet decommissioning targets.	<ul style="list-style-type: none"> • The Titleholder has engaged with NOPSEMA and provided indicative schedules for decommissioning planning and permissioning document submission. • The titleholder has demonstrated that they have a detailed awareness of and are actively managing decommissioning requirements. • There is a low to moderate risk that the Titleholder will not be able to meet targets or there are specific challenges present however there is sufficient time prior to CoP to enable the Titleholder to address these challenges without the need for heightened regulatory oversight or intervention. 	<p>Routine regulatory oversight of decommissioning:</p> <ul style="list-style-type: none"> • Consider a decommissioning topic in any assessments. • Moderate level of compliance monitoring (inspections) and liaison to maintain confidence that future requirements will be met. • Check decommissioning plans/schedules in liaison meetings and/or inspections from time to time. • Request schedules for submission of permissioning documents that fit with the overall decommissioning time frames. • Where property removal is complete, assess environmental performance reports and other relevant documentation to support provision of advice under Section 270.
4	The project is in a mid-early life operations phase and NOPSEMA is reasonably confident the Titleholder is aware of their obligations for decommissioning.	The titleholder has demonstrated, via information provided and commitments made in the permissioning documents for the operating activity, that they are aware of and commit to relevant decommissioning requirements.	Consideration of proposed end-state, property maintenance and future decommissioning requirements during assessments.

Note: One or more indicators in any given tier is sufficient to place a facility in that tier (i.e. not all indicators need to be met to warrant that ranking). Actual regulatory actions taken will be case specific and depend on the circumstances at the time.



NOPSEMA’s regulatory priorities

There are a number of challenges and opportunities surrounding offshore decommissioning in Australia. NOPSEMA’s regulatory priorities aim to address these challenges and leave a path open to realise opportunities. These priorities are:

- 1

Heightened compliance monitoring and corrective action to ensure that Tier 1 facilities are decommissioned in a timely, safe, environmentally responsible and compliant manner.
- 2

Heightened compliance monitoring and engagement with Tier 2 facilities to determine whether appropriate planning for decommissioning is being carried out and prevent them from moving into the Tier 1 risk category.
- 3

Continuing collaboration with NOPTA to ensure a sound relationship and seamless working environment so both agencies can effectively and efficiently carry out their functions.
- 4

Continuing collaboration with government, industry and other stakeholders to understand barriers, improve capacity and capability in decommissioning and identify emerging issues, common challenges and opportunities.
- 5

Provide relevant guidance and information ensure clarity and transparency of expectations for planning for decommissioning throughout the petroleum activity life cycle.

Stewardship of decommissioning

NOPSEMA recognises that once property is removed from the offshore area, it may create impacts in near shore and onshore environments, principally through the need to manage, recycle or otherwise dispose of the waste generated. Depending on the project, these impacts may occur in Australia or overseas. NOPSEMA takes a stewardship approach and engages with other regulators to promote a consistent, whole of government approach to decommissioning, ensuring there is alignment with Australia's international obligations, and promoting transparency with investors and other stakeholders.

NOPSEMA takes a stewardship approach to managing these impacts by:

- Requiring environment plans for property removal to consider the 'indirect' impacts of the activity, including the full waste pathway, demonstrating adherence with legal requirements in all relevant jurisdictions and details of direct and indirect impacts and risks arising from decommissioning operations.
- Collaborating with other regulators, including relevant federal and state agencies and international counterparts.
- Working with the Department of Industry, Science and Resources (DISR) on policy initiatives to support broader decommissioning industry.
- Engaging with independent research and industry bodies and publishing [NOPSEMA's research strategy](#).
- Working with unions, First Nations organisations environmental interest groups, industry associations and other interest groups – ensuring we have the right balance between safe practices, environmental outcomes and timely decommissioning.
- Keeping across technological innovations and developments, including ways to safely reduce costs.





International Regulators



International Offshore
Petroleum Environmental
Regulators

International Regulators
Forum

Industry and non-Government



Operators/Titleholders

Australian Energy
Producers



Centre of
Decommissioning Australia



National Decommissioning
Research Initiative

State Government



Department of Mines, Industry Regulation & Safety



Earth Resources Regulation

Australian Commonwealth



Department of Industry, Science & Resources
Department of Climate Change, Energy, the Environment & Water
Australian Fisheries Management Authority



Australian Maritime Safety Authority
National Offshore Petroleum Titles Administrator
Australian Securities & Investments Commission

Research



Australian Institute of Marine Science



Australia's Nuclear Science & Technology Organisation

Where to go for more information

Further information, including relevant policies and guidance, is available on NOPSEMA's website at [Decommissioning | NOPSEMA](#). Key guidance on decommissioning includes:

[Information Paper - Planning for proactive decommissioning \(N-00500-IP2002\)](#)

[Guidance Note - Ageing assets and life extension \(N04300-GN1975\)](#)

[Policy - S572 Maintenance and Removal of property \(N-00500-PL1903\)](#)

[Policy - section 270 consent to surrender title - NOPSEMA advice \(N-00500-PL1959\)](#)





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