



CENTRE OF
DECOMMISSIONING
AUSTRALIA

Annual Report

For the
year ended
30 June 2023





Acknowledgement of Country

The Centre of Decommissioning Australia (CODA) acknowledges the Traditional Custodians throughout Australia and their continuing connection to the land, waters and community. We pay our respects to all members of Aboriginal and Torres Strait Islander communities and their cultures, and Elders past, present and emerging.

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Chairperson's Report

I am privileged to present the Chair's Report for the Centre of Decommissioning Australia (CODA). From its founding on 10 December 2021, as an independent spin-out from National Energy Resources Australia (NERA), the past 18 months have seen rapid growth in stakeholder engagement, targeted activity, and partnerships across the entire sector.

Leveraging the initial Offshore Oil and Gas Decommissioning Liability study in 2021, CODA has developed a strong reputation as Australia's focal point for industry knowledge and collaboration in decommissioning. This has been reflected in three industry-leading Foundation Reports that have examined, in detail, the Decommissioning Planning and Execution Learnings, Innovation and Technology and Local Disposal and Recycling Pathways.

CODA has also formed an Industry Advisory Committee, which is comprised of six members from across the industry. The Industry Advisory Committee will help CODA connect with industry on a national level and elevate CODA to become a significant partner in Australia's decommissioning future. The Industry Advisory Committee meets every quarter to discuss the strategic direction of the decommissioning industry.

With such significant growth over our first full year of operations, the CODA Board performed our first Board Survey. Results from the survey were overwhelmingly positive, with few ideas that CODA has since implemented.

CODA could not have been established without the generous support of the NERA Board and management during its foundation and establishment, and more recently long-term support from the WA State Government, in particular the Department of Jobs, Tourism, Science and Innovation, JTSI. The JTSI Financial Assistance Agreement (FAA) is providing a fundamental surety from which CODA has been able to build and rise to the challenge. CODA Directors are deeply grateful to Premier Roger Cook, Director General, Rebecca Brown and all the team at JTSI for their unwavering and enthusiastic support of CODA.

And lastly, it remains for me to very warmly and sincerely thank CODA's CEO and Managing Director, Dr Francis Norman, the team and Board members that have created CODA, NDRI and the growing Partner community that form the heart of the organisation. In addition, I would like to thank the Industry Advisory Committee members for their generous support and valuable advice to CODA's operational team in addressing decommissioning needs for Australia's industry.

Dr Ross Waring

Chairperson



CEO's Report

The past financial year has been one of significant activity and growth for CODA. The year marked CODA's first full year of operating as an independent organisation. Activities included cementing CODA as the peak body for Australia's decommissioning industry, strengthening connections across the entire industry including operators, the service sector, governments, regulators and the research community as well as internationally into the global supply chain and peer organisations.

The years highlights have included; completing the development of CODA's on line partner portal; completing a study into Western Australia's port capacity to accommodate removed materials; initiating a skills review which will form the first step in a larger decommissioning skills strategy; coordinating and then executing, in July 2023, our first Introduction to Decommissioning two-day course; growing CODA's partner program from two partners to around 49 partners made up of 40 service sector and nine strategic partners, as at 30 June 2023.

CODA also delivered a high impact presence at the 2023 AOG Energy conference and exhibition as well as partnering to deliver the 2023 Decommissioning and Abandonment (D&A) conference in Perth which attracted over 270 local, national and international delegates, making it one of the largest decommissioning events in the region. Alongside these two major events CODA has also launched webinar and podcast programs to help share stories, lessons and experiences from across our network of partners and events.

None of the above would have been achieved without the financial support of CODA's partners and the significant support provided through our FAA with the Western Australian Government.

I would personally like to thank the team of passionate humans who make up the CODA staff. Their commitment and enthusiasm toward our mission has been unwavering and without them we would not exist.

