



Highland Pine Products

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***Independent Audit Report:
Planning & Environmental Compliance
Oberon NSW, June 2019***

for

Highland Pine Products Pty Ltd

REPORT CONTENT

AUDITING METHOD

This audit report is based on a representative sample of systems and information using the 'evidence and risk based approach' as provided for in AS/NZS ISO 19011:2018 *Guidelines for auditing management systems*. This approach was adopted to verify that environmental risks are being systematically addressed in accordance with the audit criteria as specified in the audit scope section of this report.

Information presented within the Report relies on:

- the completeness and accuracy of information provided by those personnel available for interview (after reasonable professional interrogation of the accuracy of such information); and
- the condition of the site as observed during the day(s) of the site inspection; and
- the completeness and accuracy of records, monitoring data and previous reports that were within the system or made available to support Audit enquiries (where applicable).

It is emphasised that this Audit is a 'snapshot in time' and environmental conditions, business operations and/or management practices may vary at times following the audit period.

The detail provided within the audit report largely reports by exception; discussing areas identified for improvement far more than when commendable practices were observed and/or verified. This approach is considered to provide a more concise report, with a focus on continuous improvement.

The Audit Report is intended for those named on the distribution list.

The Audit report should only be reproduced and distributed in full.



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ABBREVIATIONS

ABBREVIATION	WORD/PHRASE
AEMR	Annual Environmental Management Report
AS/NZS	Australian and New Zealand Standard
DA	Development Application
DC	Development Consent (issued by DUA&P) – now DPE
DPE	NSW Department of Planning and Environment
EPA	NSW Environment Protection Authority
EP&A	Environmental Planning and Assessment
EPL	Environment Protection Licence (issued by EPA)
IAR	Independent Audit Report
OFI	Opportunity for Improvement
OH&S	Occupational Health and Safety
ML	Megalitre
PM	Preventative Maintenance
POEO Act	Protection of the Environment Operations Act, 1997 (NSW)
PPE	Personal Protection Equipment
SEPP	State Environmental Planning Policy
SOP	Standard Operating Procedure

GENERAL INFORMATION

Audit No:	190626
Audit Title:	Independent Planning & Environment Audit
Location:	Site 2, Gate 3 Albion Street, Oberon
Audit Date:	24 th – 26 th June, 2019
Audit Completed By (Lead Auditor):	
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EXECUTIVE SUMMARY

EnviroRisk Management Pty Ltd (EnviroRisk) was engaged by Highland Pine Products Pty Ltd (HPP) to undertake an independent audit of compliance with conditions within the Development Consent and the Environment Protection Licence for their sawmill located at Albion Street, Oberon NSW.

An independent audit is required every three years under Condition 6.3(a)-(f) of the Development Consent issued by the NSW Minister for Urban Affairs and Planning in 2001.

The audit was conducted in general accordance with AS/NZS ISO 19011:2018 *Guidelines for auditing management systems*. The site component of the audit was conducted on 24th to 26th June 2019.

The audit team held particular expertise in air, waste and noise. During the audit site personnel were interviewed, documentary evidence such as reports, data, records and procedures were sought and examined¹, and a guided inspection of the site and surrounds was conducted. Further evidence was provided prior to the site visit and during the week following the site component.

After consideration of the audit objectives and all the findings (as detailed in the audit protocol attached at Appendix 4), the following conclusions were made:

Compliance

Compliance findings of the audit, as made against the 'Independent Audit, Post Approval Requirements' guidelines, include:

- nine (9) Development Consent conditions where compliance could not be demonstrated, with a number of non-compliances relating to administrative requirements within conditions; and
- four (4) conditions of the EPL where strict compliance could not be demonstrated.

Although non-compliances exist, the site operations are substantially compliant with conditions of the Development Consent and Environmental Protection Licence relating to pollution control and amenity.

Recommendations for improvements to resolve compliance aspects are provided in the report. Prominent non-compliances identified were associated with the following:

- **Air Emissions**

- The opacity of the boiler is reading up to 50%. Whilst the most recent stack tests (Ektimo 2017, 2018) reveal compliance against the 250mg/m³ particulate limit, a 30-50% real-time opacity meter reading observed during the audit suggests calibration issues with the SICK monitor, or potential excursions over the Clean Air Regulations 20% limit.

The opacity meter output was not being used as a trigger to review emissions compliance suggesting further operator training is required, accompanied by combustion optimisation procedures.

- Timber chip stockpiles intended for use as boiler fuel were noted to contain sporadic blue coloured timber. This was considered to indicate the presence of chipped bifenthrin treatment timber pieces. Such timbers should not be burned without EPA approval and require segregation from the boiler fuel timbers as per procedures specified in the current EMP. A beneficial re-use review of this waste stream is recommended.

- The meteorological stations weather data appeared to have a battery function issue only reading part of the 24hour period required.

¹ Where multiple records or data reports were available, a sample was examined using standard audit evidence sampling methods.

- **Noise**

- There have been no noise complaints for over 12 months. The monitoring results available and the HPP noise mitigation program observed confirms overall compliance is achieved with the EPL noise limits and conditions. Compliance with the more stringent Development Consent (DC) night period noise limits could not be established. Noise monitoring during 2017 met EPL requirements but not the DC requirement for a test during 2018. Available noise monitoring reports indicate noise from the entire Oberon timber complex is likely to exceed DC limits at certain locations. An alignment of the noise standards between approvals would assist with compliance attainment.
- A maintenance access door was noted ajar on the southern boundary wall that would provide a noise break-out pathway. A review of door closure policy during the night period and training for operators in the area is recommended.

- **Waste**

- Blue timber framing H2 Bifenthrin liquid preservative waste was noted stored within a bunded location away from the treatment plant area (Site 1). A storage, wash-out and labelling procedure update is required prior to relocating containers that are considered 'empty'.
- The timber preservation area at the dry mill was assessed against specifications within the Australia Standards for Timber Preservation Plants. Improvements were identified in order to demonstrate compliance with pipe labelling, pipe and hose drip control within a bunded area, backflow protection device location and groundwater monitoring.

- **Environmental Systems**

- Two breaches during 2018 were noted relating to a failure to conduct and report to the DPE: an annual noise assessment; and the annual independent environmental report. These were included in Annual Environmental Management Reports with the delay in actioning of the items reportedly related to the sale of the business i.e. CHH sold its share to AKD Softwoods.
- Minor improvements in the EMP were identified relating to updates of figures, operating procedures (SOP), training, records recovery off the CHH system and additional items to be included within preventative maintenance checks.
- Gaps in compliance remain against a number of the original Development Consent conditions. Written correspondence from DPE has confirmed these can be rectified only through a request made under the EP&A Act to modify the conditions (i.e. landscaping, car park, noise limits that differ from EPA licence). HPP should progress with a modification to their development consent conditions in order to comply.
- There appears scope to improve reporting efficiencies by alignment the reporting period for the AEMR with the EPA Annual return.

Environmental Performance

Environmental performance has been assessed against the objectives contained within the EMP. Using a subjective 1-5 scale rating system for each objective, the audit has found that the site has achieved an overall environmental performance score of 80%.

Recommendations for Improvement

Improvement recommendations are summarised in Table 2 below. The recommendation numbering has been structured to assist identify whether the recommendation arises from the Development Consent, the Environmental Protection Licence or a Systems element. To assist in the illustration of some recommendations, a pictorial summary of observations is provided, including many commendable practices observed.

Table 1 – Independent Audit Recommendations

Reference	Recommendation	Priority%
	<i>Development Consent DA 403-11-00 Conditions</i>	
DC:19-1	HPP liaise with DPE as to the best process under the Environmental Planning and Assessment Act, or an associated Act to modify consent conditions which are no longer directly relevant for the operations e.g. car park spaces, western by-pass, noise limits, incorporating of monitoring into Greater Oberon Timber Complex.	Medium
DC:19-2	Include a plan within the EMP illustrating where environmental monitoring points are located - air, water, groundwater and noise (surrounding area).	Low
DC:19-3	During the next EMP update, review the references section to ensure it specifies relevant Acts and Regulations applicable to the site; and add the radiation gauge Licence to the list of Licences held.	Low
DC:19-4	Progress the hand- over of information from CHH systems to capture all complaint records and improvement action items from audits over the past 4 years.	Medium
DC:19-5	Prior to purchasing timber chip for boiler fuel, have the Environmental Advisor sign off it is fit for purpose and contains no hazardous materials e.g. treated painted or engineered timber, impurities (metals, plastics), etc.	High
DC:19-6	Seek DPE approval of the current version of the Waste Management Plan.	Medium
DC:19-7	Prepare a Landscape Management Plan and provide to the D-G for approval.	High
DC:19-8	Add compliance assessment & reporting timeframes with reminders into the Risk Manager (or equivalent) scheduler as a means to mitigate the risk of future consent action item non-compliances.	High
DC:19-9	HPP consider aligning the AEMR and EPA Licence Annual Return to avert the doubling reproduction of some data.	Low
	<i>EPL 11229 Conditions</i>	
EPL:19-1	Develop a system for management and control of H2 waste including operator training to ensure treated Bifenthrin timbers do not enter the boiler fuel waste re-use stream. (This may alter if permission is granted by EPA to burn bifenthrin treated timber following a proof of destruction testing program). There may be options to re-use these residues as a beneficial re-use, e.g. fuel, MDF.	High
EPL:19-2	a) Undertake testing to correlate the Opacity meter with particulate emission levels such that it can be used as both a compliance device and a control tool for boiler operators to regulate fuel/ air mix and overfire air controls. b) Set out an SOP such that operators may be trained in the use of the opacity monitoring system to maximise boiler combustion efficiency.	High
EPL:19-3	Ensure doors not required for access are closed along the south boundary to prevent noise breakout at night.	High

Reference	Recommendation	Priority%
EPL:19-4	<p>Improve Bifenthrin treatment plant design compliance with the ANZS 2843.1 Standard including:</p> <p>a) Part 1, Section 1.6. Labels. Colour code pipe runs and include transfer runs in a schematic plan.</p> <p>b) Part 1 Section 2.4 Water Bodies: Install a groundwater monitoring bore downgradient outside the treatment plant bunded area to support no loss of containment through the floor and sumps.</p> <p>c) Part 1, Sect 3.8 & Part 2 2.1 Emergency Plans & 2.8 Signs; Access & Signage: Re-label the Emergency Exit sign leading into the H2 Preservative mix area given it is a locked area and provides no escape.</p> <p>d) Part 1, Sect 4.7.2 Backflow Precautions: Review whether the backflow protection device is positioned correctly and is upstream from all flow lines to protect potable water supply.</p> <p>e) Part 1 Sect 4.7.3 - Auto Shut off and containment: Confirm that the level device and alarm in the water sump is included in the preventative maintenance MEX checking system.</p> <p>f) Part 1 Sect 3.5: Containment: add a double skin (extra pipe) around the pipes that run outside the building from the bifenthrin mixing area to the bunded application area so that line leakage would drain back into the bunded area (e.g. secondary pipe control).</p> <p>g) Part 1 Sect 3.5 Containment: relocate the dripping hoses from the wall potentially outside the bunded area back into the bunded areas.</p>	Medium
EPL:19-5	Ensure a program to calibrate the SICK opacity meter is undertaken during the next scheduled particulate and NOx stack emission compliance test.	High
EPL:19-6	Continue to assess trends in groundwater to evaluate impact; particularly the nitrate concentration. If the trend continues upwards, undertake a risk assessment of likely impact to off- site receptors.	Low
EPL:19-7	Investigate the reason for weather monitoring station data drop-outs; in particular check battery condition.	Medium
EPL:19-8	Add the regulatory notification process into HPPs Risk Manager program so that a record is captured and readily accessible.	Low
	Environmental system and plan specifications	
EMS:19-1	Develop a new SOP capturing control over treated timber required including movement of liquid residues and empty container labelling and storage. Train all relevant operators in the SOP.	High
EMS:19-2	Add to MEX an inspection process for the floor and sumps of the H2 application and mix areas and any sump level controls calibration.	Medium
EMS:19-3	Add to MEX an inspection of the roof vents at the H2 Application area where filters are changed to document no overcarry nor clean up required.	Medium

Reference	Recommendation	Priority%
EMS:19-4	Verify and hold documentation that the contractors transporting treated timber waste are Licenced.	High
EMS:19-5	Make sure all operators have access to chemical SDS data via an on-line system as some chemical information was not available in hard copy at stations.	Low
EMS:19-6	Include responsibilities for completing the NPI (and potentially NGERS) reporting process in the EMP (or broader EMS) under the new AKD Softwoods ownership regime.	Low
EMS:19-7	During the next iteration and QA review of the PIRMP, SWMP and WMP management plans, review the responsibilities matrix's to ensure they all align.	Low
EMS:19-8	a) Investigate scope for burning bark within the boiler furnace to replace purchased fuel needs from off-site, provide sale options for a quantity of the chipped timber and therefore a net financial benefit to site operations. b) A procedure to optimise combustion efficiency controls to ensure air discharge compliance will need to pre-date any change to fuel use.	Medium
EMS: 19-9	Complete a review of site generated waste to evaluate beneficial re-use opportunities as opposed to landfill.	Medium
	Boiler Furnace Optimisation	
Boiler:19-1	Review the existing Citec control system with a view to making it easier for operators to understand and respond to combustion improvement using currently available monitoring information.	High
Boiler:19-2	Optimise the boiler operator screens and units to facilitate accuracy of information and enable ready interpretation of combustion data.	Low
Boiler:19-3	Provide the ability to adjust the mix of under-fire and overfire air in relation to percentage of the feed rate.	Medium
Boiler:19-4	Optimise the overfire air burning zone closer to the furnace bed.	Medium
Boiler:19-5	Investigate feasibility of a bark hammer mill with payback against fuel purchase, grate replacement, downtime and sale of existing dry material (chip).	Low
Boiler:19-6	Insulation is required over valve bodies and the currently exposed top of the boiler to improve efficiencies.	Low
Boiler: 19-7	Assess beneficial re-use opportunities for ash as opposed to landfill disposal.	Low

%**Priority** is rated as follows: **High** - to be completed over the next 3 months; **Medium** – to be completed over the next 12-18 months; **Low** – to be completed before the next triennial audit. Opportunities for improvement (OFI) have been rated as a Low priority. Compliance items have been rated either a High or Medium priority for action. Refer to Audit Protocol for detail as to the applicable compliance item and the rationale behind each recommendation.

