

**Environmental undertaking to the Australian
Capital Territory Environment Protection
Authority**

**by Ampol Petroleum Pty Ltd (formerly
known as Caltex Petroleum Pty Ltd)**

Given under section 136F of the *Environment Protection Act 1997*

Background

Introduction

- 1 Ampol Petroleum Pty Ltd (formerly known as Caltex Petroleum Pty Limited) (**Ampol**) is the holder of Environmental Authorisation No. 0749, granted under the *Environment Protection Act 1997* (ACT) (**EP Act**), which relates to the operation of a service station known as Kippax Holt, located at 1 Hardwick Crescent, Holt in the Australian Capital Territory (**Site**).
- 2 Between 18 December 2019 and 14 February 2020 (a period of 57 days) an estimated 79,900 litres of Vortex 98 gasoline product was released below ground from one of the underground storage tanks at the Site known as Tank 4 (**Incident**). The Incident caused contamination of soil and groundwater surrounding the Site.
- 3 The Environment Protection Authority (**EPA**) alleges that Ampol committed an environmental offence against section 138(3) of the EP Act by its conduct in relation to the Incident. This document is an environmental undertaking given by Ampol to the EPA under section 136F of the EP Act in relation to that alleged offence.
- 4 This environmental undertaking, if and when accepted by the EPA under section 136G of the EP Act by written notice given to Ampol, will be an enforceable undertaking under that Act.

The Incident

- 5 The Site comprises a service station with retail shop and mechanic workshop. The Site has four underground petroleum storage tanks (including Tank 4), plus an underground waste oil tank and aboveground LPG vessel. The Site is operated by a franchisee.
- 6 Tank 4 is a single-walled steel tank. The tank is not fitted with cathodic protection, automatic tank gauging or electronic line leak detection. The tank is thought to be around 45 years old. It has a capacity of 20,600 litres.
- 7 On 12 February 2020, Ampol's processes identified a discrepancy in the volume of Vortex 98 gasoline being stored in Tank 4 at the Site. Testing was subsequently carried out to determine the cause of the discrepancy. All deliveries to, and dispensing from, the tank were suspended. On 14 February 2020, a variance of approximately 2,000 litres was reported for the static tank, confirming loss of product to the environment was occurring. It was later confirmed that an estimated 79,900 litres of product had been released below ground from Tank 4 between 18 December 2019 and 14 February 2020 (a period of 57 days).
- 8 Ampol subsequently found that the failure of Tank 4 was caused by corrosion on the floor of the tank. The identified corrosion mechanisms were typical of a single-walled steel underground storage tank of the age of Tank 4 without cathodic protection. Ampol also found that a number of its risk management controls had failed to prevent the failure of Tank 4, and to detect and action the loss, including the following:
 - (1) the daily wet stock reconciliation workflow procedures performed by Site's operator in order to reconcile variances in the stock at the Site and monitor inventory and environmental controls;

- (2) the monthly Statistical Inventory Reconciliation Analysis (**SIRA**) procedures performed by Ampol's SIRA service provider in order to analyse and reconcile the Site's inventory, delivery, and dispensing data; and
- (3) the monthly review and management of the SIRA findings by Ampol and its SIRA service provider.

Response to the Incident

- 9 Ampol initiated immediate action in response to the Incident. A qualified environmental consultant and a specialist remediation contractor were engaged and responded within 24 hours. On 14 February 2020, around 5,900 litres were recovered from Tank 4 in order to empty it. Tank 4 was temporarily taken out of service in accordance with Australian Standard AS 4976 - 2008.
- 10 The presence of hydrocarbon product was detected in four out of five of the existing on-site groundwater monitoring wells installed at the Site. The recovery of contaminated groundwater and product from those wells commenced on 15 February 2020 and remains ongoing as at the date of this document. As of 31 July 2020, 23,551 litres of product and 143,993 litres of water had been recovered.
- 11 On 14 February 2020, Ampol verbally notified the EPA of the confirmed loss of product from Tank 4. An email summarising the initial response actions followed on 17 February 2020. Further notification was provided to the EPA via a completed contaminated land notification form on 21 February 2020.
- 12 On 3 March 2020, the EPA issued an environment protection order to Ampol in relation to the Incident pursuant to section 125 of the EP Act, namely Environment Protection Order No. 50048 (**EPO**). The EPO directed Ampol to meet several requirements including undertaking an on-site assessment of the risk to human health to demonstrate that the Site is suitable to continue operation as a service station. The EPO also required Ampol to prepare a report detailing the cause of the failure of Tank 4 that led to the Incident. Ampol met all requirements of the EPO by 30 April 2020.
- 13 Separately, on 13 March 2020, the EPA issued a notice pursuant to section 76(2) of the EP Act requiring Ampol to engage an independent environmental auditor to provide the EPA with an indication of the extent of contamination both on and off-site and determine the appropriateness of all investigations and remedial actions that have taken place. The audit also required Ampol to determine whether all areas impacted by the Incident remain suitable for their current permissible land uses with respect to the ACT Territory Plan. The Site Audit Report and Site Audit Statement was submitted to the EPA on 11 December 2020 in accordance with EPA's requirements.
- 14 The Site Audit Report and the Site Audit Statement have confirmed that:
 - (1) the Site is suitable for continued use as a service station and automotive mechanical workshop; and
 - (2) the areas surrounding the Site are suitable for continued existing uses.
- 15 It is also noted that:
 - (1) An on-site vapour assessment conducted in accordance with the EPO concluded that there was no evidence of unacceptable human health risk to the occupants of,

or visitors to, the Site with respect to the soil vapours and the Site is suitable to continue operating as a service station; and

- (2) An assessment of potential off-site human health risks has also been completed, which has determined that the vapour concentrations within nearby residential and commercial properties are low and do not present an unacceptable risk to occupants of those off-site receptors. Ampol has prepared and continues to implement a communications strategy to keep relevant stakeholders, including nearby residents and commercial workers, informed about the investigation works and their outcomes.
- 16 A long-term remediation strategy has been prepared for the management of contamination caused by the Incident. Ampol has prepared a remediation action plan for that purpose, which has been endorsed by the independent environmental auditor.
 - 17 Ampol has been in regular contact with the EPA since the Incident and has at all times cooperated with the EPA's investigation into the Incident.