Dr Francis Norman
CEO and Managing Director



About CODA

With an estimated US\$40 Billion+ of work to be undertaken in the next 50 years in the offshore oil and gas industry alone, including topsides and substructures equivalent to 75 Eiffel Towers, sitting alongside a very significant quantity of onshore work associated with wells and process infrastructure, now is the time to be investing in a sustainable, environmentally friendly, innovative and efficient decommissioning industry.

CODA is an independent initiative working with industry, government and the community to create a collaborative and sustainable approach to decommissioning Australia's aging oil and gas infrastructure.

CODA was created to bring together industry, technology suppliers, regulators, research organisations and government to help to grow and prepare Australian industry to support future decommissioning projects and maximise local ability to deliver this work. We are here to drive collaborative and new, technological and research-based approach to retiring Australia's biggest industry assets.

How do we achieve this?



INDEPENDENT NFP

CODA is an independent, not-for-profit organisation, connecting stakeholders in the decommissioning space.



GLOBAL REACH

Headquartered in Perth with a national focus and worldwide connections.



COLLABORATIVE

We bring industry leaders, government and stakeholders together to create the best outcomes.



SUPPORT WORLD-CLASS DECOMMISSIONING INDUSTRY

We are connected to the experts in the oil and gas industry and are working to support and enable key projects.



SAFETY & ASSURANCE

Always supporting best practice when it comes to decommissioning work.

NEW IDEAS, NEW INDUSTRIES, NEW JOBS

So many fresh opportunities are opening in the emerging decommissioning industry.



Directors



Dr Ross Waring

Chairperson

Ross is a highly qualified mechanical engineer with almost 30 years' experience in developing companies in the power generation, oil and gas, petrochemical and renewable energy sectors, serving in Director, CEO and Chair roles. He is the founding chair of Subsea Innovation Cluster Australia Ltd, which stimulates collaboration and engagement between operating and service companies, research institutions and government to enhance Australia's subsea inspection, maintenance, and repair capabilities and is developing a Hyperbaric Test Chamber Common User Facility, in conjunction with industry partners and the WA State Government.

Ross was also a Director of KBC Advanced Technologies (subsidiary of Yokogawa) in oil and gas process simulation and later an industry advisor to Yokogawa Australia, focusing on decarbonisation and renewable energy. He is currently the Director of the \$200m Resources Technology and Critical Minerals Trailblazer Program at Curtin University.

Pia Turcinov AM LLB. BA. GAID

Non-Executive Director

Pia is a professional Non-Executive Director (NED) with 30 years of commercial and corporate experience across multiple industries including technology, energy, resources and professional services. With qualifications in law, business and governance, Pia is a seasoned business leader and strategic advisor to innovators, industry, and policymakers.

Having served as a Director of National Energy Resources Australia for six years, Pia currently maintains a diverse non-executive board portfolio including as Chair of the East Metropolitan Health Service, Council Member of Edith Cowan University, and NED of several start-up technology companies. Pia is the immediate past Chair of Women in Technology WA and in June 2023 was recognised for her significant service to technology and innovation, and to women in STEM, by the award of Member (AM) in the General Division of the Order of Australia.



Directors



Dr Francis Norman

CEO & Managing Director

Dr Francis Norman is a highly experienced strategic leader. His role of CEO, leading the Centre of Decommissioning Australia (CODA), is informed by over 40 years of experience in resource project engineering and business leadership. A former WA division president for Engineers Australia, Francis holds a MSc in project management and a PhD in management.

Dr Francis Norman is also a member of the CODA Board.

Melissa Grove FCA. MBA

Company Secretary

Melissa is a professional with more than 19 years of financial and commercial experience, working across large public practice, commerce, and diverse geographical locations. She is a collaborative leader who thrives on seeing her contribution deliver both value and results.

Through a career spanning different countries, Melissa is adept to translating her skills to differing cultural and legislative environments. Her experience in public practice has allowed her to understand local and global statutory obligations, balanced with the commercial acumen from oil and gas operator knowledge.

Melissa has a keen interest in sustainability and governance and aligned with this has served on a number of boards in both Non-Executive Director and Chair roles. Her commitment to the development of First Nations' professionals is demonstrated through her on-going support of Chartered Accountants Australia and New Zealand (CAANZ) and Indigenous businesses.