PICTORIAL SUMMARY



Photo 1: Chip contains small amounts of treated timber content (Blue frame pieces). Destined for boiler fuel.



Photo 2a: Docking of Holtec treated timbers can feed into timber bin destined for chipping and boiler fuel.



Photo 2b: Blue frame rejects (at application area Dry Mill) found in wood chip bin destined for boiler fuel.

Rec. Update SOP and train operators on segregation practices. Investigate beneficial re-use opportunities for the treated timber residues.



Photo 3: Containers with H2 preservative content in shed with empty 200L drums; outside treatment area.

Rec. Update SOP and train operators in correct storage and handling practices.



Photo 4: Boiler emissions opacity monitor reading 30-50%; minimal smoke evidence at 34.1%.

Rec. Calibration required and operator SOP to use data to better regulate fuel/air mix/ overfire air as compliance control tool.



**Photo 5a: Boiler top not insulated leading to inefficiencies & additional fuel requirements.
Rec. Insulate the boiler top and valve stems.**



Photo 5b: The boiler furnace ash exhibits large pieces indicative of incomplete combustion.

Rec. Progress review to negate 'grate burning' to improve combustion and mitigate particle overcarry thereby mitigating the risk of non-compliance with Opacity and particulate limits. Assess re-use options.



Photo 6: Southern door ajar represents a pathway for noise escape during night.

Rec. Operator training required to ensure southern doors remain closed.



Photo 7: Rec. Add a roof inspection at Blue frame H2 timber preservative application discharge into PM system.



Photo 8: Pipe identification not present and pipes extend outside bund.

Rec. Label and colour code piping. Provide a secondary pipe to drain line back into bund should leak occur.



Photo 9: Hose hook up area is outside bund and can drain to below ground services.

Recs. Re-location required so as within bund. Install a groundwater bore down hydraulic gradient. Ensure pump sump alarm is on PM check



Photo 10: Backflow prevention may not be on in-feed line. Rec. Check location of backflow control.

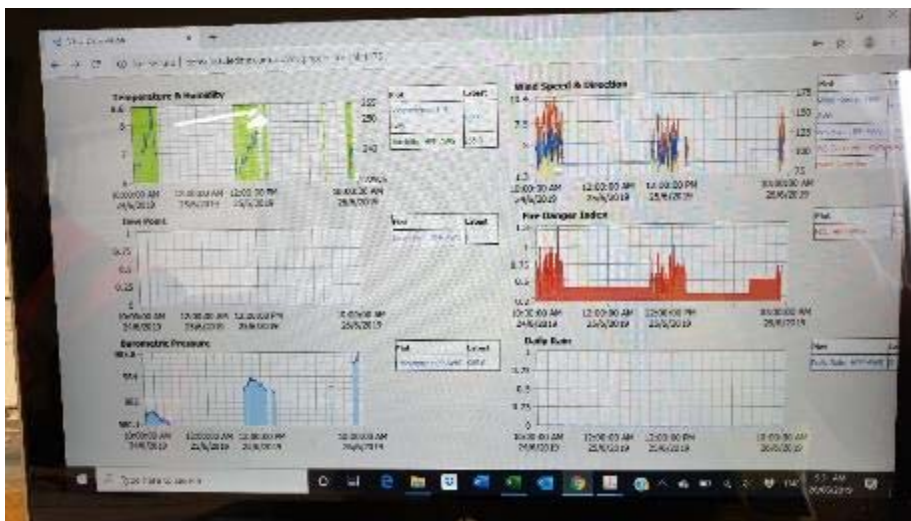


Photo 11: Weather monitoring station ramps off.

Rec. Battery or settings check required to capture 24hrs.

COMMENDABLE PRACTICES



Boiler shed managed to minimise dust



Incident notification clear and utilised.



Spill response kits well maintained



Oils and chemicals bunded with emergency information readily available.

COMMENDABLE PRACTICES



Log yard run off controlled, aerated to reduce odour and sent to Borg (neighbouring site) under contract for re-use.



Interceptors in stormwater drains provide capability to respond to spills.



Final stormwater channel has isolation gate ability to contain spillage incidents

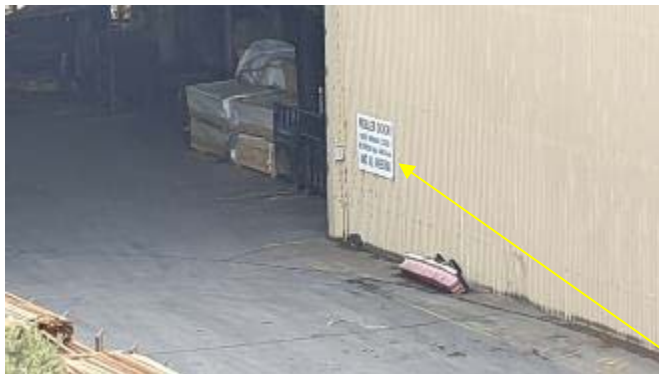


Colour coded waste bins available to facilitate correct waste management (albeit further training required).

COMMENDABLE PRACTICES



Noise enclosures progressively actioned.



Signage on entry doors to remind operators to close during night period to minimise noise in community.



Filters on Blue frame H2 preservative application area are on preventative maintenance to avert overspray discharge.



Noise wall & landscaping at south boundary. Roads regularly swept by contract sweeper to control road dust.

1.0 INTRODUCTION

EnviroRisk Management Pty Ltd (EnviroRisk) was engaged by Highland Pine Products Pty Ltd (HPP) to undertake an independent audit of environmental performance and compliance with conditions of their Development Consent (DC) and Environment Protection Licence (EPL) for their Site 2 sawmill facility located off Gate 3 Albion Street, Oberon NSW.

The audit, to be undertaken every three years, is required under Condition 6.3 of the Development Consent (DC) issued by the NSW Minister for Urban Affairs Planning in 2001.

Condition 6.3(a)-(f) states:

Within 12 months of conclusion of commissioning of the development, and every three years thereafter, unless the Director-General otherwise directs, the Applicant must commission and pay the full cost of an Independent Environmental Audit. The Independent Environmental Audit must:

- (a) be conducted by a suitably qualified, experienced, and independent person whose appointment has been endorsed by the Director-General;
- (b) be consistent with *ISO 14010 – Guidelines and General Principles for Environmental Auditing*, and *ISO 14011 – Procedures for Environmental Auditing*, or updated versions of these guidelines/manuals;
- (c) assess the environmental performance of the development, and its effects on the surrounding environment;
- (d) assess whether the development is complying with the relevant standards, performance measures, and statutory requirements;
- (e) review the adequacy of the Applicant's Environmental Management Plan, and Environmental Monitoring Program; and, if necessary,
- (f) recommend measures or actions to improve the environmental performance of the plant, and/or the environmental management and monitoring systems.

EnviroRisk conducted a previous compliance audit in October 2015. The objective of this 2019 independent audit was therefore to meet the “three years thereafter” audit requirement², and to address consent Conditions 6.3(a)-(f) above.

A copy of the audit team's independence statement and the endorsement by the Director General of the auditor to commence the audit is attached within Appendix 1 and 2.

Exclusions:

- Site 1, which is off the development consent area.

Changes since previous audit:

- HPP ownership has changed with Carter Holt Harvey Woodproducts Australia selling their shares in HPP to AKD Softwoods. This sale has presented some challenges with ready access to data. At the time of the audit, previous electronic systems records maintained by Carter Holt Harvey are in the process of hand-over to the new owners.

² It is noted the audit has exceeded the 3 yearly specification, a facet of the sale process where 50% of the business changed ownership during 2018.

1.1 Audit Objectives

The objectives of the audit are to:

- a) assess the environmental performance of the project;
- b) assess whether the site is complying with the conditions of the DC and the EPL;
- c) review the adequacy of any system, plan or programme required under the DC; and
- d) recommend measures or actions to improve the environmental performance of the site and any system, plan or programme reviewed in c) above;

The audit was conducted in general accordance with AS/NZS ISO19011:2014 *Guidelines for auditing management systems* and the NSW guidelines *Independent Audit – Post Approval Requirements, June 2018* issued by the Department of Planning and Environment.

2.0 METHODOLOGY

2.1 Audited Facilities, Boundaries and Period

The audit (as defined under AS/NZS ISO19011:2018) includes the sawmilling and timber treatment operations on Site 2 of the Albion Street, Oberon timber complex owned and operated by HPP. It includes associated facilities (boiler, logyard, storage, etc.), activities (training, monitoring, maintenance) and surroundings where included within the Development Consent (DC) and Environment Protection Licence (EPL).

The temporal period covered is from the date of the previous audit (i.e. post October 2015) to the date of this audit, namely 26th June 2019.

2.2 Scope of Works

The following scope of works was undertaken:

1. Documentation Review: prior to attending on site relevant documents were obtained for review, including copies of the most recent versions of plans prepared as required under the DC, and the included modifications referred to in the previous section of this report;
2. Audit Preparation: a draft audit plan setting out the work schedule for the two (2) day period of the site component of the audit was prepared for client review and finalisation; an audit protocol (checklist) was prepared that identified and tabulated all the audit criteria to be used by the audit team during the audit;
3. Site Component: an opening meeting with relevant client personnel was convened; a site inspection was conducted to familiarise the audit team with the sawmill and associated areas; interviews with key operational personnel were conducted and verifiable evidence sought against all audit criteria listed in the protocol; following an audit team review meeting a closing meeting was convened with management to present the findings and discuss any other relevant matters;

4. Reporting: a draft audit report was prepared detailing all relevant information concerning the audit, including the attached completed audit protocol, reference to evidence sighted, photographs where applicable, and tabulated non-compliances/improvement opportunities and recommendations for improvement;
5. Quality Reviews: the draft audit report was quality-reviewed before issue for review/comment by the client; and
6. Finalisation: the finalised audit report issued.

3.0 AUDIT TEAM

The audit team comprised:

Mr Stephen Jenkins BAppSc, GradDipMgt (Project Director, Lead Auditor).

Stephen is the Director of EnviroRisk Management is a Certified Environmental Practitioner, and a Vic EPA-appointed Environmental (Industry Facility) Auditor (appointed pursuant to the Environment Protection Act, 1970). Stephen was formerly an operations scientist with the Nosie Branch of the Victorian EPA (1980's) and worked as an environmental risk manager with Richard Oliver Risk Managers before establishing EnviroRisk Management in 1995. He has conducted systems/risk audits of a large variety of sites including timber, waste, food processing, chemical, building and construction, automotive parts manufacturers, plastics, extractive and related industries.

Mr Lee Armstrong, 3rd Class Stationary Engineer Cert Electrician (Boiler combustion specialist).

Lee has over 40 years timber related experience including the efficient operation of wood fired heat plants. He has practiced across Australia setting up systems to optimise combustion management enabling facilities to operate in compliance with regulatory limits. He has effectively trained boiler operators and set up operator management screens to facilitate efficient control over a varying wood waste feed supply into combustion chambers. He has also conducted environmental audits of both solid timber, engineered timber and treated timber operations in NSW, Victoria and Queensland.

Details of the audit team's capabilities were provided to the DPE with endorsement provided prior to the audit commencing and attached within Appendix 1.

4.0 METHODOLOGY

The following methodology was adopted for the audit:

4.1 Audit Plan

A draft Audit Plan was prepared and sent to HPP. The Plan detailed the objectives, scope, team and criteria for the audit, along with a proposed schedule for the two days to be spent on site by team members. Some administrative matters were also covered, and a list of documents for review prior to the site component was requested.

The requested documents were largely received for our review prior to the site inspection component.

4.2 Site Component

An evening touring the surrounds to assist with the noise evaluation was undertaken on 24th June. The Lead Auditor and specialist attended the site on 25th – 26th June 2019. The audit commenced with an opening meeting attended by key site personnel and audit team members. Arrangements for the site days, including personnel to be interviewed and timing of site inspection(s), were confirmed.

Audit team members worked together and separately with site personnel and engaged in interviews, sighting of documentary evidence presented by HPP to verify compliance with the audit criteria (listed in the Protocols within Appendix 4), and conducted guided inspections of relevant parts of the site. The following parts of the site were inspected:

- Storage and handling areas;
- Drymill and greenmill operations;
- Blue frame (H2 Bifenthrin) timber preservative storage, blending and application;
- Boiler, fuel shed and kiln activities;
- Gatehouse and car park areas;
- Noise walls and building enclosures, roofed areas of the fuel shed and the drymill;
- Logyard and wood fuel storage; and
- Surface water drainage channels and ponds.

Evidence gathering progressed by identifying and evaluating available documentation and records relating to environmental performance and Development Consent and Environment Protection Licence conditions.

This entailed discussions with various site personnel and review of written and communicated processes. It also included the a review of monitoring activities and establishing the veracity and completeness of obtained records, reports, data, drawings, etc.

Where multiple records of similar format were available as evidence, judgement-based sampling was employed as appropriate. Where deficiencies were identified in the availability of data, plans or information to adequately perform the audit, and where such information was vital to completing the audit report, additional data were sought where reasonable to do so.

External stakeholders within the community were not contacted for this audit. Regulators were communicated with prior to audit commencement with a summary of communications provided in Appendix 3; the outcome being that a focus on noise and air emissions was requested.

The Lead Auditor completed the process of interviews, evidence sighting and site inspection of specific areas. At the end of Day 2 a closing meeting was convened at which the preliminary findings of the audit team were presented by Audit team. Commendably, HPP's entire management team and the site's environment consultant attended the briefing.

Further documentation was provided and reviewed over subsequent weeks during which the audit report was prepared. A draft of the report was provided for review prior to finalisation and submission.

5.0 CRITERIA

The audit protocol (Appendix 4) lists the audit criteria in the first and second columns of the Tables. The primary criteria are the applicable conditions contained within the DC (DA-403-11-00) and EPL No. 11229 (version: 11 April 2019). Secondary criteria against which checks were made during the audit include legal and other requirements, Regulations or guidelines not otherwise referred to in the DC and EPL and which apply in the context of compliant environmental practice.

The other columns in the table list the auditor's findings comprising in turn:

- the evidence sighted,
- the auditor's findings and recommendations, and
- a determination of compliance against each approval/licence condition³.

Those items verified through direct observation may be referenced for evidence to photographs displayed in the Pictorial Summary (following the Executive Summary above). Photographs may also indicate observations for which improvement recommendations have been made, and examples of commendable environmental practice observed.

