



Heidi Watters
Senior Compliance Officer
Department of Planning and Environment
PO Box 3145
Singleton NSW 2330

RE: Hexham Train Support Facility (SSI 07_0171) Independent Environmental Audit Updated Response to Auditors Recommendations

27 February 2019

Heidi,

Please find the revised Aurizon Operations Limited (Aurizon) response to the Independent Environmental Auditor's recommendations following the completion of the Hexham Train Support Facility Independent Environmental Audit.

The revised responses are required following direction from the Department of Environment and Planning (DP&E) in their Hexham Train Support Facility 2018 (SSI 07-0171) Independent Environment Audit (PA 06_0308) and associated email correspondence included as **Attachment 1**. The direction has been made under Condition B3 of SSI 07-0171 and consist of:

'... the Department considers that more information is required to adequately address the Auditors recommendations, including:

- 1. Completion dates for all actions (DD/MM/YYYY format); and*
- 2. An alternative action in response to a recommendation for condition C24.'*

Aurizon's comments in response to the Auditor's recommendations are provided in **Attachment 2**.

Should the DP&E require any further clarification or wish to discuss any of the provided Aurizon responses please feel free to contact me on the details below.

Kind regards,

A handwritten signature in blue ink that reads "Harry Egan" followed by a checkmark.

Harry Egan
Senior Adviser Environment NSW & SEQ
E: Harry.Egan@aurizon.com.au
T: 07 3019 1087
M: 0438 136 697



Attachment 1 - Hexham Train Support Facility 2018 (SSI 07-0171) Independent Environment Audit (PA 06_0308)



Harry Egan
Senior Adviser Environment
Aurizon
GPO Box 437
Mayfield NSW 2304

Contact: Heidi Watters
Phone: 02 6575 3401
Email: compliance@planning.nsw.gov.au
Our Ref: PA 06_0308

Email: Harry.Egan@aurizon.com.au

Dear Mr Egan

**Hexham Train Support Facility 2018 (SSI 07_0171)
Independent Environmental Audit**

Reference is made to the Hexham Train Support Facility Independent Environmental Audit (IEA) report, required under Schedule D condition D5(d) of SSI 07_0171 (the approval), for the period 4 March 2018 to 5 November 2018, prepared by Brendan Cowie of EMM Australia Pty Ltd (the Auditor) and submitted to the Department of Planning and Environment (the Department) on 30 January 2019.

The Department has reviewed the IEA report and considers it to generally satisfy the requirements of the approval and has been undertaken in consideration with the Department's *Independent Audit – Post Approval Requirements* (June 2018). Please note that acceptance of the IEA report is not an endorsement of the compliance status of the project.

The Auditor has identified two non-compliances against the approval, and a further five recommendations for improvement. While a response to the Auditor recommendations (RAR) was submitted with the IEA report, the Department considers that more information is required to adequately address the Auditor recommendations, including:

1. Completion dates for all actions (in DD/MM/YYYY format); and
2. An alternative action in response to a recommendation for condition E33.

In accordance with condition B3 of the approval, please submit a revised RAR to the Department (compliance@planning.nsw.gov.au) by **11 March 2019**.

If you wish to discuss any of the above, please contact Heidi Watters on (02) 6575 3401 or email compliance@planning.nsw.gov.au

Yours sincerely

Leah Cook
Team Leader - Compliance
As nominee of the Secretary

Egan, Harry

From: Heidi Watters <Heidi.Watters@Planning.nsw.gov.au>
Sent: Tuesday, 26 February 2019 3:34 PM
To: Egan, Harry
Subject: RE: Egan, Harry shared the folder "Aurizon Hexham TSF IEA Final Report" with you.

Hi Harry

As discussed, the letter referenced the incorrect condition. The letter should have referenced the recommendation regarding condition **C24**. In the RAR, please provide further information regarding the current management of existing diesel storage infrastructure to reduce potential spill risk.

Apologies for any confusion caused.

Regards

Heidi Watters

Senior Compliance Officer
Planning Services
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From: Egan, Harry <Harry.Egan@aurizon.com.au>
Sent: Tuesday, 26 February 2019 3:15 PM
To: Heidi Watters <Heidi.Watters@Planning.nsw.gov.au>
Subject: RE: Egan, Harry shared the folder "Aurizon Hexham TSF IEA Final Report" with you.

Hi Heidi,

Could you please advise on a time that would be suitable to call to discuss the following DP&E direction from the DP&E Hexham Train Support Facility 2018 (SSI 07_0171) Independent Environmental Audit?

2. An alternative action in response to a recommendation for condition E33

Regards



Harry Egan

T 0730191087 / M 0438136697
121 Woodstock Street, , Mayfield, Nsw
Harry.Egan@aurizon.com.au / aurizon.com.au
Join my Personal Meeting



Safety is our core value

From: Heidi Watters <Heidi.Watters@Planning.nsw.gov.au>
Sent: Tuesday, 26 February 2019 1:05 PM
To: Egan, Harry <Harry.Egan@aurizon.com.au>
Cc: Leah Cook <Leah.Cook@planning.nsw.gov.au>; Jacqui McLeod <jacqui.mcleod@planning.nsw.gov.au>
Subject: RE: Egan, Harry shared the folder "Aurizon Hexham TSF IEA Final Report" with you.