CODA at a Glance

JTSI WORK PROGRAM

**\$2
MILLION**

in funding from the WA State Department
of Jobs, Tourism, Science & Innovation

9 PROJECTS

executed or nearing
completion as at
30 June 2023



**49
PARTNERS**

40 Service
sector
partners

9 Strategic
partners

National Decommissioning Research Initiative

**\$2.4
MILLION, OVER
3 YEARS**

COMMITTED BY
6 PARTICIPANTS

**FUNDING
INDEPENDENT
SCIENTIFIC
RESEARCH**



FY23 Activities & Achievements



The past year has seen a significant growth in CODA's activities, engagement, reach and influence. Our first full year of operations as an independent not-for-profit has coincided with a strong surge in activity and interest in decommissioning both within Australia and outside.

A few key highlights from across the year are:

- CODA has successfully completed a study to understand Western Australia's port and associated infrastructure capacity to receive and process decommissioned offshore oil and gas infrastructure. The final report from this work is anticipated to be released in the first half of the 2023/24 financial year.
- CODA commissioned a study to begin to understand the skills and capabilities gaps and opportunities associated with growing the decommissioning industry in Australia. This study will conclude in late 2023 and then lead to specific activities to develop or highlight training courses to address these needs.
- During early 2023 CODA completed and launched its partner portal. The portal is an online platform that provides self-serve access for partners to full copies of CODA's reports and best practice database alongside a collaboration tool and capability index. In the second half of 2023, the capability index will also be used to populate an outward facing register of organisations offering services to the decommissioning industry. Essentially positioning CODA's website as a one stop place to discover much of the decommissioning capability in Australia and the region.
- Our partner program has grown significantly, finishing the financial year with over 40 service sector partners and nine strategic partners. The partnership program was newly established at the beginning of the financial year so each of these partners have chosen to join in the past 12 months. Partners range from large global service and technology companies to start-ups and also include peer not-for-profit organisations and regulator agencies. Building this continually growing network of organisations is enabling CODA to accelerate the growth of the decommissioning industry through sharing connections and insights.
- The growth of our global decommissioning network is continuing, supported by virtual and in person meetings with leaders in the decommissioning industry from across the world. These connections have been enhanced through CODA's attendance and visibility at several key international and domestic events including the Perth D&A conference, Australian Petroleum Production and Exploration Association (APPEA) annual conference, Offshore Northern Seas (ONS) and the Norwegian Petroleum Society (NPF) decommissioning conferences in Stavanger, Norway. Attendance at overseas conferences has also been used to coincide with strategic meetings and site visits which have both grown CODA's understanding of global best practice and built on previous electronic only conversations.
- Industry does not have the answers to all the decommissioning questions. To help to fill some of these knowledge gaps CODA continues to support the National Decommissioning Research Initiative (NDRI) in pursuing answers to many of the questions associated with end-of-life offshore infrastructure. Additionally, CODA is working to build a network of international research relationships with groups such as Subsurface Well Integrity Plugging and Abandonment (SWIPA) who are conducting research into well plugging and abandonment techniques and solutions.
- CODA continues to work with government agencies across Australia and internationally to build knowledge and insights into the opportunities decommissioning presents. This includes ongoing dialogues with many state agencies and government departments as well as the Australian federal government. We have also had several discussions with government representatives from other nations, including the UK, Indonesia, Norway and Denmark to share insights and opportunities for collaboration.

- While CODA’s primary focus is toward the Australian decommissioning industry, we are also growing our international engagement and connections with a strong European network in the UK, Norway, Denmark and the Netherlands and in Asia Pacific with growing connections in New Zealand, Timor-Leste, Indonesia, Malaysia and Brunei. Decommissioning is a global industry with most of the activities and challenges spanning the entire planet. As an emerging but already significant player in this industry CODA is working hard to build and maintain relationships across the world to ensure the best possible solutions can be brought to Australia and to showcase emerging Australian solutions, expertise and technologies to other regions.

