



KHRQ IEA 2024 – Response to Audit Recommendations

Karuah Hard Rock Quarry (DA 265-10-2004) – 2024 IEA Findings and HQPL Response			
No	Requirement	2024 IEA Assessment & Recommendation	2024 HQPL Response & Action
S2, C4	<p>Terms of Approval The Applicant shall comply with any reasonable requirement/s of the Director-General arising from the Department’s assessment of:</p> <p>(a) any reports, plans or correspondence that are submitted in accordance with this development consent; and</p> <p>(b) the implementation of any actions or measures contained in these reports, plans or correspondence.</p>	<p>ASSESSMENT: There was one instance identified where the Secretary of DPIE provided that HQPL did not comply with the following requirements, being: 1) Warning Letter from DPIE dated 03 July 2020 Breach of Section 4.2 of the EP&A Act 1979 i.e., "...alleges that HQPL has breached schedule 4, condition 19 of DA 265-10-2004. HQPL failed to implement FFMP for Karuah Quarry as approved by the Secretary in 2008". DPIE requested a revised FFMP be submitted by 2 September 2020 and review and, if required, revise the EMP and EMS.</p> <p>HQPL undertook a review of the FFMP and Environmental Management Strategy (EMS) which was submitted to DPIE for approval 26 August 2020. There was no evidence that the Environmental Monitoring Program (EMP) was reviewed per DPIE's request until it was resubmitted and approved September 2023.</p> <p>RECOMMENDATION: Action closed. Refer opportunity for improvement in section 4.2.</p> <p>A number of non-compliances were identified during the audit period where review of management plans and key dates were missed. Given this it is recommended that HQPL establish a compliance tracking system or similar to record all compliance tasks and due dates including management plan reviews, requirements arising from government agencies and actions following audits.</p>	<p>RESPONSE: HQPL acknowledges that various directions were received by NSW Planning to review or update documents may have not been completed within the designated timeframes.</p> <p>ACTION: HQPL have since updated our processes (inclusive of task calendars and checklists) to ensure that these directions are completed in a timely and responsive fashion.</p> <p>STATUS: HQPL considers this matter to be resolved.</p>
S2, C13	<p>Section 94 Contributions The Applicant shall pay a contribution of 4.7 cents per cubic meter of material per kilometer hauled to Council for the maintenance/repair of public roads in accordance with Council’s Section 94 Plan for road haulage, to the satisfaction of Council.</p> <p>Note: The applicable contribution rate is reviewed annually by Council and new rates, if applicable become operational from 1 July each year. The contribution is to be paid at the rate that is current at the time.</p>	<p>ASSESSMENT: There was no evidence that section 94 contributions had been paid to Council on a yearly basis within 14 days of 31 December or that the annual payments were calculated accordingly.</p> <p>Invoices were sighted to show that payments for the years 2018 – 2022 were made to Council as a lump sum payment, June 2023 and annual payments made August 2023 and July 2024.</p> <p>RECOMMENDATION: If it is recommended that HQPL make annual payments to Council within 14 days of 31 December each year and that the annual payment amount is verified to be correct for each payment made between 2019 and 2024 and for each future payment.</p>	<p>RESPONSE: HQPL notes the recent upload to the NSW Planning Portal of the consolidated Development Consent (DA 265-10-2004) inclusive of the instrument changes made by the NSW Land and Environment Court on 29 September 2006.</p> <p>This court determination provided the legal basis for the calculated section 94 Contributions payable to MidCoast Council.</p> <p>ACTION: HQPL will review the calculation methodology used to determine the payments made between 2019 and 2024 to confirm compliance with the amended condition.</p> <p>DUE: HQPL will complete the review by 31 December 2025 (or prior to the next payment round).</p>