6.0 FINDINGS

The following sub-sections summarise the audit findings for each significant environmental category requested to be canvassed by stakeholders during initial communications.

Compliance findings, along with a description of the Auditors findings against the evidence presented, were made against each line item condition of the DC and the EPL and are provided in the Audit Protocol (refer Appendix 4). In determining compliance, reference was made to the content and implementation of associated plans and the implementation of systems necessary to action these plans e.g. EMP, PIRMP, SWMP, WMP plus management system elements such as preventative maintenance plans, training programs, records etc.

Compliance was determined applying the methods provided in the 'Independent Audit- Post Approval Requirements' guidelines.

The audit report documents where strict compliance with DC and EPL conditions could not be demonstrated. The audit found that whilst strict non-compliances exist, site operations are substantially compliant with the pollution control and amenity- based conditions of both the DC and EPL. This is verified by the absence of any community complaints for more than 12 months.

Recommendations for improvements to resolve compliance aspects have been listed as a line item within the Audit Protocol. Recommendations have been extracted and are tabulated against the relevant consent, licence or system element within Table 1, along with an opinion made by the Auditor as to the priority for rectification action.

It is expected HPP will include recommendations into their Risk Manager™ (or equivalent) system to track implementation and enable close out when complete.

³ Where a condition does not apply at the time of the audit, a "Not Applicable" compliance status is entered

6.1 Development Consent Administrative Items

6.1.1 Reporting Obligations

Management systems and associated monitoring and reporting processes have reportedly been impacted by the part ownership sale process of the business over the past 12 months. As a result, two (2) instances of non-reporting were registered:

- i). the absence of a noise assessment report during 2018; and
- ii). the 3 yearly independent audit report was not completed by October 2018.

Both excursions were reported to DPE as required in annual returns. In prior years, compliance was noted to be achieved with all reporting obligations suggesting the excursions are not systematic, and reporting processes should return to being robust given the ownership transfer process is complete. To facilitate a compliant outcome, a recommendation has been made to integrate reporting into a scheduled action item.

6.1.2 Legacy Development Consent Conditions

The 2015 IAR identified DC conditions that should have been addressed within the initial years of the approval. HPP acted on a recommendation within the that audit and requested DPE to review and provide guidance on whether outstanding legacy conditions were still relevant. DPE responded via letter dated 17/8/16 clarifying some aspects were relevant and recommending HPP modify their Consent under the Act in order to resolve some compliance issues.

A recommendation has been made in this IAR to progress a consent modification in accordance with DPE recommendations; particularly relating to aligning noise limits with the EPL, carparking, western by-pass, aspects associated with the broader Oberon Timber Complex and also potentially landscaping aspects.

6.2 Air Emissions

6.2.1 Products of Combustion – Particulates and Smoke

Air emission compliance was a focus of the audit. Excursions were noted for boiler stack particulate emissions during 2016 (i.e. 450mg/m³ c.f. a 250mg/m³ limit) and May 2017 (i.e. 280 mg/ m³). These coincided with a PRP at the time with the EPA on boiler modifications relating to the overfired air system implementation. They were therefore not deemed non-compliances. Since installation and commissioning around June 2017 the overfired air has improved stack test emissions demonstrated by independent monitoring records i.e. Ektimo, 2017(June) report 220mg/ m³; and Ektimo, 2018 revealed 210 mg/ m³.

Monitoring records in recent tests therefore reveal compliance with the 250mg/m³ limit. Observations of the boiler stack during the audit period indicated largely only a heat haze. Some white smoke was observed when the opacity meter coincided with a reading above 40%. This appears to be in excess of the stated 20% trigger within the EMP (and in excess of Group 4, 20% opacity requirements Schedule 4 of the

POEO Clean Air Regulations). The 20% opacity limit is not specifically referenced in the EPL. However, it is considered a compliance issue under the general obligations of a licence holder under the POEO Act and also due to the requirement to comply with the EMP under the DC.

Observations of smoke levels at the boiler stack discharge at the time of the high opacity readings predominantly revealed only low visible smoke levels suggesting the SICK opacity unit may not be calibrated correctly. This needs investigating, including calibration between the opacity meter and particulate levels such that a control procedure can be specified to aid boiler operators maintain compliance.

Furthermore, interviews with the operators identified no system to immediately implement steps to rectify a high opacity reading. A Standard Operating Procedure would assist with this compliance control deficiency and has been recommended.

6.2.1 Products of Combustion – Nitrogen Oxides (NO_x)

Stack testing over the past 3 years reveals that NO_x concentrations were all well below the EPL limit.

6.2.2 Boiler Combustion Efficiency Assessment

The following observations and implications were noted during the specialist review of boiler combustion efficiencies and air emission compliance control.

- The fire within the furnace is burning too actively on the grates which produces elevated temperature towards the base of the furnace.
- Ash appearance confirms incomplete combustion i.e. largish unburnt particles were observed (refer Pictorial Summary).

The implications of the fire burning directly atop of grates are:

1. Damage to grates requiring Increased replacement cost and boiler down time.
2. Carry over of particulate matter as the combustion is not held in a quiet zone but gets swept up with overfire air and carried into then generating tubes section from which it is then discharged. This can result in premature coating of the generator section and build up within the multi-clones.
3. Reduction in combustion effectiveness increasing ash quantities and disposal costs.
4. Boiler steam output is reduced due to tube section blocking, causing increased feed rates with a feed-back loop that increases particulate emission.
5. It suggests the operators do not fully understand the process to control combustion in the boiler furnace via proper air mixing. This aspect warrants more in-depth evaluation to assist with adjustments of air/fuel mix and tuning of the over and under fire air amount.
6. The existing furnace is designed to also burn 'bark' representing an opportunity to avert need to purchase of fuel (winter periods), potentially

avert burning of dry fuel, averting associated damage to grates and also limiting particulate emissions.

The top of the boiler was noted to not be insulated with rockwool lagging. This would result in unnecessary heat loss wasting energy and resulting in the need for additional fuel requirements.

Recommendations to Improve Boiler Efficiency & Combustion Control:

1. Review the existing Citec control system with a view to making it easier for operators to understand and respond to combustion improvement using currently available monitoring information.
2. Optimise the screens to enable ready interpretation of data.
3. Provide ability to adjust mix of under-fire and over-fire air in relation to percentage of feed the rate.
4. Optimise the overfire air burning zone closer to the furnace bed.
5. Investigate feasibility of bark hammer mill with payback against fuel purchase, grate replacement, downtime and sale of existing dry material (chip).
6. Insulation required over valve bodies and the currently exposed top of the boiler.
7. Review beneficial waste re-use opportunities for boiler ash as opposed to landfill.

6.2.3 Dust

At monitoring locations #6,7,8 total dust deposition was recorded at 7.7, 5.4 and 5.0 g/m².month respectively for Dec. 2018 and 5.9, 3.0 and 2.0 g/m².month respectively for Feb 2019. Whilst at times slightly elevated against a residential investigation criteria of 4 /m².month the location of these gauges is not near a sensitive receptor. In the absence of complaint, results are likely to reflect background levels within the industrial estate.

Inspection of the site revealed minimal dust on the boiler fuel shed roof and no excessive build up of sawdust on the roads. Off the site, dust appeared well controlled with no evidence to suggest it would result in a nuisance complaint.

6.3 Noise

6.3.1 Onsite observations

During the site visit, observations of the log yard noise wall and southern building walls were made. Both appeared intact and optimised to control noise as per control design. The roof of the Dry Mill and Green Mill buildings was inspected and no breaches noted. A sign on the door to the Dry Mill required it to be closed during the night period (refer Pictorial Summary).

The Auditor observed a hydraulic pump enclosure and attenuation of the large baghouse cleaning exhaust. Both having been implemented over the audit period.

The EPL requires progressing noise reduction over the long term. HPP has a report from Atkins and Associates (2018) to assist with noise reduction requirements.

Noise reports conducted in 2016 (ACA, 2016) and 2017 (Atkins & Associates, 2017) reveal that the site complies with the EPL limits specified, whilst a long-term noise reduction program be implemented. Whilst results could not definitively confirm compliance against DC limits, it is likely, at least in places within the residential area, the Oberon Timber Complex in its entirety is above these specified noise limits.

No current complaint remains open with regard to noise suggesting the site overall is doing a commendable job to control nuisance noises such as impulsive, intermittent and tonal occurrences at the sawmill.

6.3.2 Noise control improvement

A door along the southern wall of the dry mill was observed open. It was in an area of limited employee access and possibly was left open following maintenance works. Doors along the south aspect should be closed during night period and this has been captured in a recommendation.

6.4 Environmental performance against plans (EMP, PIRMP, SWMP, WMP)

A review was made of each of the plans during the audit as they related to compliance, including a sampling of implementation as a compliance check. Incident reporting and waste management specifications were reviewed in detail given the blue frame pieces within the boiler fuel heap.

The audit drilled down on training programs, responsibilities and training records. It found that with the business ownership change-over, records have not completely been transferred across from Carter Holt Harvey Wood Products to the new owner AKD Softwoods. Commendably the requested fire incident report of 2018 was able to be tracked down during the audit. However, personnel training records and previous operating procedures were not as readily available. Furthermore, new operators that have been employed over the past 6 months are still to be trained in waste management; including treated timber segregation. Recommendations have been made to update Standard Operating Procedures relating to timber waste and ensure operators are all trained in the SOP.

Minor changes were required to the Plans including alignment of responsibilities, updating the statutory obligation section and inclusion of compliance control assistance at the boiler using the opacity monitor. These may be progressed during the next planned update of the EMP and associated plans.

6.5 Previous Audit: Review of Recommendations

A review of the 2015 Audit recommendations found that all bar two (2) recommendations had been closed out. The first item related to the legacy administrative non-compliances where clarification has been sought from DPE yet the issue remains 'open', and the second being adding the Radiation Gauge Licence into the EMP. Both recommendations have been captured in this Audit report.

6.6 Incident Reporting

The site's internal incident reporting and recording system was found to be effective in identifying, documenting and rectifying environmental incidents occurring during operational activities. The system followed a procedure outlined in the PIRMP which, under interrogation, was found to be known, utilised by staff with documented records available. The incident flow chart is provided in the Pictorial Summary.

6.7 Annual Reporting

Annual reports were noted to have been issued to both DPE and EPA each year over the audit period. It was noted that a DPE warning was received based on the 2018 AEMR relating to the non-compliant reporting of the annual noise monitoring and non-conductance of the IAR during 2018. No inconsistencies were identified in the Annual reports issued during the audit period that could represent a concern as to the accuracy or completeness of information contained.

6.8 Complaint Management

The site provided evidence that it receives and acts on environmental complaints in a timely and effective manner. Commendably, relatively few complaints have been received over the past 2 years, with no recorded complaints from the community over the past 12 months.

An environmental hotline number is displayed at the site entry to facilitate reporting. This number was tested during the audit and found to be functional.

A community consultation committee had operated over 2016 and 2017 with minutes of the meetings provided. Noise from the complex was rated the major issue in 2016. No major environmental issues were noted related to HPP operations at the 2017 meeting. The sale process meant a meeting wasn't attended by HPP during 2018 but it is reported that HPP will be active at this meeting later this year.

7.0 CONCLUSIONS

After consideration of the audit objectives and all the findings summarised in the preceding sub-sections, the audit conclusions are set out under the following three sub-sections.

7.1 Compliance

The audit found that the site is substantially compliant with the pollution control and amenity conditions of the DC and EPL. The audit has identified:

- fifteen (15) specific line item conditions of the Development Consent where strict compliance could not be demonstrated. Several non-compliances relating to unfulfilled historic administrative requirements and some conditions doubled-up on the same compliance item. Without the double-up of conditions that capture the same items (e.g. the general duty requirement, landscape plan), **nine (9)** separate line items of a non-compliance were identified against DC conditions; and

- five (5) line item conditions of the EPL where strict compliance could not be demonstrated. However, two (2) of these conditions related to the same element being the treatment plant compliance. Therefore, **four (4)** specific different items were identified relating to a non-compliant determination.

7.2 Environmental Performance

To evaluate environmental performance the objectives set out in the Environmental Management Plan (EMP) have been adopted. These are reproduced in Table 2 below, together with an assessment of their achievement based on the findings of the audit.

Using a subjective 1-5 scale rating system for each objective, the audit has found that the site has achieved an overall environmental performance score of 80%.

Table 2: Environmental Performance Rating

<i>EMP Objective</i>	<i>Comment</i>	<i>Rating (1 – 5)</i>				
HPP's operations will comply with all controlling environmental regulations, licences and consent conditions.	Compliance issues identified					
Environmental impacts will be controlled within accepted limits as defined by regulatory agencies including Environmental Protection Agency (EPA) and the DPE NSW	Control improvements have been identified					
In the event of a failure to achieve objectives, frank and expeditious remedial action is implemented so impacts can be contained & operations corrected to prevent future failure	HPP issues have been expeditiously & frankly rectified					

7.3 Recommendations for Improvement

Improvement recommendations have been set out within the Protocol and within this report concerning combustion controls in the boiler furnace. Recommendations have been extracted, prioritised and then sequentially listed against consent and licence requirements within Table 1 (refer Table following Executive Summary).

8.0 REFERENCES

In addition to the documentary evidence listed in column 3 of the audit protocol at Appendix 4, the following references are cited in this report:

1. Independent Audit Post Approval Requirements Department of Planning & Environment 2018
2. Communication NSW Planning & Environment, Highland Pine Products (DA 403-11-00) Independent Environmental Audit 2019, Auditor endorsement letter 16/4/19.
3. Environment Protection Licence 11229, 11 April 2019, NSW EPA.
4. Schedule 4, Standards of Concentration for scheduled premises: general activities and plant, Protection of Environment Operations (Clean Air) Regulations, 2010.
5. Approved Methods for the Modelling and Assessment of Air Pollutants in NSW, EPA, 2016.
6. AS/NZS 2843.1:2006 Timber preservation plants Part 1: Timber preservation plant site design.
7. AS/NZS 2843.2:2006 Timber preservation plants Part 2: Treatment area operation.
8. Load Calculation Protocol, DECC, June 2009

APPENDIX 1

Audit Team

Endorsement

Contact: Georgia Dragicevic
Phone: 4247 1852
Fax: 4224 9470
Email: Georgia.Dragicevic@planning.nsw.gov.au

Mr Spiro Kavalieros
Director – EHSR Group Pty Ltd
Box 359
OBERON NSW 2787

Dear Mr Kavalieros

**Highland Pine Products (DA 403-11-00)
Independent Environmental Audit 2019**

I refer to your email letter dated 29 March 2019 seeking approval of Mr Stephen Jenkins of EnviroRisk Management Pty Ltd as the lead auditor for the upcoming Highland Pine Products Independent Environmental Audit, in accordance with Schedule 2, Condition 6.3 of the development approval DA 403-11-00, as modified (the approval).