The alleged offence

- 18 Ampol acknowledges that the EPA alleges that Ampol has committed an offence against section 138(3) of the EP Act by polluting the environment causing material environmental harm or likely material environmental harm.

Statement of regret

- 19 Ampol regrets the occurrence of the Incident and acknowledges the EPA's legitimate concerns in relation to the Incident.

Preventative actions

- 20 Ampol has carried out, or is carrying out, a number of actions to prevent the occurrence of similar incidents, or incidents with similar causes, in the future. These include:
 - (1) developing and implementing a risk assessment and management plan for remaining tanks at the Site that will include replacement of the entire underground petroleum storage system);
 - (2) implementing improved monitoring and reporting for all Ampol underground petroleum storage systems;
 - (3) conducting a review of the performance of the Ampol business platform used for performing the daily wet stock reconciliation procedures (known as StarBOS), including by developing and implementing improvements to reduce false daily variances from occurring;
 - (4) providing training to all Ampol store managers on the improved daily wet stock reconciliation procedures;
 - (5) developing improved procedures for investigations triggered by anomalous SIRA data results, including by introducing a maximum time allowance for an

investigation to be completed and prioritising sites for investigation based on cumulative variance;

- (6) providing training to Ampol Business Managers, Regional Managers and other staff on the use of the SIRA service provider's web portal (known as Yellowfin) and relevant SIRA procedures, including the improved investigation procedures;
- (7) improving monthly SIRA reporting to provide key headlines to Ampol Management for investigation; and
- (8) reviewing the monthly SIRA governance structure to ensure objectives, attendance, roles and responsibilities and agenda are appropriate.

Undertakings

Contribution to Ginninderry Conservation Trust and Ginninderra Catchment Group

- 21 Ampol undertakes to pay a total sum of \$200,000, of which \$150,000 is to be allocated to the Ginninderry Conservation Trust and \$50,000 is to be allocated to the Ginninderra Catchment Group.

- 22 The amount of \$150,000 to the Ginninderry Conservation Trust is to be allocated to the following two projects:

Project name	Ampol contribution	Duration
Riparian Education and Training Program	\$120,000	2 years - \$60,000 per annum
Farm Dam Restoration	\$30,000 (3 dams at \$10,000 per dam)	12 months to complete restoration
Total: \$150,000		

- 23 The amount of \$50,000 to the Ginninderra Catchment Group is to be allocated to the following project:

Project name	Ampol contribution	Duration
Building a Healthy Ginninderra Catchment (Community Engagement)	\$50,000	2 years - \$25,000 per annum
Total: \$50,000		

- 24 The carrying out and completion of the relevant projects set out above in paragraphs 22 and 23 will be the sole responsibility of the Ginninderry Conservation Trust and Ginninderra Catchment Group respectively.
- 25 Ampol undertakes to pay the amounts set out in paragraph 21 above within 28 days of the execution of this document by both parties.

Acknowledgements

- 26 Ampol acknowledges that this environmental undertaking, if and when accepted by the EPA under section 136G of the EP Act by written notice given to Ampol, will be an enforceable undertaking under that Act.
- 27 Ampol acknowledges that it is able to comply with the terms of this environmental undertaking.
- 28 Ampol acknowledges that the enforceable undertaking is a legally binding agreement and that if Ampol contravenes the enforceable undertaking the EPA may exercise its powers to compel performance of the undertaking in accordance with section 136K of the EP Act.
- 29 Ampol acknowledges that the enforceable undertaking may only be withdrawn from or amended with the EPA's written agreement in accordance with section 136H of the EP Act and may only be ended by the EPA in accordance with section 136I of the EP Act.
- 30 Ampol acknowledges that the enforceable undertaking has the effect provided for in section 136L of the EP Act but does not otherwise affect any rights or remedies available to the EPA or any other person or entity under the EP Act, or Ampol's statutory obligations under the EP Act.
- 31 Ampol acknowledges that the enforceable undertaking does not affect the EPA's powers to investigate a contravention of the EP Act arising from future conduct, or to pursue a criminal prosecution or exercise any other regulatory powers under the EP Act in respect of future conduct.
- 32 Ampol acknowledges and agrees that the EPA may issue a media release about the enforceable undertaking referring to its terms and may from time to time publicly refer to the enforceable undertaking.

Executed on 13 May 2021

For and on behalf of Ampol Petroleum Pty Limited ACN 000 007 876 in accordance with section 127 of the Corporations Act 2001 (Cth):

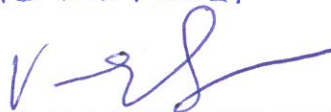


Signature of Director

JOANNE TAYLOR

Name of Director

Date: 13 MAY 2021



Signature of ~~Director~~/Company Secretary
Virginia Papaluca

Name of ~~Director~~/Company Secretary

Date: 13 May 2021

Accepted by the Environment Protection Authority pursuant to section 136G of the Environment Protection Act 1997 (ACT) by its duly authorised delegate:



Signature of authorised delegate

Narelle Sargent

Name of authorised delegate

Date: 12 May 2021