S3, C3	<p>Noise Monitoring Within 6 months of the date of this consent, the Applicant shall prepare and implement a Noise Monitoring Program for the development to evaluate compliance with the noise impact assessment criteria in this consent, in consultation with the DEC, and to the satisfaction of the Director-General.</p>	<p>ASSESSMENT: A revised Noise Monitoring Program (NMP) has been prepared and contained in the EMP (revision 6C, dated 11 September 2023). The EMP has been approved by DPE however, there is no evidence to confirm that the NMP (contained within the EMP) has undergone consultation and / or approved to supersede the previous approved version (Version 5, December 2014).</p> <p>RECOMMENDATION: It is recommended that HQPL seek clarification from DPHI to confirm the NMP has been approved by virtue of approval of the EMP or otherwise seek approval from DPHI for the NMP.</p>	<p>RESPONSE: HQPL notes that the Noise Monitoring Program is detailed in Environmental Management Strategy & Monitoring Program (EMS&MP) approved by NSW Planning on 18 December 2024.</p> <p>ACTION: HQPL will consult with NSW Planning to seek approval for HQPL’s management plan structure.</p> <p>DUE: HQPL will seek approval by 04 April 2025.</p>



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No	Requirement	2024 IEA Assessment & Recommendation	2024 HQPL Response & Action
S3, C13	<p>Air Quality Impact Assessment Criteria The Applicant shall ensure that the dust emissions generated by the development do not cause additional exceedances of the ambient air quality impact assessment criteria listed in Tables 6, 7, and 8 at any residence on, or on more than 25 percent of, any privately owned land.</p>	<p>ASSESSMENT: Particulate matter monitoring using high volume air samplers established by HQPL for the Karuah East Quarry is being used by HQPL to assess compliance against the criteria listed in Table 6 and 7 at Karuah Quarry. This is not consistent with the Air Quality Monitoring Program (AQMP) and therefore the data collected for Karuah East cannot be verified as adequate and representative of Karuah Quarry to demonstrate compliance with the condition.</p> <p>Further, exceedances of the depositional dust criteria have been reported. These exceedances include:</p> <ul style="list-style-type: none"> June 2023 monitoring period (6 June to 4 July 2023) monitoring results indicated that total dust from DDG4 exceeded the limit of 4 g/m²/month due to becoming contaminated with combustible organic material; and November 2023 monitoring period (2 November to 30 November 2023) monitoring results indicated that DDG2 exceeded the monthly limit of 4 g/m²/month due to becoming contaminated with combustible organic material. <p>RECOMMENDATION: It is recommended that HQPL undertake air quality monitoring in accordance with conditions of approval to ensure that compliance with the air quality impact assessment criteria is being met and can be verified. An amendment to the AQMP and / or Development Consent may be required to ensure consistency.</p>	<p>RESPONSE: HQPL acknowledges the potential for various exceedances of air quality performance criteria due both quarry-related contributions and ambient or third-party sources.</p> <p>HQPL notes all exceedances have been investigated to determine a potential source, as far as reasonably practicable, and reported to NSW Planning, the NSW EPA and surrounding landholders in accordance with the Development Consent.</p> <p>ACTION: HQPL considers no actions to be necessary.</p> <p>STATUS: HQPL considers this matter to be resolved.</p>
S3, C15	<p>Air Quality Monitoring Within 6 months of the date of this consent, the Applicant shall prepare and implement an Air Quality Monitoring Program for the development to evaluate compliance with the air quality impact assessment criteria in this consent, in consultation with the DEC, and to the satisfaction of the Director-General.</p>	<p>ASSESSMENT: A revised AQMP has been prepared and contained in the EMP (revision 6C, dated 11 September 2023). The EMP has been approved by DPE however there is no evidence to confirm that the AQMP (contained within the EMP) has undergone consultation and / or been approved to supersede the previous version.</p> <p>Consistent with the AQMP contained in the EMP, deposition dust monitoring is being carried out at 4 monitoring locations. However, particulate matter monitoring is not being implemented consistent with the requirements of the AQMP.