Having considered the qualifications and experience of Mr Jenkins, the Secretary endorses the appointment of Mr Jenkins to undertake the audit in accordance with Schedule 2, Condition 6.3 of the approval. This approval is conditional on Mr Jenkins being independent of the development.

The audit is to be conducted in accordance with the IAPAR. A copy of the requirements can be found at <https://www.planning.nsw.gov.au/Assess-and-Regulate/About-compliance/Compliance-policy-and-guidelines/Independent-audit-post-approval-requirements>. Auditors may wish to have regard to AUS/NZS ISO 19011 Australian/New Zealand Standard: Guidelines for quality and/or environmental management systems.


The audit report is to include the following:

- consultation with the relevant agencies;
- a compliance table indicating the compliance status of each condition of approval;
- not use the term “partial compliance”;
- recommend actions in response to non-compliances;
- review the adequacy of plans and programs required under this consent; and
- identify opportunities for improved environmental management and performance.

Within two months of commissioning the audit, Highland Pine is to submit a copy of the audit report to the Secretary and any other NSW agency that requests it, together with its response to any recommendations contained in the audit report and a timetable to implement the recommendations. Prior to submitting the audit report to the Secretary, it is recommended that Highland Pine review the report to ensure it complies with the relevant consent condition.

Should you have any enquiries in relation to this matter, please contact Georgia Dragicevic, Senior Compliance Officer, on 4247 1852 or by email to Georgia.Dragicevic@planning.nsw.gov.au

Yours sincerely



Katrina O'Reilly
Team Leader Compliance
as nominee of the Secretary

APPENDIX 2

Auditor Declaration

Appendix 2 – Independent Audit Declaration Form

Independent Audit Declaration Form

Project Name HIGHLAND PINE PRODUCTS SAWMILL UPGRADE
Consent Number DA 403-111-00
Description of Project Extension of logyard, upgrade to green + dry mills
Project Address Gate 3, ALBION STREET, OBERON NSW 2787
Proponent HIGHLAND PINE PRODUCTS Pty Ltd.
Title of Audit INDEPENDENT AUDIT REPORT: PLANNING + ENVIRONMENTAL COMPLIANCE
Date 17 JULY 2019

I declare that I have undertaken the Independent Audit and prepared the contents of the attached Independent Audit Report and to the best of my knowledge:

the audit has been undertaken in accordance with relevant condition(s) of consent and the *Independent Audit Post Approval Requirements (Department 2018)*;

the findings of the audit are reported truthfully, accurately and completely;

I have exercised due diligence and professional judgement in conducting the audit;

I have acted professionally, objectively and in an unbiased manner;

I am not related to any proponent, owner or operator of the project neither as an employer, business partner, employee, or by sharing a common employer, having a contractual arrangement outside the audit, or by relationship as spouse, partner, sibling, parent, or child;

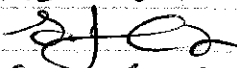
I do not have any pecuniary interest in the audited project, including where there is a reasonable likelihood or expectation of financial gain or loss to me or spouse, partner, sibling, parent, or child;

neither I nor my employer have provided consultancy services for the audited project that were subject to this audit except as otherwise declared to the Department prior to the audit; and

I have not accepted, nor intend to accept any inducement, commission, gift or any other benefit (apart from payment for auditing services) from any proponent, owner or operator of the project, their employees or any interested party. I have not knowingly allowed, nor intend to allow my colleagues to do so.

Notes:

- a) Under section 10.6 of the *Environmental Planning and Assessment Act 1979* a person must not include false or misleading information (or provide information for inclusion in) a report of monitoring data or an audit report produced to the Minister in connection with an audit if the person knows that the information is false or misleading in a material respect. The proponent of an approved project must not fail to include information in (or provide information for inclusion in) a report of monitoring data or an audit report produced to the Minister in connection with an audit if the person knows that the information is materially relevant to the monitoring or audit. The maximum penalty is, in the case of a corporation, \$1 million and for an individual, \$250,000; and
- b) The *Crimes Act 1900* contains other offences relating to false and misleading information: section 307B (giving false or misleading information – maximum penalty 2 years imprisonment or 200 penalty units, or both)

Name of Auditor STEPHEN JOHN JENKINS
Signature 
Qualification B. APP. SCI. GRAD DIP. MGT. CENVP
Company ENVIRO RISK MANAGEMENT Pty Ltd
Company Address 16 MARINE PDE. ABBOTSFORD VIC 3067

APPENDIX 3

Regulator Discussions

APPENDIX 3: Independent Environmental Audit (DA 403-11-00)

Highland Pine Products – Independent Environmental Audit 2019

Pre- Audit Phase: Stakeholder (Regulator) Communications

Communications: Department of Planning & Environment (DPE):

23/5/19

Georgia Dragicevic (phone message left). Katrine O'Reilly, Team Leader Compliance returned call. Discussed process and enquired as to prominent issues warranting detailed assessment. Email issued for follow-up contact.

28/5/19

Telephone discussion with Paul Rutherford (DPE) Senior Compliance Officer who was responding to initial communication and email: Prominent issues were reported as:

1. Noise: Complaints received from the timber complex in recent years. Recognised that limits specified in DC differ from current EPA limit.
2. Suggested that HPP may wish to apply for a review and update to the DC to address outstanding items from 2001 that have not been closed out.
3. No outstanding complaints lodged with DPE.

Communications: NSW Environmental Protection Authority

6/6/19

Telephone discussion with Daryl Clift, Head regional Operations Unit – Central West Region.

Prominent issues were reported as:

1. Air: Particulate emissions over time have warranted a PRP. A focus on real time compliance should be made.
2. Noise: Although no specific complaints have been made about HPP in recent times, a reduction program is specified in the Licence. EPA recognised the disparity between the current Licence limit and the DC with a reduction program being specified. Initial reporting period is 2020.
3. EMS: Systems and reporting has generally been good via timber complex environmental manager, but with change to the JV partner ownership this needs to be integrated into EMP.
4. No outstanding community complaints are unresolved with EPA. Noise complaints appear to have reduced in recent times; possibly a result of ongoing noise reduction programs.

APPENDIX 4

Audit Protocol

Auditee: Highland Pine Products Pty Ltd, Oberon DA 403-11-00				
Approval ID and Requirement	Evidence Collected	Independent Audit Findings	Recommendations	Compliance* Status
*Compliance is rated as follows (reference NSW DPE, IAPAR, 2018): C (Compliant) - Verified to comply with what is stated; NC (Non-compliant) (significant deviation from what is specified with potential or actual significant impact); NC (Non-compliant) (minor actual or potential issue having limited impact; systems implementation or documentation type issue); O (Observation) - opportunity for improving the management system and/or operational controls exists. NA (Not Applicable) – Not Auditable or not in scope (see comments for reason why) NT (Not Triggered) - Condition has an activation or timing trigger or is not able to be verified within the time of the audit				
Legal Lot Description/Indentification				
DA Lot 10 DP 855384; Lot 86 DP 574012	Previous 2015 audit outcome confirmed as still being current. Written communication DPE, 17/8/16. DPE letter stated not necessary to update.	Property descriptors changed in early 2000's with a subdivision Legal Description should read -Lot 10 DP 1017456		C
GENERAL - Obligation to Minimise Harm to the Environment				
1.1 Applicant must implement all practical measures to prevent or minimise any harm to the environment.	Observation, Interviews, Documentation review, Data assessment.	This remains a broad statement. If there are non-compliances identified this condition must also be a NC. In the main, the auditor did not observe any material risk of harm to the environment. There are however further practical measures that can be actioned to minimise harm. In particular: particulates/smoke controls, treated timber management and risk mitigation, and chemical storage.	Refer to Specific Recommendations in this Protocol	NC
Terms of Approval				
1.2 The Applicant must carry out the development generally in accordance with:	Written communication DPE, 17/8/16. (Ref DA 403-11-00)	Previous Audit found many items in compliance with a number held over for review as to applicability given the 18 years since approval was granted.		
(a) DA No. 403-11-00 submitted to the Department of Urban Affairs and Planning;	Written communication DPE, 17/8/16. (Ref DA 403-11-00)	HPP Wrote to DPE in 2015 (19/11/15, S. Kavalieros) and received a reply 17/8/16 (C.Ritchie, Director, Industry Assessment) stating what items may be closed out and what still remained unresolved. A suggestion to progress an amendment via a S 75W application was made by DPE.		C
(b) SEE, titled "Statement of Environmental Effects- Highland Pine Joint Venture – Oberon, NSW", dated November 2000 and prepared by Highland Pine Products;	Written communication DPE, 17/8/16. (Ref DA 403-11-00)	Addressed in previous audit and letter from DPE 2016.		C
(c) Additional information, dated 12 April 2001, regarding issues at "Oorong" supplied to the Department by Highland Pine Products on 17 April 2001;	Written communication DPE, 17/8/16. (Ref DA 403-11-00)	Addressed in letter from DPE 2016		C
d) Additional information, dated 12 April 2001 regarding predicted traffic movements for the proposed development, supplied to the Department by Highland Pine Products on 17 April 2001	Written communication DPE, 17/8/16. (Ref DA 403-11-00)	Addressed in letter from DPE 2016		C
(e) Additional information. Dated 12 April 2001, regarding the construction schedule for the proposed development, supplied to the Department by Highland Pine Products on 17 April 2001;	Written communication DPE, 17/8/16. (Ref DA 403-11-00)	Letter DPE 2016		C
(f) Site drawing- "Highland Pine Products Combined Site Layout Proposed Revision A" prepared by MICV Engineering Services Pty Ltd, Drawing No. HPP-CS001, dated 12 April 2001:	Written communication DPE, 17/8/16. (Ref DA 403-11-00)	Letter DPE 2016		C
(g) Additional information. Dated 11 May 2001, regarding noise emissions limits for the proposed development, supplied to the Department by Highland Pine Products on 15 May 2001;	Written communication DPE, 17/8/16. (Ref DA 403-11-00)	Letter DPE 2016	Refer to Specific Recommendations in this Protocol	NC
(h) relevant prescribed conditions in clause 98 of the Environmental Planning & Assessment Regulation 2000; and (98 Compliance with Building Code of Australia and insurance requirements under the Home Building Act 1989)	Written communication DPE, 17/8/16. (Ref DA 403-11-00)	Addressed in previous audit (EnviroRisk, 2015)		NA
(i) the conditions specified in Schedule 2 of this consent.		Various, Site interview, Observations	Refer to Specific Recommendations in this Protocol	NC
Licensing Variation				
1.3 Prior to commencement of any construction activities, the Applicant must apply to the EPA for a license variation for the development	Environmental Protection Licence 11229, 11 April 2019	Pre- 2010 requirement. However, reviewed copy of licence, see comments further within protocol.		C
Surrender of DA 27/95				
1.4 Within twelve months following the conclusion of commissioning of the development, the Applicant must submit an application to the Minister to surrender Development Consent DA 27/95 in accordance with Section 80A(1)(b) of the EP&A Act, in so far as that consent applies to the land covered by this consent	Refer DPE Letter 2018	Addressed in previous audit (EnviroRisk, 2015)		NA
Restriction to Operations				
1.5 Timber production shall be limited to a total of 265,980 m3 per year	Email from Peter Seve Accounts CFO, 26 Feb 2019	Timber production confirm under 265,000m3/year at 238, 426m3.		C
Structural Adequacy (note items 1.6 - 1.11 Construction related and no longer relevant)	Written communication DPE, 17/8/16. (Ref DA 403-11-00)	Confirmed as in compliance by DPE		C