In summary, for Australia to have the best opportunity to be recognised as part of the growing international decommissioning landscape requires a long-term strategic investment of time and effort. CODA continues to proactively reach out to organisations and events in other locations and use every opportunity available to show the strengths of the Australian industry, to highlight opportunities that help attract technology companies to invest in Australian offices and to showcase local solutions to international markets. Our position of trust and our strong relationship based operating model is allowing CODA to fill this role for our partners and industry as a whole, delivering long term opportunities and value to the Australian economy.

Department of Jobs, Tourism, Science & Innovation Financial Assistance Agreement

CODA signed a FAA with JTISI on 31 August 2022. The FAA provides for \$5 million in funding over four years, with \$2 million provided in each of the first two years, and \$500,000 provided in years three and four.

The high-level objectives for the partnership and funding are to:

- Maximise opportunities for the local workforce, service and technology companies in serving the decommissioning, disposal and recycling needs of the oil and gas industry;
- Identify and/or establish optimal recycling and reuse of offshore infrastructure to enable circular economy opportunities and support emerging low emissions technologies;
- Support the building of a globally competitive domestic decommissioning industry that can service needs locally and throughout the Asia-Pacific region; and
- Improve safety, efficiency and environmental outcomes and support the pursuit of a reduction of decommissioning costs through cross-industry collaboration and planning and implementation of best practices approaches, new and novel techniques.



CODA Chair, Ross Waring (centre) with Commercial Director – Energy & Environment Diversified Communications, Bill Hare (left) and Hon Roger Cook MLA, former Deputy Premier, current Premier of Western Australia (right).

The support of the WA government has enabled CODA to significantly accelerate its work in growing the WA and Australian decommissioning industry through a number of major initiatives executed in the past year. We have developed and launched our partner portal which includes a rapidly growing capability index that highlights organisations working in decommissioning to prospective clients and partners; partnered with Offshore Network to deliver the largest decommissioning focussed conference ever held in Australia; completed a study to understand the capacity and capability of WA ports to support the landing and dismantling of removed equipment which will then unlock a number of potential local industries and jobs; awarded a study to understand the skills and capabilities needed to support decommissioning, which will enable the subsequent development of a comprehensive skills strategy for the industry; and; delivered Australia’s first domestically focussed decommissioning training course which was held in Perth in July of 2023.

National Decommissioning Research Initiative (NDRI)



The NDRI was established in 2019 and was Australia's first independent environmental science initiative for decommissioning. It was established to improve understanding across industry, government and the community of the effect of leaving or removing oil and gas structures from the ocean.

Overview

Phase 1 of the NDRI is now complete, and Phase 2 commenced 21 March 2023, when the Phase 2 Agreement was signed between the six participants and CODA. The six participants include Chevron Australia, Shell Australia, Woodside Energy, Esso Australia, Santos and Vermilion Oil and Gas Australia. CODA will act as the program facilitator to ensure the Phase 2 work program is effectively executed.



Santos



Phase 2 Program

The NDRI Phase 2 program will run over three years from 2023 – 2026 and there will be approximately \$2.4 million in funding available to execute the scope.

