

Nuplex ordered to confess pollution

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Nuplex is fined \$55,000 and told to inform staff and shareholders. Picture / Kenny Rodger

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By ANNE BESTON

In a legal first, a multimillion-dollar company with a string of air pollution convictions has been ordered to confess its sins to shareholders.

Resin manufacturer Nuplex Industries, valued at \$208 million on the New Zealand Stock Exchange, has also been fined \$55,000 for a fumes leak - a record for a single pollution charge.

But an order that the Penrose company publish details of the conviction in its next annual report is likely to hurt far more.

In another first, Judge Frederick McElrea, sentencing the company in the Auckland District Court this week, ordered Nuplex to put environmental issues on its board meeting agendas for the next 24 months.

Another order, that it notify all staff-members of the latest breach, has been made in one previous case.

Environmental lawyer Deborah Hollings, appearing for the Auckland Regional Council which brought the prosecution, welcomed the ruling.

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"In terms of using a stick to get compliance from big corporates, I would think it would be very effective," she said. "A lot of investors now think about issues in regard to a company's environmental performance and there is a point where a fine is just not sufficient."

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Judge McElrea said he was concerned that Nuplex presented itself as an environmentally responsible corporate citizen but did not back that up with its actions.

A "misleading" reference in last year's annual report had played down the leak on June 5 and should be corrected, he said.

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During the breach, Nuplex staff and other workers in the area left work early complaining of headaches and nausea from the acrid ethyl acrylate fumes, yet the company had not expressed remorse and its lawyer had submitted that the breach was minor.

"I am amazed if that is the attitude of the company," said Judge McElrea.

Nuplex, which also operates in Australia and Vietnam, posted a \$12.6 million profit in the year to June 30.

The ARC alleged that "sloppy housekeeping" of odour control equipment had led to the fumes escaping, and said one key piece of the odour-removing plant had not been serviced since its installation eight years before.

The council received an average of five serious complaints against Nuplex every year, had received 38 proven complaints over the past decade and another 41 that were not validated.

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A wholly-owned subsidiary of Nuplex, hazardous waste disposer United Environmental, has also pleaded guilty to an illegal discharge of chlorine gas at its East Tamaki site late last year.

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It will be sentenced this month.

ARC pollution control officer Michael Le Roy Dyson said the United site had been partly closed until the company proved it could meet pollution limits.

He welcomed the Nuplex decision but said with a maximum \$200,000 fine available, the company's history meant it was lucky the sentence was not more severe.

Nuplex's New Zealand general manager, Richard Allan, said the firm, which had pleaded guilty to the charge, regretted the inconvenience caused during the gas discharge and took the court's decision seriously.

It had committed \$350,000 to upgrading odour-control equipment.

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