1.10 Before the commencement of construction work on any aspect of the development, the Applicant must obtain a construction certificate for this aspect of the development from the Principal Certifying Authority.	Written communication DPE, 17/8/16. (Ref DA 403-11-00)	Construction completed in early 2000's. Following the previous Audit Recommendations (EnviroRisk 2015), HPP wrote to DPE for clarification. However DPE consider issue is relevant and construction certificates are required.	Rec DC: 19-1. HPP liaise with DPE as to the best process under the Environmental Planning and Assessment Act, or an associated Act to modify consent conditions which are no longer directly relevant for the operations e.g. car park spaces, western by-pass, noise limits, incorporating of monitoring into Greater Oberon Timber Complex.	NC
1.11 Before commencement of operations permitted by this consent, the Applicant must obtain an occupation certificate for the buildings and structures which comprise the development, from the Principal Certifying Authority.	Written communication DPE, 17/8/16. (Ref DA 403-11-00)	As above	As above	NC
Compliance Reporting				
2.1 Throughout the life of the development, the Applicant must secure, renew, maintain, and comply with all the relevant statutory approvals applying to the development.	Observation, Interviews, Documentation review, Data assessment.	The requirement is broad. Non-compliances have been identified and as such this condition is also non-compliant.	Refer to Recommendations in this Protocol	NC
2.2 Construction related - No longer applicable	Written communication DPE, 17/8/16. (Ref DA 403-11-00)	Compliance Agreed by DPE		C
2.3 Construction related - No longer applicable	as above	Compliance Agreed by DPE		C
2.4 Prior to commencement of operations of the development, the Applicant must certify in writing, to the satisfaction of the Director-General, that it has obtained all the necessary approvals for operations, and complied with all the relevant conditions of this consent and/or any other statutory requirements for this development.	as above	Addressed in previous audit (EnviroRisk, 2015). Compliance agreed by DPE		C
Environmental Management Plan				
3.3 The Applicant must prepare and implement an Environmental Management Plan for all operations at the site. This plan must:	EMP, April 2019 available. Conformance with the EMP was assessed via interview, site inspection and sighting of relevant documents. Sighted Community Consultation minutes Nov. 15, May 16 and Mar 17.	The EMP builds on earlier versions and has been updated to incorporate the new ownership partner and revised structure of HPP. It caters for Site 2 activities (and the other sites managed by HPP). It contains an amendment record on iterations over the years.	Rec DC: 19-2(OFI) : Include a plan within the EMP illustrating where environmental monitoring points are located - air, water, groundwater and noise (surrounding area).	C, O
(a) Describe the operations	as above	Brief description included in EMP		C
(b) Identify relevant statutory requirements that apply to the operation of the development;	as above	Reference to DA and EPL requirements specified. Shared Services Agreement also reference for water discharge to neighbours for treatment and re-use. The References provide a list of various regulations and guidelines. Some material is out of date such as Clean Air Act, now Protection of the Environment Operations Act 1997 and Clean Air Regulations. Approved methods for modelling have been updated i.e. 2016	Rec DC: 19-3(OFI) : During the next EMP update, review the references section to ensure it specifies relevant Acts and Regulations applicable to the site; and add the Radiation gauge Licence to the list of Licences held.	C, O
(c) Set standards and performance measures for each of the relevant environmental issues.	as above	Standards and performance measures included in Section 3.		C
(d) Describe what actions and measures will be implemented to mitigate the potential impacts of the development, and to ensure that the development meets these standards and performance measures;	as above	Section 3 Strategic Plans specify management tasks to ensure compliance.		C
(e) Describe what measures and procedures will be implemented to:				C
<ul style="list-style-type: none"> Register and respond to complaints 	as above plus PIRMP	The register was sighted. Historic complaints action was interrogated. However with the change over from CHH last year some records are still in process of hand-over.	Rec DC 19-4(OFI) : Progress the hand over of information from CHH systems to capture all complaint records over the past 4 years.	C, O
<ul style="list-style-type: none"> Ensure the operational health and safety of workers 	Safety is included in the PIRMP. However there is a separate safety and health management system that addresses OHS.	OHS systems were available and being implemented. OHS was not subject to a detailed audit given this audit being an environmental audit.		C
<ul style="list-style-type: none"> respond to potential emergencies, such as plant failure; 	Included in PIRMP			C
(f) Describe the role, responsibilities, authority, and accountability of all the key personnel involved in the operation of the development;	Included Section 2.5			C
(g) Incorporate the detailed Environmental Monitoring Program (see condition 5.1 below)	Monitoring program Section 3	Monitoring program is considered comprehensive to assess environmental impact. One additional groundwater bore is considered required.	Recommendations are made on this condition but are included within the EPL section i.e. i). boiler smoke opacity triggers be implemented (refer Air section of EPL) and ii). a new groundwater bore is included in Section 05.1 of EPL).	C, O
(h) Include the following				
<ul style="list-style-type: none"> management strategies for the control of dust, noise and stormwater; 	Section 3			C
<ul style="list-style-type: none"> Landscape Management Plan (see 4.19 – 4.21 below) 	Section 3.8	The plan is brief and is not considered to comply with the Landscape Plan expected under Landscaping Approval. (refer 4.19 below)	See recommendations below	NC
<ul style="list-style-type: none"> Waste Management Plan (see 4.11 below) 	A separate WMP has been prepared			C

3.4 The Applicant must ensure that a copy of EMP is submitted to council and is publicly available.	Email SK to Council and DPE 19/6/19 sighted	Confirmed issued to Council and DPE		C
3.5 The Applicant must review and update the EMP regularly, or as directed by Director-General.	EMP amendment register	Updated as per tracked amendments.		C
3.6 The EMP must be approved by Director-General prior to commissioning of the development.		Approved in early 2000's. Condition no longer relevant.		NA
4 Environmental Standards				
Noise				
4.1 Noise emissions from the operation of the proposed development must not exceed the levels for the time periods specified in the following table when measured at any residence not owned by or under the control of the Applicant.	Noise Mitigation report 2017-2018. Interview.	Work has been complete for last year. An updated plan is proposed to continue noise abatement.		see below
The noise limits (e.g. 41 dB(A) night period) in the table:	Atkins Acoustics 16 May 19 Enviro Noise Audit, Acoustic Consulting Australia 15 Sept 2016. Atkins, 6 Nov 2017, Noise Reduction Investigation Stage 1.	Noise is over the specified limit from the complex. Reports suggests the main contributor to the combined excess is the Borg activities. The EPA has amended their Licence to provide an interim noise limit with a Special Condition to reduce noise over the short and long term. HPP omplies with this EPL limit.	See recommendation above capturing all items that should be modified in a submission under the Act.	NC
• Apply to noise emissions under prevailing wind condition of up to 3m/s from the south west, but;	as above	Assessments have considered prevailing wind speeds		see above
• May be exceeded at a residence where the applicant can demonstrate to the satisfaction of the Director-General that a negotiated agreement between the Applicant and the owner of the residence has been reached with regard to noise at the affected residence.		No agreements are reported to be in place		NA
4.2 Noise is to be measured at the nearest or most affected residences to determine compliance with Condition 4.1	as above			C
4.3 The noise emissions identified in Condition 4.1 apply for the prevailing meteorological conditions (winds up to 3m/s), except under conditions of temperature inversions. Noise impacts that may be enhanced by temperature inversions must be addressed by:	as above			C
• Documenting noise complaints received to identify any higher level of impacts or patterns of temperature inversions; and	Complaint Register, AEMR, 2016,17,18.			C
• Where levels of noise complaints indicate a higher level of impact then actions to quantify and ameliorate any enhanced impacts under temperature inversion conditions should be developed and implemented.	Noise reduction plan, Observations	Observed shielding and noise screens for plant south of the dry mill. Sighted action plan for 2017-2018 works.		C
Dust				
4.4 All activities in or on the premises must be carried out in a manner that will minimise the generation or emission of the wind-blown or traffic generated dust from the premises using the measures proposed in the SEE.	Inspection	Yard dust and wood dust/ shavings were largely controlled with limited risk of being blown beyond site boundaries.		C
4.5 All areas must be maintained in a manner that will minimise the generation or emissions of wind-blown or traffic generated dust from the premises using the measures proposed in the SEE.	Inspection	Roads were clean and a road sweeper noted in action.		C
4.6 Trucks carrying residues from the site must be covered at all times, except during loading and unloading. Residues are taken to include sawdust, shavings, chips and bark.	Inspection, Interviews	Trucks viewed during audit were all covered. Interview with Security revealed cameras surveillance. Last concern was over 2 years back for truck not tarped.		C
Pollution of Waters				
4.7 Except as may be expressly provided by a license under the Protection of the Environment Operations Act 1997 in relation to the development, section 120 of the Protection of the Environment Operations Act 1997 must be complied with in and in connection with the carrying out of the development.	Shared Service Agreement, Inspection	Water drains to collection pond off logyard or into channel across roof and roadways. All is diverted to Borg under a SSA for treatementa nd re-use. Monitoring is conducted on water quality periodically in accordance with EMP.		C
4.8 Prior to construction, the Applicant must prepare an Erosion and Sediment Control Plan which describes what measures will be used to minimise soil erosion and the discharge of sediment and other pollutants to nearby land, water or drains during construction activity. This plan must be prepared in accordance with the requirements for such plans in the Department of Housing's publication "Managing Urban Stormwater: Council Handbook"	Written communication DPE, 17/8/16. (Ref DA 403-11-00)	No Longer relevant. Confirmed by DPE that compliance is achieved.		NA
4.9 Prior to operation, the Applicant must prepare a detailed Stormwater Management Plan for the site, which has been prepared in consultation with Council, to mitigate the impacts of stormwater runoff from the development and its operations.	Written communication DPE, 17/8/16. (Ref DA 403-11-00); Stormwater Management Plan; Observations; Interviews.	Compliance needs to be shown via a SWMP. Surface water, kiln condensate and boiler blowdown were confirmed as being directed to Borg. Interceptor pits, isolation gates and monitoring confirm that compliance was maintained over the audit period.		C
Waste Management				
4.10 The Applicant must not cause, permit or allow any waste generated outside the premises to be received at the premises for storage, treatment, processing, reprocessing or disposal or any waste generated at the premises to be disposed of at the premises, except as expressly permitted by a licence under the protection of the Environment Operations Act 1997.	Observation, Interviews, Documentation review, Data assessment.	No waste is received on the site. Fuel, in the form of wood material, is infrequently purchased for use in the boiler, generally late winter.	Rec DC: 19-5 (OFI) Prior to purchasing timber chip for boiler fuel, have the Environmental Advisor sign off it is fit for purpose and contains no hazardous materials e.g. treated painted or engineered timber, impurities (metals, plastics), etc.	C, O
4.11 The Applicant must prepare and implement a Waste Management Plan for the development in consultation with Council. This plan must describe in detail the waste management system, including:	Sighted WMP 2018, latest under development			C
(a) the types and quantities of the waste which will be generated at the site; and	as above			
(b) how waste will be stored on-site, transported, and disposed of off-site.	as above	It is noted treated timbers should not be burnt as boiler fuel. Some residues were noted in the boiler fuel stockpile. Waste H2 Bifenthrin preservative residues (apprx. 200L) were noted outside a bunded area.	Refer recommendation in EPL 01 relating to burning of treated timber as boiler fuel.	NC

4.12 The WMP prepared in accordance with Condition 4.11 must have been approved by the Director-General prior to commissioning of the development.	Written communication DPE, 17/8/16. (Ref DA 403-11-00)	DPE has stated compliance has not been demonstrated.	Rec DC: 19-6 Seek DPE approval of the current version of the Waste Management Plan.	NC
4.13 After reviewing the Waste Management Plan, the Director-General may require the Applicant to address certain matters identified in the plan. The Applicant must comply with any reasonable requirements of the Director-General.		No specific request has been made.		C
Parking				
4.14 The Applicant must design and construct a new parking area for employees and visitors providing a total of no fewer than 150 parking spaces on the site.	Written communication DPE, 17/8/16. (Ref DA 403-11-00)	The car park had plenty of free spaces yet was not sized to provide 150 spaces with about 120 available.	See recommendation above for modification of conditions under Act.	NC
4.15 The carpark design must conform to AS 2890.1-1993.	Observations as to size and spacing.			C
4.16 Visitor and service vehicle parking spaces must be clearly signposted and designated.	Observations.			C
4.17 Traffic calming devices must be installed in the car park to the satisfaction of Council.	Interview. Observations	Reportedly Council have had no concerns over past decade with car park.		C
Lighting				
4.18 The Applicant must ensure that any external lighting associated with the development is mounted, screened, and directed in such a manner so as not to create a nuisance to surrounding land uses. The lighting must be the minimum level of illumination necessary.	Observation during night period.	The bund wall and the tree screens to the south are considered to protect against light nuisance. The absence of complaint indicates compliance.		C
Landscape Management				
4.19 The Applicant must prepare and implement a detailed Landscape Management Plan for the development. This plan must.	EMP Sect 3.8	A short plan is provided in the EMP. However this is not a detailed plan being requested under this provision.	Rec DC: 19-7. Prepare a Landscape Management Plan and provide to the D-G for approval.	NC
(a) describe in detail existing and future landform of the site.		as above		as above
(b) describe in detail how the site will be landscaped, including the location and species of all planting; and		as above		as above
(c) explain how this landscaping will be managed and maintained over time.		as above		as above
4.20 The Landscape Management Plan prepared in accordance with Condition 4.19 must have been approved by the Director-General and implemented prior to the commencement of operations.		Not issued to D-G as no plan is available.		as above
4.21 After reviewing the Landscape Management Plan. The Director-General may require the Applicant to address certain matters identified in the plan. The Applicant must comply with any reasonable requirements of the Director-General.		NA		NA
5. Environmental Monitoring				
5.1 The Applicant must prepare and implement a detailed Environmental Monitoring Program for the development in consultation with the EPA. The program must:	EPL 11229 issued 11 April 2019	Monitoring plan prepared in consultation with EPA who have issued via their Environmental Protection Licence.		C
(a) Identify what environmental issues will be monitored;	as above	see above		C
(b) set standards and performance measures for these environmental issues;	as above	see above		C
(c) describe in detail how these issues will be monitored, who will conduct the monitoring, how often the monitoring will be conducted, and how the results of this monitoring will be recorded and reported to the Director-General and other relevant authorities;	EMP	The monitoring has been summarised into the EMP		C
(d) indicate what actions will be taken, or procedures followed, if any non-compliance is detected; and if non-conformance detected	PIRMP, Interview, Interrogation of Risk manager. Sighted Spreadsheet.	The PIRMP is considered to fulfil this requirement. Sampling of the PIRMP in the Risk Manager System found the process robust.		C
(e) include Noise Compliance Monitoring Program (see 5.1) to determine the level of compliance with the noise criteria in Condition 4.1.	EMP			C
5.2 The data obtained from the Environmental Monitoring Program shall be made available for, and where appropriate incorporated into, the broader monitoring program for the Oberon Industrial Area.	2017 AEMR	The complex is now separate companies. This provision may be difficult to comply with into the future.		C, O
Monitoring records				
5.3 The results of any monitoring required to be conducted by this consent, or a licence under the Protection of the Environment Operations Act 1997, in relation to the development or in order to comply with the load calculations protocol, must be recorded and retained on accordance with EPA requirements, at A2.1.1 and A2.1.2 of Attachment A to this consent.	AEMR 2017, 2018. EPL return, 2016,17,18.	Monitoring records are retained. A summary of which is provided in the AEMR and EPA Licence return. Load calculations not applicable.		C
Noise Compliance Monitoring Program				
5.4 The Applicant must conduct noise monitoring during the construction phase, at the site boundaries and the nearest potentially affected residential areas. Monitoring must be conducted in accordance with EPA guidelines.				NA
5.5 The Applicant must conduct noise monitoring during the operation phase to assess compliance with noise limits set out in Condition 4.1. The frequency of monitoring must be as follows:		Reports commissioned and conducted at nearest residences in N, W, S directions. Although monitoring was done, compliance with 41 dB could not be verified due to the overall timber complex noise levels.		C,O
(a) within 3 months of the commencement of commissioning of the development; and		NA		NA
(b) annually thereafter.	Noise reports, Atkins 2017, ACA 2016	2018 noise monitoring was not conducted.	Refer to Recommendation DC:19-8.	NC
5.6 The Environmental Monitoring Program prepared in accordance with Condition 5.1 must have been approved by the Director-General before the development may be commissioned.	Written communication DPE, 17/8/16. (Ref DA 403-11-00)	Confirmed by DPE to be in compliance		C
5.7 After reviewing the Environmental Monitoring Program, the Director-General may require the Applicant to address certain matters identified in the program. The Applicant must comply with any reasonable requirements of the Director-General.				NA
Environmental Reporting				