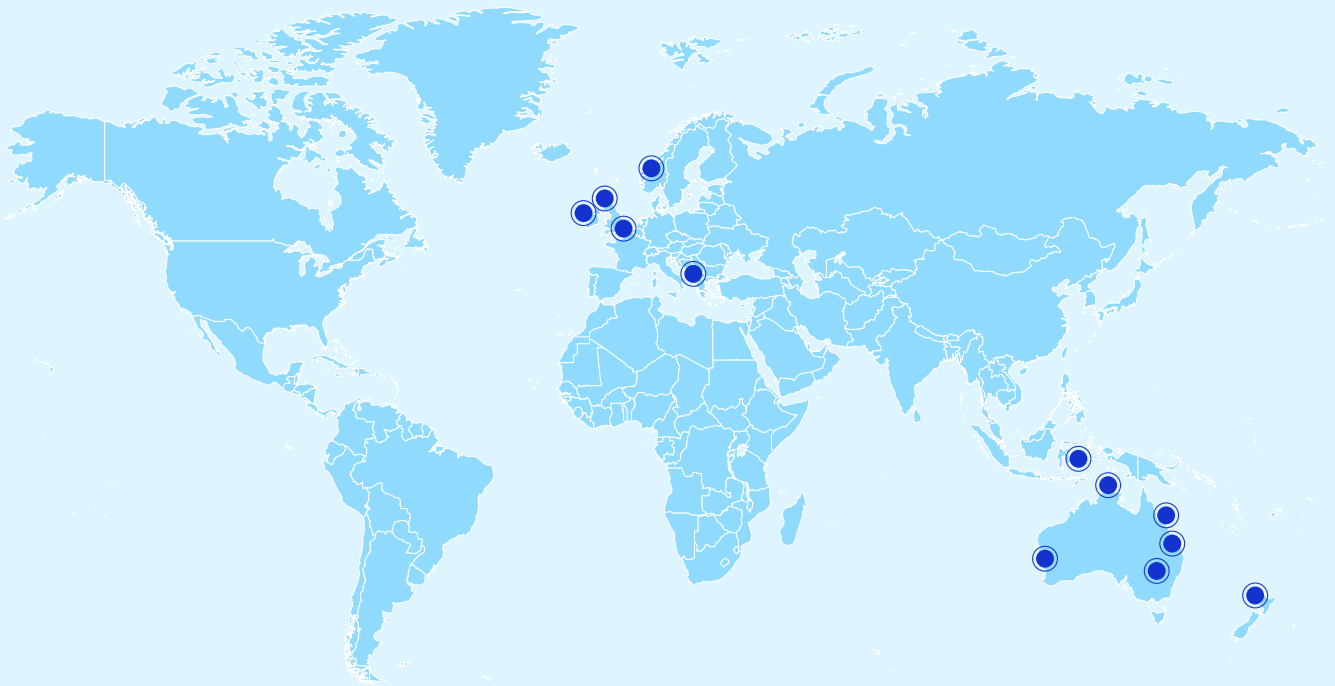
The NDRI Phase 2 work program is focused on the development of ecological risk assessment guidelines to support titleholders in assessing contaminants associated with decommissioning of oil and gas infrastructure. With a view that these will be applied to support the broader evaluation of risks, impacts and benefits for different offshore decommissioning options. Successful development of such guidelines will be dependent upon characterisation of key contaminants and determination of environmentally acceptable threshold values for these, as well as a collaborative and transparent stakeholder engagement process.



CODA Partnership Program

To maintain its independence and ensure full representation across the entire decommissioning value chain, CODA has established a Partnership model to collectively support CODA's activities, which in turn support industry.

The CODA Partnership Program was established in June 2022 and has grown significantly over the past year. As at 30 June 2023 there were 49 partners, being a mix of service sector and strategic partnerships. The partnership base has increased by an additional 40% in the first quarter of the 2023/24 financial year.



Service sector partners



Strategic partners



Operator Work Program

CODA is working with a range of oil and gas operators and title holders to develop a specific operator program that will deliver focused activities and outcomes to this important segment of the decommissioning industry.

Discussions on the specifics of this program are continuing and we envisage commencing delivery of the program during financial year ending 30 June 2024.

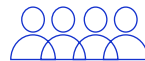


Governance – Board Survey



First Board Survey

conducted in May 2023



All four board members participated to assess effectiveness of the Board & each Board member

Board Survey included assessing the effectiveness of:

- Board Scope
- Board Meetings
- Board Papers & Presentations
- Board Members
- Board Compositions & Skills
- Management Input
- Strategy & Business Plan
- Culture
- Risk Management
- Compliance
- Skills & Development
- Board's strengths
- Board's weaknesses

Strategic Planning Day

Industry Engagement



632

Newsletter subscriptions
(+40% since last year)



