



Newcastle Coal
INFRASTRUCTURE GROUP



Proponent Response to Audit Findings – IEA 2022



TABLE OF CONTENTS

1.0	PURPOSE AND SCOPE	2
2.0	PROONENT RESPONSE TO AUDIT FINDINGS.....	3

1.0 PURPOSE AND SCOPE

In March 2022 Newcastle Coal Infrastructure Group (NCIG) commenced its three-yearly Independent Environmental Audit (IEA). The audit covered the period from 1 October 2018 to 31 December 2021. This audit is completed to satisfy the requirements of Condition 5.2, Schedule 2 of the Project Approval (MP 06_0009):

5.2 The independent environmental audit referred to in condition 5.1c) shall:

- (a) be conducted by a suitably qualified, experienced and independent team of experts whose appointment has been endorsed by the Planning Secretary;*
- (b) include consultation with the relevant agencies;*
- (c) assess the environmental performance of the project and assess whether it is complying with the requirements in this approval, and any other relevant approvals and relevant EPL/s;*
- (d) review the adequacy of any approved strategy, plan or program required under the abovementioned approvals; and*
- (e) recommend measures or actions to improve the environmental performance of the project, and/or any strategy, plan or program required under these approvals.*

As approved by the Department of Planning, Industry and Environment (DPIE), NCIG engaged Ken Holmes (Barnett & May) as the Lead Auditor to undertake the IEA. No technical specialists were required for this IEA as the Lead Auditor did not identify any significant and/or complex technical compliance issues during the course of the IEA. This IEA was undertaken in accordance with the Department's Independent Audit Post Approval Requirements (2020) (IA PAR). As per the IE PAR, the audit scope was not required to include NCIG's Environmental Protection Licence (EPL 12693).

The findings of the IEA concluded that "NCIG maintain a high level of compliance against the Conditions of Approval". The audit identified four non-compliant Conditions against the Project Approval (PA 06_0009), which were accordingly classified as either low risk level or administrative non-compliances.

The Proponent Response to Audit Findings (this report) has been compiled to satisfy the requirements of the IA PAR. Section 2 of this report provides NCIG's response to each finding and recommendation identified during the IEA.

2.0 PROPONENT RESPONSE TO AUDIT FINDINGS

Condition		Independent Audit Finding	Independent Audit Recommendation	NCIG Response	Proposed Due Date
Project Approval (MP 06_0009)					
2.41	Except as may be expressly provided under the provision of an Environment Protection Licence for the project, the Proponent shall comply with section 120 of the Protection of the Environment Operations Act 1997 which prohibits the pollution of waters.	Non-compliance (low risk level) Seven “pollution of water” incidents (refer to Section 7.1 below) relating to discharges from the site to either the Hunter River or off-site stormwater drains. All incidents were investigated, and corrective and preventative actions implemented. It is noted that none of the incidents reported resulted in material harm to the environment, however those discharges represented non-compliances with the NCIG Environment Protection Licence.	All incidents were investigated, and appropriate corrective and preventative measures implemented. All incidents were appropriately reported to the EPA. There are no further recommendations.	As per the finding, all incidents were investigated, with corrective and preventative actions implemented. It is also NCIG’s view that no further actions are required.	N/A

Condition		Independent Audit Finding	Independent Audit Recommendation	NCIG Response	Proposed Due Date
2.42	Unless otherwise agreed by the Director-General, the Proponent shall design, construct, maintain and operate surface water and stormwater management infrastructure on the Site to accommodate a 1 in 100 ARI rainfall event, and shall not permit the discharge of any water from the Site to the Hunter River unless expressly provided under the provision of an Environment Protection Licence.	Non-compliance (low risk level) Five water discharge incidents (refer to Section 7.1 above) relating to discharges from the site to either the Hunter River or off-site stormwater drains. Two of the incidents related to significant storm events and three to the inadvertent discharge of wash down water to the Hunter River. The washdown water incidents, while not resulting in material environmental harm, represent non-compliances against the NCIG EPL. The two incidents that resulted from stormwater discharges occurred during significant rainfall events (likely to have been greater than the defined 1 in 100 ARI events). It is noted that with the rapidly increasing impacts of climate change that significant storm events are occurring more regularly and that this trend will continue. The Auditor considers that it is possible the 1 in 100 ARI rainfall event as referenced in the 2014 Drainage Assessment Report may no longer be applicable.	It is recommended that NCIG initiate a review of the 2014 Drain Assessment Report, to ensure that the drainage system design continues to meet the current (and projected) 1 in 100 ARI rainfall criteria.	NCIG understands the auditor's position that three water discharge incidents occurred during the audit period that resulted in inadvertent discharge of washdown water into the Hunter River (as referred to in Section 7.1 of the IEA Report). As outlined above, these incidents were investigated, with corrective and preventative actions implemented. Two incidents were also related to inadvertent discharge of stormwater into a stormwater easement/drain offsite, as a result of significant storm events which exceeded the design capacity of NCIG's water management infrastructure. Following the non-compliance of Condition 2.42 in NCIG's 2018 IEA, NCIG sought clarification from both the EPA and DPIE to resolve the matter. NCIG has since received recognition from the Department that discharge occurs from the NCIG site during major stormwater events or prolonged rainfall events that exceed the holding capacity of the NCIG stormwater management systems. The NCIG surface water and stormwater management system has been designed, constructed, maintained and operated in accordance with Condition 2.42. It is NCIG's view that the recommendation to review NCIG's stormwater system to ensure it continues to meet current/projected increase in storm events as a result of climate change is not practical or reasonable. Accordingly, NCIG do not propose to take any further action on the recommendation.	N/A
3.2	Prior to the commencement of operation of the project, the Proponent shall develop and submit	Non-compliance (Administrative)	Update the Dust Monitoring Program to include the	NCIG will update its Operation Dust and Air Quality Management Plan (ODAQMP) to include provisions	30/06/2022

Condition		Independent Audit Finding	Independent Audit Recommendation	NCIG Response	Proposed Due Date
	for the approval of the Planning Secretary and the EPA an Ambient Dust Monitoring Program, to outline how the ambient dust impacts of the project will be monitored. The program must include: g) provision for independent review and auditing of the Program; and	The ODAQMP does not include the provision for independent review and auditing of the Program.	provision of independent review and auditing.	for independent review and auditing of the Ambient Dust Monitoring Program.	
6.3	The Proponent shall record details of all complaints received through the means listed under condition 6.2 of this approval in an up-to-date Complaints Register. The Register shall record, but not necessarily be limited to: e) record of operational and meteorological condition contributing to the complaint.	Non-compliance (Administrative) A record of relevant operational and weather conditions is not recorded in the Complaints Register provided to the Auditor.	Update the Complaints Register to include the record of operational and meteorological conditions that were present at the time of the complaint.	NCIG has updated its Complaints and Enquiry Register to include a section for capturing operational and meteorological conditions that are present at the time of any future complaints.	Complete