6.1 Twelve months after commissioning of the development, and annually thereafter for the duration of the development, the Applicant must submit an Annual Environmental Report to the Director-General and the Council. This report must:	AEMR 1 Jan - 31 Dec 18, HPP Letter SK 29/3/19. DPE letter 2/5/19 K. O'Reilly	The AERM for year ending 2018 was issued but identified areas on non-compliance. DPE warning letter for non-compliance Schedule 2: Section 5.5 Noise monitoring and Sect 6.3. Independent environmental Audit, was not commissioned nor conducted in the time period as specified.	Rec DC:19-8 Add compliance assessment & reporting timeframes with reminders into the Risk Manager scheduler.	C
(a) identify all standards, performance measures and statutory requirements the development is required to comply with;.		Specific areas of compliance were addressed in the annual report.		C
(b) review environmental performance of the development to determine whether it is complying with these standards, performance measures, and statutory requirements;		Statutory obligations commented on in AEMR		C
(c) identify all the occasions during the previous year when these standards, performance measures, and statutory requirements have not been complied with;		Missed dates identified.		C
(d) include a summary of any complaints made about the development, and indicate what actions were taken (or are being taken) to address these complaints;		No complaints over past 12 months, noise complaints made previous year (2017). EPA enquiry over smoke yet confirmed to be during boiler start up process (short period exemption from emission standards provided).		C
(e) include the detailed reporting from the Environmental Monitoring Program (see Conditions 5.1-5.6), and identify any trends in the monitoring over the life of the project;		Details provide of monitoring results. Improvements in boiler emissions.		C
(f) where non-compliance is occurring, describe what actions are or will be taken to ensure compliance, who will be responsible for carrying out these actions, and when these actions will be implemented;		Reviewed fuel shed fire incident 8/1/18 and rectification actions as identified in Risk Manager.		C
(g) incorporate the requirements of the EPA with regard to the annual Return required by any license under the Protection of the Environment Operation Act 1997. The requirements of the EPA with regard to the Annual Return are at A3 of attachment A to this consent.		Reportedly included with AEMR.	Rec DC: 19-9. HPP consider aligning the AEMR and EPA Licence Annual Return to avert the doubling reproduction of some data.	C, O
6.2 After reviewing the Annual Environmental Management Report, the Director-General may require the Applicant to address certain matters identified in the Report. The Applicant must comply with any reasonable requirements of the Director General.		NA		NA
Independent Environmental Audit				
6.3 Within 12 months of conclusion of commissioning of the development, and every three years thereafter, unless the Director-General otherwise directs, the Applicant must commission and pay the full cost of an Independent Environmental Audit. The Independent Environmental Audit must:	Interviews	HPP advised DPE in AEMR of non compliance with IAER not being conducted during 2018 due to part sale of the business. CHH sold its 50% share to AKD Softwood.	Refer to Recommendation DC:19-8.	NC
(a) Be conducted by a suitably qualified, experienced, and independent person who's appointment has been endorsed by the Director-General;		IEA now being undertaken. Auditor endorsed by DPE prior to starting audit.		C
(b) be consistent with ISO 14010- Guidelines and General Principles for Environmental Auditing, and ISO 14011-Procedures for Environmental Auditing, or updated versions of these guidelines/manuals;		Process consistent with AS/NZS guidelines.		C
(c) Assess the environmental performance of the development, and its effects on the surrounding environment;		Audit reviewed operational risk and impact on surrounds		C
(d) assess whether the development is complying with the relevant standards, performance measures, and statutory requirements;		Compliance has been evaluated.		C
(e) review the adequacy of the Applicant's Environmental Management Plan, and Environmental Monitoring Program; and if necessary,		Alteration to Opacity monitoring, treated chip ending up in boiler fuel wood and timber preservation area included in report.		C
(f) recommend measures or actions to improve the environmental performance of the plant, and/or the environmental management and monitoring systems.		Recommendations are made		C
6.4 Within 2 months of commissioning the audit, the Applicant must submit a copy of the audit report to the Director-General. After reviewing the report, the Director-General may require the Applicant to address certain matters identified in the Report. The Applicant must comply with any reasonable requirements of the Director-General.				NA
Additional items supporting the DA Protocol				
<i>DA References a number of supporting reports.</i>				
<i>SEE 2.2.2 Site Environmental Coordinator will continue to work with the joint venture</i>		The co-ordinator has been replaced by an environmental advisor at Borg and HPPs EHSR advisor aided by the Environmental Consultant.		NA
<i>SEE 6.2.1 Stated it was planned to move a Boiler or install a new Boiler on the CHH site to increase output capacity and this will meet 100 mg/m3.</i>	Inspection	Boiler installed yet not operational		NA
<i>During Stage 2 a Gas Fired Boiler was installed</i>		Gas fired boiler now has been de-commissioned.		NA
<i>SEE 3.4.8 Stated Office space for the combined staff will be provided by installing a portable office building at the south west corner of the CHH site on land</i>		Office space now provided on Site 1.		NA

Auditee Highland Pine Products Pty Ltd, Oberon					
Approval ID	Requirement	Evidence Collected	Independent Audit Findings	Independent Audit Recommendations	Compliance Status
EPA Licence No. 11229 (Issued 11 April 2019)					
Legend	*Compliance is rated as follows (reference NSW DPE, IAPAR, 2018): C (Compliant) - Verified to comply with what is stated; NC (Non-compliant) (significant deviation from what is specified with potential or actual significant impact); NC (Non-compliant) (minor actual or potential issue having limited impact; systems implementation or documentation type issue); O (Observation) - opportunity for improving the management system and/or operational controls exists. NA (Not Applicable) – Not Auditable or not in scope (see comments for reason why)				
A1.1	Wood Milling >200,000 m3 per annum; timber preservation >30,000 m3/annum	Email from Peter Seve Accounts CFO, 26 Feb 2019, Interviews, Observation.	Confirmed as accurate		C
A3.2	Bifenthrin Part 1 & Part 2 Plant design ASNSZ 2843.1:2000	Observations, Interviews	Limited detailed build design is available for the Bifenthrin H2 preservation mix and clean area. An assessment was made against ASNZS 2843.1:2000 Plant Design. It was confirmed most elements could be substantiated. Those that could not and are in consideration of improvement have been captured in the recommendations and illustrated in the Pictorial Summary.	Captured in recommendation Section O5.1.	NC
P1.1	Location of monitrong & discharge points 1,2,3,4 & 7,8,9 relating to air/dust deposit as per Table)		Monitoring occurs yet the EMP does not list all monitoring points on a plan.	Caputured in Section 3.3 of DC relating to EMP updated plan	C, O
P1.2	Location of monitoring points 5,6 relating to groundwater (as per Table)			Caputured in Section 3.3 of DC relating to EMP updated plan	C,O
L1 POLLUTION OF WATERS: L1.1	Except as may be expressly provided in any other condition of this licence, the licensee must comply with section 120 of the Protection of the Environment Operations Act 1997.	EMP, SWMP, PIRMP, Interviews, Observation	The SWMP outlines controls over surface water pollution. All waters are contained within the system that feeds the Borg containment and re-use facility. Monitoring is conducted by Borg and HPP on water quality under the Shared Services Agreement. The log yard is contained within the pond to its north-east. This pond is aerated and water pumped to the stormwater transfer system. It is reportedly design to contain a large rainfall event with pumps sized accordingly for transfer. In the unlikely event of overflow the catchment flows into the Borg stormwater pond which provided further control. Given these conditions would accompany a very large rain event, the risk of pollution from log yard sediment and organics is considered low should this ever occur.		C
L1.2	Water Mgt System: Discharge to adjoining premises 3035 for treatment	SWMP, Observation	Confirmed stormwater and process water plans and lines that could be observed from kilns (separate line) and boiler blowdown are directed to Borg. A review of the area down from Borg to Kings Stockyard Creek identified no unusual flows.		C
L1.3	Water Mgt System: Notify EPA of any changes to agreement	Interviews	No change in recent times has reportedly occurred. Any alterations would form part of Annual return.		C
L2 CONCENTARTION LIMITS: L2.1	For each monitoring/discharge point or utilisation area specified in the table/s below (by a point number), the concentration of a pollutant discharged at that point, or applied to that area, must not exceed the concentration limits specified for that pollutant in the table.	Data Review, Interview Ektimo reports: R002671 (2016); R004511 (2017); Draft R005802 (2018). PRP Overfire Air in Boiler 15 July 16 - 30 June 17.	Excursions were noted for boiler stack particulate emisisions during 2016 (i.e. 450mg/m3) and May 2017 (280 mg/m3) . These co-incided with a PRP at the time with the EPA on boiler modifications relating to overfired air system. Since installation and commissioning, June 2017 the overfired air has improved stack test emissions demonstrated by indepentent monitoring records i.e. 2017 June 220 mg/m3 and 2018 with 210 mg/m3 (all corrected to 12% CO2). NOx concentrations are all well below the Licence limit.		C
L2 LOAD LIMITS: L2.2	Air Concentration Limits as per Table: TSP = 250mg/m3; NOx = 2500 mg/m3	as above	see above. Excursions with particulates were noted and reported but captured under PRP at the time.		C
L3 WASTE L3.1	The licensee must not cause, permit or allow any waste to be received at the premises, except the wastes expressly referred to in the column titled “Waste” and meeting the definition, if any, in the column titled “Description” in the table below. Any waste received at the premises must only be used for the activities referred to in relation to that waste in the column titled “Activity” in the table below. Any waste received at the premises is subject to those limits or conditions, if any, referred to in relation to that waste contained in the column titled “Other Limits” in the table below. This condition does not limit any other conditions in this licence.	Interviews	Waste wood is received periodically during winter to add to the boiler fuel. This has been captured in a recommendation in the Development consent protocol. Based on interviews, it is not expected that 'waste' is being burned in the boiler - only wood for fuel.		C
L4 NOISE LIMITS: L4.1	Noise from the premises must not exceed: a) 55 dB(A) LAeq(15 minute) during the day (7am to 6pm); and b) 50 dB(A) LAeq(15 minute) during the evening (6pm to 10pm); and c) at all other times 50 dB(A) LAeq (15 minute), except as expressly provided by this licence. Where LAeq means the equivalent continuous noise level – the level of noise equivalent to the energy-average of noise levels occurring over a measurement period.	Interviews, Night period noise check. Noise wall upgrades 2017. Noise monitoring reports: Atkins Acoustics and Associates, December 2017 Acoustic Consulting Australia, DD1805_1, August 2016. Knox OHS, July 2015.	The Knox 2015 report stated noise could be at 60 dB(A) . The ACA 2016 report was more detailed and referenced standards and processes and compliance against the EPL criteria. It concluded HPP in compliance with EPL limits with an excess at Location 4. However this it stated was attributed to Borg and not HPP. The most recent assessment (Atkins, 2017) contained a large amount of detail and referenced the NSW noise policy adjustments and both the EPL criteria i.e. night period 50dBA (and the DC criteria i.e 36 & 41 dBA depending on location). It concluded at the 3 relevant locations M1, 2,3 noise from HPP was well in compliance with the 50dBA limit - predicted and measured. There was a slight tone and HPP operations were audible.		C
L4.2	To determine compliance with condition L4.1 noise must be measured at, or computed for, at "Oorong" or an other noise sensitive location (such as a residence/school) along Herbourne or West Cunynghame Street, Oberon. A modifying factor correction must be applied for tonal, impulsive or intermittent noise in accordance with the "Environmental Noise Management - NSW Industrial Noise Policy (January 2000)".	see above	Orong calculated at <40dBA with a 5 dBA tonal penalty adjustment. Even with the penalty compliance with EPL was achieved i.e. <47 against limit of 50dBA.		C
L4.3	The noise emission limits identified in this licence apply under all meteorological conditions except: a) during rain and wind speeds (at 10m height) greater than 3m/s; and b) under "non-significant weather conditions".	see above	Most recent assesssments considered to provide detail that this was the case.		C
L4.4	The noise limits in the above table do not apply where the licensee and an affected resident have reached a negotiated agreement in regard to noise.	Interview	No agreements are in place.		C