2,011

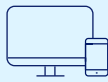
LinkedIn followers
(+78% since last year)

120,155

Total LinkedIn impressions
2022/23 financial year

11,428

Total LinkedIn engagement
2022/23 financial year



956

Contacts in CRM
(as at September 2023)



188

Active partner portal users
(as at September 2023)

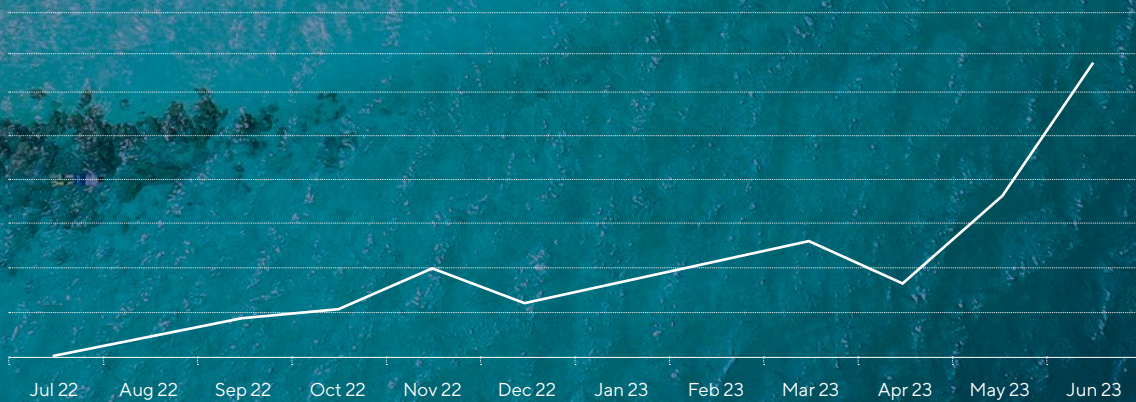


2

Podcasts and/or webinars

- Sitting down with Control Cutter
- Conversations at D&A 2023

Web traffic per month



CODA Sustainability Statement



At CODA, our unwavering commitment to the United Nations Sustainable Development Goals (SDGs) extends to our specific focus on SDGs 7, 9, 12, 13, 14, and 15, with a special emphasis on decommissioning practices that align with these goals. These goals serve as the foundation of our sustainability initiatives, guiding us toward responsible decommissioning and a more sustainable and inclusive future.

SDG 7 | Affordable and Clean Energy

In the context of decommissioning, we understand the importance of transitioning towards clean and affordable energy sources. Our decommissioning research highlights opportunities for the responsible removal and repurposing of oil and gas infrastructure, both onshore and offshore. By considering specific recycling solutions as well as contributing to understanding the facilities required, we contribute to reducing waste and ensuring the availability of clean energy resources for future generations.

SDG 9 | Industry, Innovation, and Infrastructure

Responsible decommissioning aligns with SDG 9 as it calls for sustainable industry and infrastructure harnessing global lessons learnt on innovation to optimise decommissioning procedures, ensuring the safe removal of infrastructure while minimising environmental impact. CODA also has a significant focus on scientific research, through the NDRI, which aligns with SDG 9. Our commitment to research, development and innovation in decommissioning supports the development of sustainable practices within the industry.

SDG 12 | Responsible Consumption and Production

Responsible decommissioning falls directly within the purview of SDG 12. CODA has a strong focus on recycling and reduction in waste in the decommissioning process. CODA has previously commissioned a report that looks at the opportunity for local disposal and recycling pathways, providing a good base for understanding our current state. CODA is building on this foundation report by conducting additional research in the recycling and material re-use space. CODA ensures that there is Operator and wider industry collaboration for use of oil and gas decommissioning specific resources, as well as engaging with the Australian Competition and Consumer Commission (ACCC) to ensure collaboration is open and transparent.

SDG 13 | Climate Action

Decommissioning plays a pivotal role in climate action, as highlighted in SDG 13. We recognise that the removal of outdated infrastructure must be conducted in a way that minimises environmental impact. CODA supports programs and research through the NDRI which are aligned with addressing climate change, promoting sustainable alternatives and mitigation measures.