</p> <p>The AQMP states 'High Volume Air Sampler (HVAS) will be used by HQPL in the event that they are required to investigate any air quality complaints unless otherwise directed by DPE, the results of the HVAS monitoring shall be reported as per Section 3.0 of this EMP'. Instead, HQPL are reporting particulate matter monitoring results from the adjoining Hunter Quarry Karuah East site and using the results to assess compliance of Karuah Quarry against the Development Consent and reporting associated non-compliances.</p> <p>RECOMMENDATION: It is recommended that HQPL seek clarification from DPPI to confirm the AQMP has been approved by virtue of approval of the EMP or otherwise seek approval from DPPI for the NMP.</p>	<p>RESPONSE: HQPL acknowledges the wording of the Environmental Monitoring Program (version 6C) could be interpreted in an inconsistent manner as outlined by the auditor's comments.</p> <p>ACTION: HQPL have since revised the Air Quality Monitoring Program as detailed in Environmental Management Strategy & Monitoring Program (EMS&MP) approved by NSW Planning on 18 December 2024, which addressed this matter.</p> <p>STATUS: HQPL considers this matter to be resolved.</p>



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No	Requirement	2024 IEA Assessment & Recommendation	2024 HQPL Response & Action
S3, C19	<p>Flora and Fauna Management Plan Before carrying out any clearing associated with Stage 2 of the development, the Applicant shall prepare, and subsequently implement, a Flora and Fauna Management Plan for the development to the satisfaction of the Director-General. This plan must include:</p> <ul style="list-style-type: none"> (a) a Vegetation Clearing Protocol; (b) a Remnant Vegetation Conservation Plan; and (c) a Conservation Offset Management Plan. 	<p>ASSESSMENT: A revised FFMP has been prepared (September 2020) and approved by DPIE (October 2020) and includes the requirements of condition 19a - 19c.</p> <p>Consistent with correspondence issued from the DPIE (dated 03 July 2020) HQPL failed to implement the FFMP in 2019 and up until the approval of its revision in September 2020, as annual ecological monitoring was not undertaken annually in accordance with the requirements.</p> <p>The FFMP has been amended to require biannual monitoring and was evidenced to be implemented. Ecological monitoring reports for 2020 and 2022 were sighted.</p> <p>RECOMMENDATION: The FFMP has been revised during the audit period and subsequently approved by DPIE (13 October 2020). Implementation of the Program was evident from the 2020 and 2022 ecological monitoring reports. As such it is recommended that HQPL continue to implement the Program.</p>	<p>RESPONSE: HQPL acknowledges that no two-yearly ecology monitoring was not completed prior to 2020 (i.e. within the start of this audit period).</p> <p>HQPL have since updated our processes to ensure that the two-yearly monitoring is completed and reported in the Annual Reviews.</p> <p>ACTION: HQPL considers no further actions to be necessary.</p> <p>STATUS: HQPL considers this matter to be resolved.</p>
S3, C24	<p>Pollution of Waters Except as may be expressly provided by an Environment Protection License, the Applicant shall comply with section 120 of the Protection of the Environment Operations Act 1997 during the carrying out of the development.</p>	<p>ASSESSMENT: An uncontrolled discharge occurred from sediment dam 2 (SD2) via LDP001 was experienced on 26 October 2020, where the Quarry received 278.4mm of rain in a period of 12 hours. HQPL self-reported the incident using the EPA Pollution hotline and a summary of the incident was provided to both DPIE and the NSW EPA.</p> <p>A discharge event, consisting of six days of uncontrolled discharges from SD2 occurred between 18 March 2021 to 23 March 2021. The uncontrolled discharges from this period exceeded the TSS limit of the EPL (50mg/L). The EPA Pollution Hotline was contacted to self-report the incident. DPE and the NSW EPA were also both contacted and provided with a summary of the incident and an environmental incident report.</p> <p>RECOMMENDATION: It is recommended that HQPL undertake a holistic review and risk assessment of the site water management including water monitoring devices on site and in use, the measuring and monitoring requirements of condition 27 schedule 2 and history of related water discharge incidents.