Approval ID	Requirement	Evidence Collected	Independent Audit Findings	Independent Audit Recommendations	Compliance Status
O1 OPERATING CONDITIONS: Competent Manner O1.1	Licensed activities must be carried out in a competent manner. This includes: a) the processing, handling, movement and storage of materials and substances used to carry out the activity; and b) the treatment, storage, processing, reprocessing, transport and disposal of waste generated by the activity.	Observations, EMP	Some waste H2 blue frame treated timbers were being chipped and sent as boiler fuel. A review of records suggested treated timber was disposed to landfill 2018 (112 tonne) and up to Feb 2019. Practices appear to have altered after this period; possibly by the new operators that have not been through the SOP training. A review of training records confirmed the need for enhanced SOP specifications on waste and training of new operators. The potential for burning of any treated timber is not permitted in the EPL nor the EMP and therefore is considered to represent a breach of this condition. A review of the Blueframe application are and also the Holtec docking identified a practice that directed some 'blue' treated timbers into the fuel bins (as opposed to bins that are directed as waste to landfill). - Refer to Pictorial Summary.	Rec EPL:19-1 . Develop a system for management and control of H2 waste including operator training to ensure treated Bifenthrin timbers do not enter the boiler fuel waste re-use stream. (This may alter if permission if granted by EPA to burn bifenthrin treated timber following a proof of destruction testing program). There may be options to re-use these residues in as a beneficial re-use - fuel, MDF.	NC
O2: Maintenance of plant and equipment O2.1	All plant and equipment installed at the premises or used in connection with the licensed activity: a) must be maintained in a proper and efficient condition; and b) must be operated in a proper and efficient manner.	MEX record checks, Interviews, Observations, Opacity read outs, Monitoring data	Air emissions were focussed on during the audit. Monitoring records in recent tests reveal compliance. Observations of the boiler stack indicated largely only a heat haze. Some white smoke was noted when opacity coincided with a reading above 40%. This is well in excess of the stated 20% trigger within the EMP (and in accordance with Group 4 20% opacity requirements Schedule 4 of the POEO Clean Air Regulations). However, interviews and observations of smoke levels at the time of the high opacity readings (i.e. low smoke noted) suggest the SICK opacity unit may not be calibrated correctly. This needs investigating. Furthermore interviews with the operators identified no system to immediately implement steps to rectify a high opacity reading. A Standard Operating Procedure would assist with this control deficiency. The site inspection identified a door ajar on the dry mill southern boundary that should be shut to control noise.	Rec EPL:19-2 . a) Undertake testing to correlate the Opacity meter with particulate emission levels such that it can be used as both a compliance device and a control tool for the boiler operators to regulate fuel/ air mix and overfire air controls. b) Set out an SOP such that operators may be trained in the use of the opacity monitoring system to maximise boiler combustion efficiency. Rec EPL 19-3: Ensure doors not required for access are closed along the south boundary to prevent noise breakout during the night period.	NC
O3.1 Dust	All operations and activities occurring at the premises must be carried out in a manner that will minimise the emission of dust from the premises.	Observations, Interviews, Dust Depostion - monitroing ALS Dec 2018,	Minimal dust was noted outside the site on the roads. A road sweeper was observed to be operating. The fuel shed roof was clean of sawdust, no complaints have been lodged.		C
O3.2	Trucks entering and leaving the premises that are carrying loads of material likely to blow off must be covered at all times, except during loading and unloading.	Interview- security, Closed Circuit TV monitors, Observations, Complaint register	Minimal dust was noted outside the site on the roads. Interview with security confirmed a check made on the CCTV screens and no untarping identified over past 12-18 months.		C
O4.1 Emergency response	Within 3 months of the date of the issue of this licence, the licensee must develop, or update, an emergency response plan which documents the procedures to deal with all types of incidents (e.g. spill, explosions or fire) that may occur at the premises or outside of the premises (e.g. during transfer) which are likely to cause harm to the environment.	PIRMP- version 1/1/19, EMP, Observations, Interviews, Review of 2018 Fuel Shed Fire Incident Sighted 18/6/19 Log deck failed hydraulic line incident report in Risk Manager	A good system to report, rate and notify was observed. A copy of the flow chart is included in the appendices to the report. A drill down occurred for an environmental incident - Fuel Shed fire #982333 dated 8/1/18. 14x actions were noted in the Incident report.		C
O5.1 Process and management	The bifenthrin treatment facility must be operated in accordance with the requirements of Australian/New Zealand Standard, Timber preservation plant safety code, Part 1: Plant design – AS/NZS 2843.1:2000. and Australian/New Zealand Standard, Timber preservation plant safety code, Part 2: Plant operation – AS/NZS 2843.2:2000, except as expressly provided by a condition of this licence	ANZS 2843:1 & 2. Interviews, Observations, MEX.	Limited detailed build design is available for the Bifenthrin H2 preservation mix and clean area. An assessment was made against ASNZS 2843.1:2000 Plant Design. It was confirmed most elements of the Standard could be substantiated. Those that could not, and are in consideration of improvement have been captured in the recommendations and illustrated in the Pictorial Summary. These include: - dripping of transfer hoses into an area that has floor pits and therefore a potential pathway outside a bunded area; - a pipe outside the bund that required a double skin to control any leaks should they arise; - color coding pipes; - a backflow device that may be installed past a segregation line that limits its effectiveness.	Rec EPL:19-4: Improve plant design compliance with the ANZS 2843.1 Standard including: a) Part 1, Section 1.6. Labels. Colour code pipe runs and include transfer runs in a schematic plan. b) Part 1 Section 2.4 Water Bodies: Install a groundwater monitoring bore downgradient outside the treatment plant bunded area to support no loss of containment through the floor and sumps. c) Part 1, Sect 3.8 & Part 2 2.1 Emergency Plans & 2.8 Signs; Access & Signage: Re-label the Emergency Exit sign leading into the H2 Preservative mix area given it is a locked area and provides no escape. d) Part 1, Sect 4.7.2 Backflow Precautions: Review whether the backflow protection device is positioned correctly and is upstream from all flow lines to protect potable water supply. e) Part 1 Sect 4.7.3 - Auto Shut off and containment: Confirm that the level device and alarm in the water sump is included in the preventative maintenance MEX checking system. f) Part 1 Sect 3.5: Containment: add a double skin (extra pipe) around the pipes outside the building and bund so that any leakage would drain back into the bunded area, g) Part 1 Sect 3.5 Containment: relocate the dripping hoses from the wall potentially outside the bunded area back into the bunded area.	NC
M1 MONITORING RECORDS: M1.1 M1 MONITORING RECORDS: M1.2	SECTION 5 MONITORING AND RECORDING CONDITIONS				C
	M1 MONITORING RECORDS				
	The results of any monitoring required to be conducted by this licence or a load calculation protocol must be recorded and retained as set out in this condition.	see below	see below		C
	All records required to be kept by this licence must be: a) in a legible form, or in a form that can readily be reduced to a legible form; b) kept for at least 4 years after the monitoring or event to which they relate took place; and c) produced in a legible form to any authorised officer of the EPA who asks to see them.	Records, Monitoring reports, Interviews	Monitoring is conducted and records retained dating back 4 years as checked for noise report (dated 2015). Records were previously maintained in the Risk Manager. With CHH selling their share to AKD many records require transfer over to the new ownership system. Risk Manager is under consideration as a purchase. It is currently in use and CHH records are being transferred. Not all records were available at the time of the audit e.g. action on the previous Audits recommendations. This is a work in process and will need to be verified at the next IAER as being comprehensively handed over.	see recommendation to obtain all records from CHH (DC Section 3.3).	C, O

Approval ID	Requirement	Evidence Collected	Independent Audit Findings	Independent Audit Recommendations	Compliance Status
M1 MONITORING RECORDS: M1.3	The following records must be kept in respect of any samples required to be collected for the purposes of this licence: a) the date(s) on which the sample was taken; b) the time(s) at which the sample was collected; c) the point at which the sample was taken; and d) the name of the person who collected the sample.	Records, Observations ALS ES1838926 17/12/18	Confirmed that ALS contained the required information in their reports.		C
TESTING METHODS: Load Limits	<i>Note: Division 3 of the Protection of the Environment Operations (General) Regulation 2009 requires that monitoring of actual loads of assessable pollutants listed in L2.2 must be carried out in accordance with the relevant load calculation protocol set out for the fee-based activity classification listed in the Administrative Conditions of this licence.</i>		Load limits are not applicable as they are not specified in this Licence.		C
					C
	M2 REQUIREMENT TO MONITOR CONCENTRATION OF POLLUTANTS DISCHARGED				C
M2.1	For each monitoring/discharge point or utilisation area specified below (by a point number), the licensee must monitor (by sampling and obtaining results by analysis) the concentration of each pollutant specified in Column 1. The licensee must use the sampling method, units of measure, and sample at the frequency, specified opposite in the other columns	see below	see below		
M2.2	Air Monitoring Requirements (Tables provided for Point 1, 2,3 ,4): Point 1 - Yearly	Data Review, Interview Ektimo reports: R002671 (2016); R004511 (2017); Draft R005802 (2018).	Monitoring was not conducted during 2018 and was noted in the AEMR. The primary reason reportly was the sale of the business by CHH and the hand over of compliance obligations at the time. Reportedly a stack test has been scheduled in for the second half of this year.	Rec EPL: 19-5 Ensure a program to calibrate the SICK opacity meter is undertaken during the next scheduled particulate and NOx stack emission compliance test.	C
	Point 2,3,4 (Monthly) in accordance with with Sampling methods (see Licence)....	Dust Depostion - monitroing ALS Dec 2018, ALS EN190079 Feb 2019	At locations 6,7,8 Total DD were 7.7, 5.4 and 5.0 g/m2/mth respectively for Dec. 2018 and 5.9, 3.0 and 2.0 g/m2.m respectively for Feb 2019. Whilst slightly elevated the location of these gauges is no where near a sensitive receptor. In the absence of complaint, results are likely to reflect background in an industrial estate.		C
M2.3	Water and/ or Land Monitoring requirements: Point 5 & 6 (Every 6 months - Grab samples)	Records, Observations ALS ES1838926 17/12/18; Moitoring of sediment quality and water at Borg	Groundwater was monitored as Licence required with results suggesting an acidic groundwater at pH=5.4 upgradient (slightly more acidic at 4.8 on site) and nitrate higher at 9.9 mg/L on site compared to upgradient (background of 0.9mg/L). Water monitoring results have identified no detectable cncentrations of Dieldrin or OC pesticides residues indicating the controls works undertaken to encapsulate the residues have been effective over recent years.	Rec EPL: 19-6 (OFI) Continue to assess trends in groundwater to evaluate impact; particularly the nitrate concentration. If the trend continue upwards, undertake a risk assessment of likely impact to off site receptors.	C,O
	M3 Testing Methods - Concentration limits				C
M3.1	Monitoring for the concentration of a pollutant emitted to the air required to be conducted by this licence must be done in accordance with: a) any methodology which is required by or under the Act to be used for the testing of the concentration of the pollutant; or b) if no such requirement is imposed by or under the Act, any methodology which a condition of this licence requires to be used for that testing; or c) if no such requirement is imposed by or under the Act or by a condition of this licence, any methodology approved in writing by the EPA for the purposes of that testing prior to the testing taking place.	Ektimo reports: R002671 (2016); R004511 (2017); Draft R005802 (2018).	Sampling of monitoring techniques and analysis adopted were confirmed to conform with 'Approved Methods'		C
	Note: The Protection of the Environment Operations (Clean Air) Regulation 2010 requires testing for certain purposes to be conducted in accordance with test methods contained in the publication "Approved Methods for the Sampling and Analysis of Air Pollutants in NSW"	NA			
M3.2	Subject to any express provision to the contrary in this licence, monitoring for the concentration of a pollutant discharged to waters or applied to a utilisation area must be done in accordance with the Approved Methods Publication unless another method has been approved by the EPA in writing before any tests are conducted	Records, Observations ALS ES1838926 17/12/18	Surface water monitoring is conducted in accordance with EMP using laboratories with NATA certification for analytes under investigation.		C
	M4 WEATHER MONITORING				C
M4.1	For each monitoring point specified in the table below the licensee must monitor (by sampling and obtaining results by analysis) the parameters specified in Column 1. The licensee must use the sampling method, units of measure, averaging period and sample at the frequency, specified opposite in the other columns: Point 9: Continuous with 1hr temp., 15 min. averaging wind and 24hr rainfall	Weather monitoring record accessed with internet	The weather monitor was operational but found to be cycling and not recording 24hr data. It was generating 6-8hrs but not the full 24 hr data This could be a battery issue associated with the solar charging process i.e, battery dies when sun cannot sufficiently charge the unit needds.	Rec EPL: 19-7. Investigate reason for weather monitoring station cycling of data generation; in particular check battery condition.	NC
	M5 RECODING OF POLLUTION COMPLAINTS				
M5 POLLUTION COMPLAINTS: M5.1	The licensee must keep a legible record of all complaints made to the licensee or any employee or agent of the licensee in relation to pollution arising from any activity to which this licence applies.	EMP, Security Complaints register, Community Compliants Number dial check. Records, Sighted Community Complaints Register 2019 book at Gatehouse Sighted Community Consultation minutes Nov. 15, May 16 and Mar 17	No complaints have been lodged directly with HPP over past 12 months. A noise complaint had been made by the caravan operator. Since selling the business no further complaints have been lodged. The EPA phoned in an observation - recorded as a compliant - about smoke. This was assessed to coincide with a start up process for the boiler which is permitted under the Licence. The compliants number is listed at the front sign at Gate 3.		C

Approval ID	Requirement	Evidence Collected	Independent Audit Findings	Independent Audit Recommendations	Compliance Status
M5 POLLUTION COMPLAINTS: M5.2	The record must include details of the following: a) the date and time of the complaint; b) the method by which the complaint was made; c) any personal details of the complainant which were provided by the complainant or, if no such details were provided, a note to that effect; d) the nature of the complaint; e) the action taken by the licensee in relation to the complaint, including any follow-up contact with the complainant; and f) if no action was taken by the licensee, the reasons why no action was taken.	As above	as above		
M5 POLLUTION COMPLAINTS: M5.3	The record of a complaint must be kept for at least 4 years after the complaint was made.	Risk Manager, Complaints Register at Gatehouse.	Monitoring is conducted and records retained dating back 4 years as checked for noise report (dated 2015). Records were previously maintained in the Risk Manager. With CHH selling their share to AKD many records require transfer over to the new owneship system. Risk Manager is under consideration as a purchase. It is currently in use and CHH records are being transferred. Not all records were available at the time of the audit e.g. action on the previous Audits recommendations. This is a work in process and will need to be verified at the next IAER as being comprehensively handed over.	refer to recommendation for records handover (DC Section 3.3 of Protocol).	C, O
M5 POLLUTION COMPLAINTS: M5.4	The record must be produced to any authorised officer of the EPA who asks to see them.	NA			NA
M6 TELEPHONE COMPLAINTS LINE: M6.1	The licensee must operate during its operating hours a telephone complaints line for the purpose of receiving any complaints from members of the public in relation to activities conducted at the premises or by the vehicle or mobile plant, unless otherwise specified in the licence.	Complaints line test			C
M6 TELEPHONE COMPLAINTS LINE: M6.2	The licensee must notify the public of the complaints line telephone number and the fact that it is a complaints line so that the impacted community knows how to make a complaint.	Sign at front gate 3			C
M6 TELEPHONE COMPLAINTS LINE: M6.3	The preceding two conditions do not apply until 3 months after the date of the issue of this licence.	NA			NA
M7 OTHER MONITORING: M7.1	Noise monitoring to determine compliance with condition L4 must be carried out at least once annually during the day, evening, and night time hours specified by condition L4.1 at the locations specified under condition L4.2. The noise monitoring must be undertaken in accordance with Australian Standard AS 2659.1 (1998) Guide to use of sound measuring equipment - portable sound level meters, and the compliance monitoring guidance provided in the NSW Industrial Noise Policy.	Noise monitoring reports: Atkins Acoustics and Associates, December 2017 Acoustic Consulting Australia, DD1805_1, August 2016. Knox OHS, July 2015.	Testing had been conducted annually up until Dec. 2017 which fall sw within the 2018 reporting year.	see recommendation in DA19-8 by adding compliance schedules into Risk Manager.	C,OFI
6 REPORTING CONDITIONS					C
R1 ANNUAL RETURN DOCS R1.1	The licensee must complete and supply to the EPA an Annual Return in the approved form comprising: 1. a Statement of Compliance, 2. a Monitoring and Complaints Summary, 3. a Statement of Compliance - Licence Conditions, 4. a Statement of Compliance - Load based Fee, 5. a Statement of Compliance - Requirement to Prepare Pollution Incident Response Management Plan, 6. a Statement of Compliance - Requirement to Publish Pollution Monitoring Data, and 7. a Statement of Compliance - Environmental Management Systems and Practices. At the end of each reporting period, the EPA will provide to the licensee a copy of the form that must be completed and returned to the EPA.	Annual Compliance reports 2016, 17 & 18	Reports had been made in accordance with Licence requirements and non compliances noted to conform with Auditor observations		C
R1 ANNUAL RETURN DOCS R1.2	An Annual Return must be prepared in respect of each reporting period, except as provided below.	Reports prepare each year.			
R1 ANNUAL RETURN DOCS R1.3 R1.4 (not applicable)	Where this licence is transferred from the licensee to a new licensee: a) the transferring licensee must prepare an Annual Return for the period commencing on the first day of the reporting period and ending on the date the application for the transfer of the licence to the new licensee is granted; and b) the new licensee must prepare an Annual Return for the period commencing on the date the application for the transfer of the licence is granted and ending on the last day of the reporting period.	New owner took over with systems still being developed. However the Licensee in HPP did not alter.			C
R1 ANNUAL RETURN DOCS R1.5	The Annual Return for the reporting period must be supplied to the EPA via eConnect EPA or by registered post not later than 60 days after the end of each reporting period or in the case of a transferring licence not later than 60 days after the date the transfer was granted (the 'due date').	Sighted 12 Aug-17 - 12 Aug 18; repected 4 Sept 18, checked other past 3 years return dates.			C
R1 ANNUAL RETURN DOCS R1.6	The licensee must retain a copy of the Annual Return supplied to the EPA for a period of at least 4 years after the Annual Return was due to be supplied to the EPA.	2016 Annual return	Checked Annual return for 2016 as sample		C
R1 ANNUAL RETURN DOCS R1.7	Within the Annual Return, the Statements of Compliance must be certified and the Monitoring and Complaints Summary must be signed by: a) the licence holder; or b) by a person approved in writing by the EPA to sign on behalf of the licence holder.		Confirmed		C
R2 NOTIFICATION OF ENV HARM R2.1	Notifications must be made by telephoning the Environment Line service on 131 555.	2018 Annual Return, Incident records	Confirmed that notification on Fire incident 2018 was via call and also email.	Rec EPL 19-8 (OFI) : Add the notification process into HPPs Risk Manager such that a record is captured and readily accessible.	C, O

