

Prosecution Bulletin no. 9/2018

Summary

- An oil and gas company was convicted and fined \$68,000 by the Charleville Magistrates Court for two offences of contravening a condition of its environmental authority (EA) in respect of its southwest Queensland oil pipeline.
- The offences related to two pipeline failures on 17 March and 16 July 2016 respectively that resulted in approximately 90,000 litres of crude oil being released to the environment.
- The Court also ordered that the company pay legal and investigations costs of \$3,581.10. No conviction was recorded.

Facts

The company is the holder of an EA authorising the operation of an oil pipeline that transports crude oil from a facility in Queensland to South Australia.

It is a condition of that EA that contaminants must not be directly or indirectly released to land except as permitted under the EA.

On 18 March 2016, the company emailed the Queensland Government's Pollution Hotline and reported that on the evening of 17 March 2016, approximately 30,000 litres of crude oil had been released from the pipeline to land.

On 16 July 2016, the company reported that earlier that day, another 60,000 litres (approximately) of crude oil had been released from the pipeline to land.

The company identified the cause of both incidents to be a defect in the structural inner layer of the pipeline which occurred at the time of installation in 2013. This defect became a point of weakness resulting in a failure of the pipeline at each location.

On 11 August 2016, departmental officers attended the site and observed that the release sites had been rehabilitated.

Outcome

On 19 July 2018, the company pleaded guilty to two charges of contravening a condition of its EA, contrary to section 430(3) of the *Environmental Protection Act 1994*.

The Charleville Magistrates Court fined the company \$68,000. The company was also ordered to pay both legal and investigations costs in the amounts of \$1,500 and \$2,081.10 respectively. No conviction was recorded.

In sentencing, the Court took into account the early pleas of guilty, the cooperation by the company with the Department during the investigation and the swift remediation action taken by the company.

The Court also noted however, that the offences were serious because the company had failed to do a thorough investigation after the first release incident to ensure that it would not happen again.

While there was no actual harm caused on this occasion, the Court found that the company was responsible for ensuring that it complied with all of its obligations.

This prosecution serves as an important reminder that the Department takes the protection of the environment seriously, and all holders of an EA must abide by appropriate environmental obligations.

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