</p> <p>Accordingly, HQPL should review and update to the site water management plan and the associated erosion and sediment control plan, surface water monitoring program and site water balance to address the respective condition, risks and the operations on site.</p>	<p>RESPONSE: HQPL acknowledges the potential for uncontrolled discharges of sediment-laden water following major rainfall events greater than the designated 95th percentile 5-day rainfall depth of 90.6 mm as prescribed in Landcom’s Blue Book (Managing Urban Stormwater: Soils and construction - Volume 2E).</p> <p>ACTION: HQPL reviewed the Site Water Management Plan and associated subplans in 2023 and was approved by NSW Planning on 03 October 2023 and therefore considers no further actions to be necessary.</p> <p>STATUS: HQPL considers this matter to be resolved.</p>
S3, C25	<p>Water Discharge Limit The Applicant shall only discharge water from the development in accordance with the provisions of a DEC Environment Protection License.</p>	<p>ASSESSMENT: Water was discharged from the development outside of the provisions of the Environment Protection Licence and reported to the EPA as an incident. See details above.</p> <p>RECOMMENDATION: As above.</p>	<p>Refer to commentary provided for Schedule 3, Condition 24.</p>



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No	Requirement	2024 IEA Assessment & Recommendation	2024 HQPL Response & Action
S3, C26	<p>Site Water Management Plan</p> <p>Within 12 months of the date of this consent, the Applicant shall prepare, subsequently implement, a Site Water Management Plan for the development, in consultation with the DEC, and to the satisfaction of the Director-General. The plan shall detail how site water management on site will be integrated with existing surface water management and erosion and sediment control systems and address surface water management and erosion and sediment control at both the construction and operation phases of the development. This plan must include:</p> <p>(a) an Erosion and Sediment Control Plan; (b) a Surface Water Monitoring Program; and (c) a site water balance.</p>	<p>RECOMMENDATION:</p> <p>Several non-compliances related to site water management and water quality were identified. Given this it is recommended that HQPL undertake a holistic review and risk assessment of the site water management including water monitoring devices on site and in use, the measuring and monitoring requirements of condition 27 schedule 2 and history of related water discharge incidents.</p> <p>Accordingly, HQPL should review and update to the site water management plan and the associated erosion and sediment control plan, surface water monitoring program and site water balance to address the respective condition, risks and the operations on site.</p>	<p>Refer to commentary provided for Schedule 3, Condition 24.</p>
S3, C28	<p>Surface Water Monitoring</p> <p>The Applicant shall:</p> <p>(d) measure:</p> <ul style="list-style-type: none"> • the volume of water discharged from the site via licensed discharge points; • water use on the site; • water transfers across the site; and • dam and water structure storage levels. <p>(e) regularly monitor the quality of the surface water discharged from the licensed discharge points on the site;</p> <p>to the satisfaction of the DEC and the Director-General.</p>	<p>ASSESSMENT:</p> <p>Records and evidence to demonstrate that HQPL are measuring and monitoring water discharge, use, transfer and storage in accordance with the condition was not provided.</p> <p>It was advised that HQPL, in 2024 had installed flow meters at discharge points and data loggers to record dam levels.</p> <p>RECOMMENDATION:</p> <p>It is recommended that HQPL establish required monitoring equipment and record keeping processes to accurately record:</p> <ul style="list-style-type: none"> • the volume of water discharged from the site via licensed discharge points; • water use on the site; • water transfers across the site; and • dam and water structure storage levels. 	<p>RESPONSE:</p> <p>HQPL acknowledges the continuing project to install the required surface water monitoring equipment and develop an appropriate record keeping system.</p> <p>ACTION:</p> <p>HQPL will finalise the installation of the required monitoring hardware and implement an appropriate record keeping system.</p> <p>DUE:</p> <p>HQPL will complete the works by 31 December 2025.</p>