SDG 14 | Life Below Water

Our commitment to responsible decommissioning extends to safeguarding life below water, as emphasised in SDG 14. The NDRI, as part of CODA, supports independent science to better understand the impacts of decommissioning oil and gas structures on the Australian marine environment. By adhering to best practices, we protect marine life and contribute to the preservation of our oceans.

SDG 15 | Life on Land

SDG 15 guides our efforts to decommission with utmost consideration for life on land. We prioritise land restoration and the sustainable management of decommissioned sites. Our practices aim to prevent land degradation, protect biodiversity, and promote responsible land use.

At CODA, our dedication to these specific SDGs through responsible decommissioning practices reflects our commitment to the holistic integration of sustainability into our business operations. By focusing on these goals, we aim to demonstrate that decommissioning can be carried out in a manner that not only respects environmental and social considerations but also supports a more sustainable and equitable future for all. Together, with our employees, stakeholders, customers, partners, and communities, we are resolute in our mission to contribute positively to a world where responsible decommissioning practices are the norm, benefiting current and future generations.

Financial Information Highlights

Revenue – where does it come from?

CODA is a not-for-profit organisation set up as an independent body, advancing the decommissioning industry in the wider Australian region. While significant support comes from JTSI, CODA is continually developing alternate revenue streams to support ongoing operations. CODA partnership revenue stream is growing, and we anticipate significant growth in this source over the coming years. Phase 2 of the NDRI is also a source of revenue, with funds being used for the administration and execution of the NDRI Phase 2 work plan.

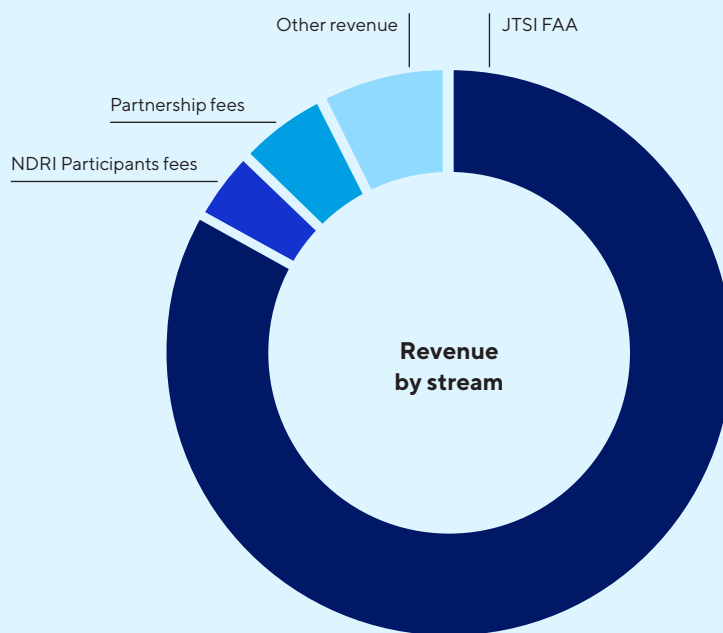
Subsequent to 30 June 2023, CODA also held its first Introduction to Decommissioning course which adds another stream of revenue to our portfolio. This revenue stream is also anticipated to grow over the coming years, as we explore opportunities to develop additional courses to build upon this foundational unit. In addition to this, there has been support received from the Northern Territory Government early in the 2023/24 financial year.