Approval ID	Requirement	Evidence Collected	Independent Audit Findings	Independent Audit Recommendations	Compliance Status
R2 NOTIFICATION OF ENV HARM R2.2	The licensee must provide written details of the notification to the EPA within 7 days of the date on which the incident occurred.	Hydraulic line burst, Ref EPA Not 158884 2/11/18 CHH Incident report 952164	Confirmed hydraulic line incident was rated as per PIRMP process and reported to EPA as required under the SOP. Confirmed action was taken and documented in the system - clean up of 250L of oil.		C
R3 Written Report	Where an authorised officer of the EPA suspects on reasonable grounds that: a) where this licence applies to premises, an event has occurred at the premises; or b) where this licence applies to vehicles or mobile plant, an event has occurred in connection with the carrying out of the activities authorised by this licence, and the event has caused, is causing or is likely to cause material harm to the environment (whether the harm occurs on or off premises to which the licence applies), the authorised officer may request a written report of the event.	NA			NA
R3.2	The licensee must make all reasonable inquiries in relation to the event and supply the report to the EPA within such time as may be specified in the request	No request over audit period			NA
R3.3	The request may require a report which includes any or all of the following information: a) the cause, time and duration of the event; b) the type, volume and concentration of every pollutant discharged as a result of the event; c) the name, address and business hours telephone number of employees or agents of the licensee, or a specified class of them, who witnessed the event; d) the name, address and business hours telephone number of every other person (of whom the licensee is aware) who witnessed the event, unless the licensee has been unable to obtain that information after making reasonable effort; e) action taken by the licensee in relation to the event, including any follow-up contact with any complainants; f) details of any measure taken or proposed to be taken to prevent or mitigate against a recurrence of such an event; and g) any other relevant matters.				
R3.4	The EPA may make a written request for further details in relation to any of the above matters if it is not satisfied with the report provided by the licensee. The licensee must provide such further details to the EPA within the time specified in the request.	NA			NA
7 GENERAL CONDITIONS					
G1.1	A copy of this licence must be kept at the premises to which the licence applies.	EPL	Hard Copy presented		C
G1.2	The licence must be produced to any authorised officer of the EPA who asks to see it.	NA			NA
G1.3	The licence must be available for inspection by any employee or agent of the licensee working at the premises	EPL, Interviews	Hard copy available and may be accessed on web		C
8 Pollution Studies and Reduction Programs					
U1 Long Term Noise Reduction - Implement mid term options					
U1.1	The licensee must by 30 December 2020 report on actions identified under the short to mid-term options (1-6 years) of Table 1. - STATUS report	Email 26/2/19 status report to EPA; Report internal Noise Mitigation 2017/17; Atkins, 2018 (noise works)	Although this requirement is not due during the Auit period, a status check was undertaken and found: - A specification for works that included repair of noise walls; enclosures and valves on the baghouse had been completed.		C
U2.1 - IMPLEMENT LONG TERM OPTIONS	The licensee must by 30 November 2023 report on completion of the long term noise attenuation actions (1-9 years) of Table 1. STATUS Report	Due next audit			NA
Note:	By the above conditions U1 to U3, the EPA requires the licensee to implement a long term noise improvement program for the HPP sawmill to achieve a 5 dB(A) reduction in noise from the premises within 10 years to be able to meet a night time noise limit of 45 dB(A) LA eq (15 minute).	see above	see above		C
	As the improvement program is for 10 years and HPP Noise Assessment (Table 1) represents "potential" attenuation options at the time of preparation, the licensee is not bound to follow the short-mid-long term works identified for each location under Table 1. The licensee should however use Table 1 as a guide	NA			NA
	The short-mid-long term approach to noise attenuation in Table 1 is the basis for the 3 Long term Noise Reduction PRP's (conditions U1 to U3(sic)). The licensee may however revise Table 1 at any time provided the revised Table 1 with a date of revision and revision number is provided to the EPA.	NA			NA
8 Special Conditions					C
E1	The licensee must ensure that any ongoing maintenance, modification, upgrading or replacement of plant and equipment operated at the premises demonstrates consideration of ongoing noise reduction. To achieve this, the licensee must record all plant and equipment modifications or replacements undertaken and the noise reduction achieved as a result of the plant maintenance or replacement. The licensee must report on (provide results) all plant maintenance and replacement and associated noise reduction, as well as results of noise monitoring required under condition M7.1, in a report to be provided to the EPA within three months of the conclusion of each reporting period for the premises.				C

Auditee: Highland Pine Products Pty Ltd, Oberon			
Specific Management System (eg EMS, EMP, PIRMP, SWMP, WMP) elements warranting improvement not otherwise captured in compliance elements of the Protocol			
Approval ID and Requirement	Evidence Collected	Independent Audit Findings	Recommendations
EMP Training	Doc Control/ training/TRG Matrix/Holtec/SOP ID HP-5-PM-HPD-02	Check for training of new operator. Only 50% of the team had been trained. This related to transfer of H2 treated timber to chipper and then boiler fuel bin. i.e. wrong use of color coded waste bins.	Rec EMS:19-1 New SOP capturing control over treated timber required including movement of liquid residues and empty container labelling and storage. Train all relevant operators in the SOP.
MEX Preventative Maintenance	Observations	The floor area of the H2 application area was noted to not be in preventative maintenance schedule 'MEX'.	Rec EMS:19-2 Add to MEX an inspection process for the floor and sumps of the H2 application and mix areas and any sump level controls calibration.
		Filters at the H2 application discharge are on MEX to be changed each 5 weeks. Roof vent discharge points can assist with issue identification at the H2 application area.	Rec EMS:19-3 Add to MEX an inspection of the roof vents at the H2 Application area where filters are changed to document no overcarry nor clean up required.
		No documentation was available confirming contractors removing waste are competent.	Rec EMS:19-4. Verify and hold documentation that the contractors transporting treated timber waste are Licenced.
		Chemical data access has changed with the new ownership.	Rec EMS:19-5. Make sure all operators have access to chemical SDS data via an on-line system as some chemical information was not available in hard copy at stations.
Asbestos Management	HPP asbestos Register, Asbestos Audit 28 Feb 2014 Enviro West Consultancy R122918a2	Damage was noted to a piece of AC sheeting in the toilets of the office (Site 1). Whilst outside the audit site it is worth noting to have rectified.	Recommendations made at time of audit. As outside scope not specific recommendation has been documented within the Audit Report.
NPI Reporting	Sighted Belinda Williams 30 June 2018, 2016/17 & 2015/16 reports were issued.	NPI has appropriately been completed and issued in previous years by a CHH resource.	Rec EMS:19-6 Include responsibilities for completing the NPI (and potentially NGRS) reporting process in the EMP (or broader EMS) under the new ownership regime.
	PIRMP and EMP alignment	PIRMP, EMP, SWMP have at times different responsibilities for personnel against similar cross plan items. This discrepancy should be rectified at next update.	Rec EMS:19-7 During the next iteration and QA review of the management plans, review the responsibilities matrix's to ensure they all align.
Waste Optimisation	Boiler fuel and combustion performance observations	The boiler furnace is a robust design that can burn bark as fuel efficiently. There may be scope to burn bark and avert the need to buy in waste wood from off-site. There may also be opportunities to replace chip with bark providing a sale opportunity for the chip to the neighbouring MDF site.	Rec EMS:19-8 Investigate scope for burning bark within the boiler furnace to replace purchased fuel needs from off-site, provide sale options for a quantity of the chipped timber and therefore a net financial benefit to site operations. A procedure to optimise combustion efficiency controls to ensure air discharge compliance will need to pre-date a change.
Waste Management	Observations, WMP	Timber waste may have beneficial re-use opportunities, as does ash from the boiler furnace. There appears scope for a review to minimise waste whilst saving money.	Rec EMS: 19-8 Complete waste review of site generated waste to evaluate re-use opportunities as opposed to landfill.

Auditee Highland Pine Products: Status of Previous Audit (2015) Recommendations

Recommendation		Actioned (Y/N)	Implementation Status - June 2019	OPEN/CLOSED
Schedule 1	15-1. Confirm with DEP obligations that remain on HPP within the consent with particular focus on:	Y	A letter requesting an assessment was issued in 19/11/2015 and DPE responded 17/8/16. The response was that some conditions remain relevant and can only be amended via a Sect 75W modification under the Act. No response was progressed	OPEN
Schedule 2:	a) update to the relevant property descriptor	Y	see above	
1.3,1.4,1.10,1.11	b) whether surrendering of DA 27/95 remains relevant;	Y	see above	
2.2, 2.3, 2.4	c) what management plans still require the written approval of the Director General;	Y	see above	
3.1, 3.2, 3.6	d) whether the Landscape Management Plan can now be integrated into the EMP as landscape maintenance.	Y	see above	
4.8, 4.12, 4.13, 4.19, 4.20, 4.21	e) whether the car park space allowance can be reduced to 100-120 spaces as a reflection of reduced employee numbers.	Y	see above	
5.4, 5.6, 5.7	f) confirmation that any condition stating 'prior to development', 'before commencement' or construction related are considered closed out compliance items.	Y	see above	
7.1, 7.2				
2.1				
6.1, 6.3, 6.4	15.2. Include Licenses, permits and reporting obligations within the Risk Manager compliance system (or equivalent) to ensure renewals, future monitoring, audit and reporting occurs as per consent conditions.	Y	This was actioned yet records need to be retained. A recommendation for this has been made in the 2019 IAER.	CLOSED
(EPL M7)				
2.1	15.3. Review the 'Blueframe' treatment plant areas and upgrade to comply with AS 2843.1 & .2 requirements including:			
(EPL O5)	a) epoxy resin sealing of all joints (including delivery/waste unload area, mixing area and beneath application area) with a colour other than clear to facilitate future integrity inspections;	Y		CLOSED
	b) enact forklift wheel cleaning prior to leaving areas where impact is possible;	Y		CLOSED
	&			
	c) appropriately label, seal and store containers with treatment residues within.	Y	Vessels have been labelled yet pipes not. A recommendation has been added into the 2019 IAER	CLOSED
3.3	15.4. a) Improve boiler fuel consistency and/or combustion conditions with the aim of bringing particle concentrations into compliance with a standard of 250 mg/m ³ .	Y	A PRP was initiated and overfire air added.	CLOSED
	b) Engage with the Regulators regarding a PRP, or similar, to provide for a structured improvement plan to bring boiler emissions into compliance.	Y		CLOSED

Recommendation		Actioned (Y/N)	Implementation Status - June 2019	OPEN/CLOSED
3.3	15.5. Update the EMP/ WMP to include:			
	a) waste oil storage area designation and waste drum labelling;	Y		CLOSED
	b) 'Blueframe' treatment plant waste storage, labelling and disposal;	Y	Training gaps identified in segregation according to WMP. New recommendation during IAER 2019.	CLOSED
	c) documented integrity checks of resin coating at treatment chemical areas. Re-application of epoxy resin with color agent considered required to facilitate checks.	Y	In preventive maintenance program 'MEX'.	CLOSED
	d) include the 250 mg/m ³ boiler standard (Group 4) alongside the 20% opacity limit.	Y	The 20% opacity limit is included yet new SOP required at boiler house to aid operators.	CLOSED
	e) add the site radiation gauge Licence to the list of environmental statutory obligations (or provide a reference link to a list of statutory Licences in another register) and ensure Licence is renewed on time.	N	Need to add to Section 2.3 of the EMP.	OPEN
4.1 4.2 4.3	15.6.			
	(a) Include Officers from both the DPE and EPA in the development of uniform and agreed noise compliance levels.	Y	EPA has issued a new EPL with limit of 50 for night period. Alignment is captured in a recommendation within the IAER 2019.	CLOSED
	(b) Once an agreed target has been established with the regulator, engage a suitably qualified consultant to develop the required methodology to be used for all future compliance testing.	Y	see above	
4.4	15.7 Remove sawmill wood dust and shavings off the fuel shed roof and repair any conduit leaks, or	Y	Actioned	CLOSED
4.5	roof gaps.			
4.6 (EPL O3)	15.8 Advise all residue truck drivers and contractors of the requirement to cover their loads prior to site departure.	Y	Actioned	CLOSED