S3, C29	<p>Visual Impact</p> <p>The Applicant shall:</p> <p>(a) implement all practicable measures to minimise the visual impacts of the development;</p> <p>(b) retain, re-vegetate and subsequently maintain a visual bund within the Stage 1 works area (in accordance with Figures 13 and 14 of the EIS) to minimise the visual impacts of development;</p> <p>(c) include a progress report on the re-vegetation and maintenance of the visual bund in the AEMR, to the satisfaction of the Director General.</p>	<p>ASSESSMENT:</p> <p>Evidence of progress reporting on the revegetation and maintenance of the visual bund within the AEMRs was not sighted.</p> <p>RECOMMENDATION:</p> <p>It is recommended that HQPL monitor the re-vegetation and maintenance of the visual bund and report on its progress within the AEMRs.</p>	<p>RESPONSE:</p> <p>HQPL acknowledges the opportunity for improved reporting of management activities undertaken to maintain the visual bund in each year's Annual Review.</p> <p>ACTION:</p> <p>HQPL has included an additional section in the 2024 Annual Review submission in accordance with the Development Consent.</p> <p>STATUS:</p> <p>HQPL considers this matter to be resolved.</p>



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No	Requirement	2024 IEA Assessment & Recommendation	2024 HQPL Response & Action
S3, C34	<p>Waste Management</p> <p>The Applicant shall:</p> <p>(a) monitor the amount of waste generated by the development;</p> <p>(b) investigate ways to minimise waste generated by the development;</p> <p>(c) implement reasonable and feasible measures to minimise waste generated by the development; and</p> <p>(d) report on waste management and minimisation in the AEMR, to the satisfaction of the Director-General.</p>	<p>ASSESSMENT:</p> <p>There was no evidence sighted to demonstrated methods that HQPL had used to minimise waste generation, and/or the implementation of waste minimisation methods. Further, waste management and minimisation were not reported in the AEMRs during the audit period.</p> <p>RECOMMENDATION:</p> <p>It is recommended that HQPL investigate, implement and report in the AEMRs actions to minimise waste generation.</p>	<p>RESPONSE:</p> <p>HQPL acknowledges the opportunity to review waste management processes across the site, particularly in relation to waste minimisation and diversion methodologies.</p> <p>ACTION:</p> <p>HQPL will complete a comprehensive review of the site’s waste management processes.</p> <p>DUE:</p> <p>HQPL will complete the review by 31 December 2025.</p>
S3, C43	<p>Rehabilitation Bond</p> <p>Within 3 years of lodging the rehabilitation bond with the Director-General, and every 5 years thereafter, unless the Director-General directs otherwise, the Applicant shall review, and if necessary revise, the sum of the rehabilitation bond to the satisfaction of the Director-General. This review must consider:</p> <p>(a) the effects of inflation;</p> <p>(b) any changes to the area of disturbance; and</p> <p>(c) the performance of any progressive rehabilitation which has been undertaken at the site.</p>	<p>ASSESSMENT:</p> <p>The sum of the rehabilitation bond was not revised within 5 years as required. Instead, a revision was undertaken 2023 / 2024. The revised sum has since been approved by DPE (dated, 9 January 2024) and the Bank Guarantee lodged.</p> <p>RECOMMENDATION:</p> <p>The rehabilitation bond bank guarantee was reviewed and revised 2023 / 2024. As such, it is recommended that HQPL undertake the next five-year review to meet the timeframes of the condition.</p>	<p>RESPONSE:</p> <p>HQPL acknowledges that the site’s Rehabilitation Bond was not reviewed between 2016 and 2023 (i.e. not within the required 5-year review frequency).</p> <p>ACTION:</p> <p>HQPL notes that the 2023 Rehabilitation Bond was approved by NSW Planning on 09 January 2024 and therefore considers no further actions to be necessary.</p> <p>STATUS:</p> <p>HQPL considers this matter to be resolved.</p>