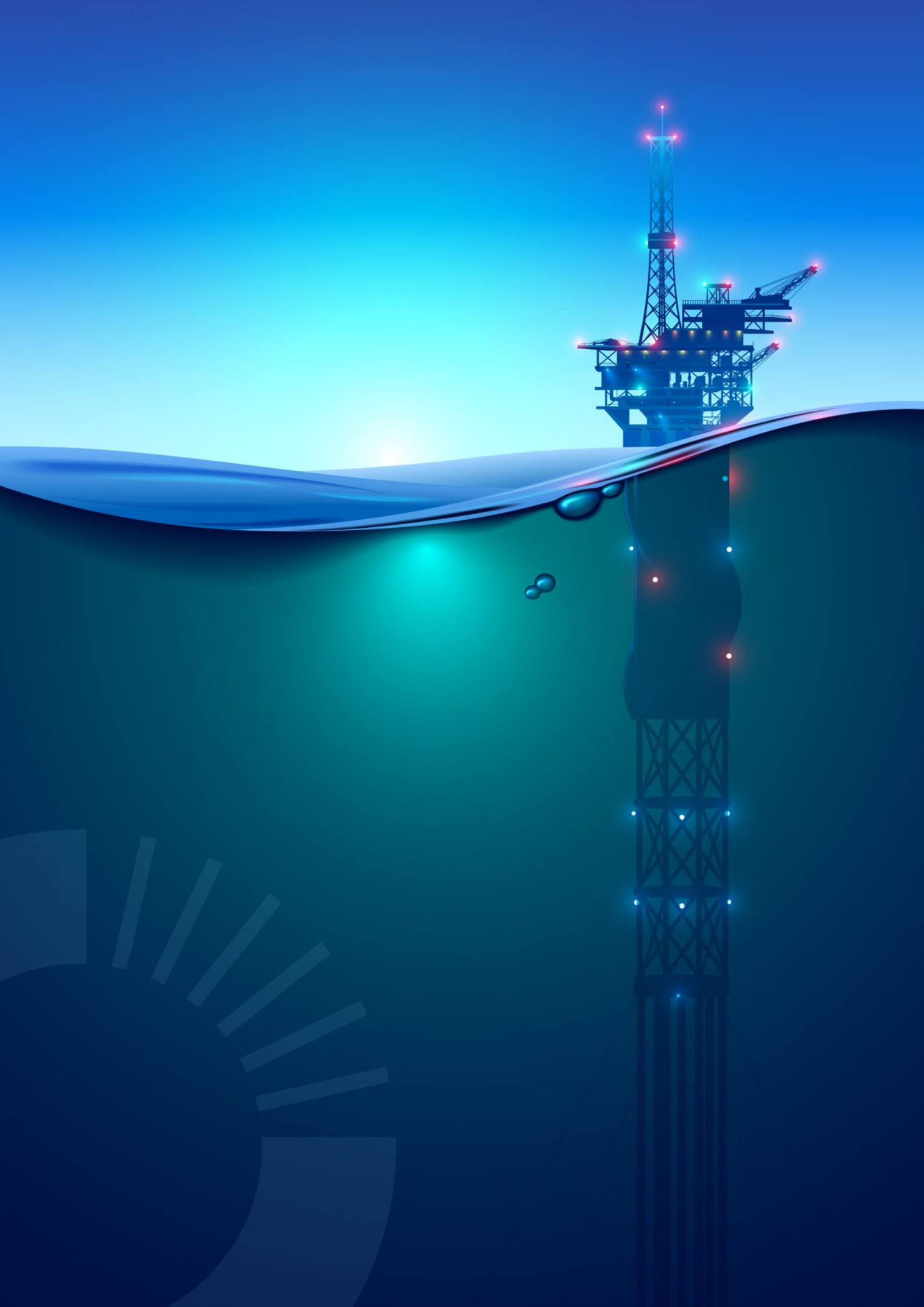
Where is it allocated?

The funds that are received from JTSI are used to carry out previously discussed and agreed scopes that work towards building WA's decommissioning capabilities and delivering on the high-level objectives noted on page 11 of this report.

The NDRI funds received from the six participants that are party to the NDRI agreement are specifically used to perform independent and credible scientific research on the impact of leaving, or removing, subsea oil and gas infrastructures on the marine environment.

CODA partnership revenue is utilised to assist the ongoing operations of CODA and aids CODA in working towards a long-term sustainable model, whereby CODA can continue to support the very important and emerging decommissioning market.







CENTRE OF
DECOMMISSIONING
AUSTRALIA



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