S4, C2	<p>Environmental Management Strategy</p> <p>Within 3 months of the completion of the Independent Environmental Audit (see condition 6 below), the Applicant shall review, and if necessary revise, the Environmental Management Strategy to the satisfaction of the Director-General.</p>	<p>ASSESSMENT:</p> <p>The previous IEA was completed 16 October 2019. An update to the EMS following the IEA was undertaken in August 2020. There is no evidence that a review of the EMS was undertaken within 3 months of the IEA and therefore, the Auditor cannot verify compliance with this condition.</p> <p>RECOMMENDATION:</p> <p>The Auditor recommends that HQPL reviews and revises the EMS to the satisfaction of the Department within the specified timeframe of the completion of the IEA.</p>	<p>RESPONSE:</p> <p>HQPL acknowledges the Environmental Management Strategy (EMS) was not updated within the required 3-month period required by the Development Consent.</p> <p>ACTION:</p> <p>HQPL will review and update the site’s Environmental Management Strategy and Monitoring Program (EMS&MP), incorporating any findings from this Independent Environmental Audit.</p> <p>DUE:</p> <p>HQPL will complete the review and re-submit any required revisions to NSW Planning for approval by 04 June 2025, subject to resolution of the HQPL’s management plan structure.</p>
S4, C4	<p>Environmental Monitoring Program</p> <p>Within 3 months of the completion of the Independent Environmental Audit (see condition 6 below), the Applicant shall review, and if necessary revise, the Environmental Monitoring Program to the satisfaction of the Director-General.</p>	<p>ASSESSMENT:</p> <p>No evidence has been sighted to verify that the EMP was updated following the previous IEA (October 2019). An update to the EMP following the IEA was undertaken in May 2023. There is no evidence that a review of the EMP was undertaken within 3 months of the IEA and therefore, compliance against this condition of this consent cannot be verified.</p> <p>RECOMMENDATION:</p> <p>The Auditor recommends that HQPL reviews and revises the EMP to the satisfaction of the Department within the specified timeframe of the completion of the IEA.</p>	<p>RESPONSE:</p> <p>HQPL acknowledges there is no evidence available to determine if the Environmental Monitoring Program (EMP) was reviewed within the required 3-month period required by the Development Consent.</p> <p>ACTION:</p> <p>HQPL will review and update the site’s Environmental Management Strategy and Monitoring Program (EMS&MP), incorporating any findings from this Independent Environmental Audit.</p> <p>DUE:</p> <p>HQPL will complete the review and re-submit any required revisions to NSW Planning for approval by 04 June 2025, subject to resolution of the HQPL’s management plan structure.</p>



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Karuah Hard Rock Quarry (DA 265-10-2004) – 2024 IEA Findings and HQPL Response			
No	Requirement	2024 IEA Assessment & Recommendation	2024 HQPL Response & Action
S4, C10	<p>Community Consultative Committee</p> <p>If the Applicant does not receive at least two expressions of interest to serve on the CCC the Applicant shall instead develop a communications strategy for consulting with Council and residents within 2 km of the development, to the satisfaction of the Director-General. This strategy should outline how the Applicant will advise Council and nearby residents on its environmental management plans, monitoring results, audit reports or complaints. This communication should occur twice a year.</p> <p>Notes: If during the course of the development, a Community Consultative Committee that has been established is found to be no longer effective, the Director-General may agree to its disbandment.</p>	<p>ASSESSMENT:</p> <p>A communication strategy has been prepared and contained in the EMP (revision 6C, dated 11 September 2023).</p> <p>The EMP has been approved by DPE however there is no evidence to confirm that the communications strategy (contained within the EMP) has been approved.</p> <p>RECOMMENDATION:</p> <p>It is recommended that HQPL seek clarification from DPPI to confirm the communication strategy has been approved by virtue of approval of the EMP or otherwise seek approval from DPPI for the communication strategy.</p>	<p>RESPONSE:</p> <p>HQPL notes that the Communications Strategy is detailed in Environmental Management Strategy & Monitoring Program (EMS&MP) approved by NSW Planning on 18 December 2024.</p> <p>ACTION:</p> <p>HQPL will consult with NSW Planning to seek approval for HQPL's management plan structure.</p> <p>DUE:</p> <p>HQPL will seek approval by 04 April 2025.</p>