Hi Harry

Please find attached the response letter regarding the 2018 IEA for the Hexham TSF.

The IEA report generally satisfies the requirements of the approval and the Department's Independent Audit PAR. However, Aurizon's response to Auditor recommendations (RAR) requires further information, including completion dates for each action and an alternative action in response to the recommendation for condition E33.

Can Aurizon please submit the revised RAR to compliance@planning.nsw.gov.au by **11 March 2019**.

Please call or email me if you have any further questions.

Regards

Heidi Watters

Senior Compliance Officer
Planning Services
Suite 14, Level 1, 1 Civic Ave | Singleton NSW 2330
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From: Egan, Harry <Harry.Egan@aurizon.com.au>
Sent: Wednesday, 30 January 2019 2:30 PM
To: Heidi Watters <Heidi.Watters@Planning.nsw.gov.au>
Subject: Egan, Harry shared the folder "Aurizon Hexham TSF IEA Final Report" with you.

Heidi,

As discussed please find attached the Aurizon Hexham Train Support Facility 2018 Independent Environmental Audit and cover letter.

Please provide an email response confirming receipt of this report for Aurizon records.

Any queries please feel free to call.

Regards,



Attachment 2 – Aurizon Response to Audit Recommendations



Table 1- Auditor’s Recommendations and Aurizon Response

Black comments – 30 January 2019

Red comments – 27 February 2019

Condition	Recommendations	Aurizon Response	Target Completion Date
E33	It is recommended that Aurizon action any outstanding items in response to any further comments from the Site Auditor as a matter of urgency so that the Site Auditor may issue Aurizon with the Site Audit Report. This Site Audit Report should then be issued to DP&E.	<p>As the site retains residual contamination from historical activities pre-dating Aurizon ownership and following construction of the TSF a Site Management Plan (SMP) is a prerequisite for the issuing of a Site Audit Statement (SAS) and Site Audit Report (SAR).</p> <p>The SMP was issued to the Site Auditor (JBS&G) 4 January 2019 for review and comment to expedite the issuing of a SAR/SAS.</p> <p>The Site Auditor confirmed on the 31 January that the issued SMP satisfies all previous auditor comments and required guideline requirements.</p> <p>The final SAS and SAR will be issued to Aurizon in the last week of March 2019. Following receipt of the SAS and SAR the documents will be forwarded to the DP&E and Newcastle City Council closing out Condition E33.</p>	31 May 2019

Condition	Recommendations	Aurizon Response	Target Completion Date
D5(f)	<p>The OEMP should be revised to include DPE environmental incidents notification procedures.</p> <p>This notification procedure should also be included in site specific training material, such as tool box talks, so that relevant staff are made aware of this requirement.</p>	<p>The OEMP will be updated to ensure that reference is made to the requirement to notify the DP&E in the event of an environmental incident which has an offsite impact.</p> <p>Regulatory notification of environmental incidents which have or have the potential for material harm to the environment are made by designated Aurizon personnel. The internal 4.PRO.001.NSW_PIRG NSW_V9 incident notification guideline has been developed and tool boxed with key Aurizon personnel but will be reissued to satisfy this recommendation.</p> <p>Update of the OEMP will be undertaken following receipt of the DP&E response to the 2018 Operational Compliance Report and in consultation with the DP&E Infrastructure Post Approval Team.</p>	28 June 2019
D5(d)	<p>Consistent with this requirement (Independent Audit Post Approval Requirements (DPE 2018), it is recommended that IEA's be scheduled to be undertaken every three years during ongoing operations at the Hexham TSF.</p>	<p>Aurizon agrees with this recommendation following the completion of two independent audits which have identified that the facility is operating in an environmentally responsible manner.</p> <p>This will be reflected in the updated OEMP which will be submitted to the DP&E for approval prior to implementation.</p>	28 June 2019
C24	<p>Notwithstanding that it appears that the diesel storage tanks have been installed as approved, it is recommended that a dangerous goods storage specialist be engaged to review the existing diesel storage infrastructure and provide recommendations for improvements to reduce potential spill risk for ongoing operations.</p>	<p>As identified during the IEA the bulk fuel storage facility (the Storage) has been constructed and installed in accordance with relevant Australian Standards and approval conditions. The Storage is protected from potential vehicle impacts by the placement of bollards between the Storage and main access road.</p>	N/A

Condition	Recommendations	Aurizon Response	Target Completion Date
		<p>The Storage has been subjected to a HAZOP in April 2013 as detailed in the 2216395-38-REP-M0001NSW Long Term Train Support Facility Bulk Fuel HAZOP IFC (GHD, 2013). Additionally, the Storage is subject to routine monthly inspections conducted by Integrated Reliability Solutions.</p> <p>In the unlikely event of a Storage failure any discharged fuel will either report to the trade waste system which services the Provisioning Shed or the adjacent internal surface water drainage system which reports to the onsite Basin 1 approximately 500 meters downstream.</p> <p>As such Aurizon does not consider that an additional review of the bulk fuel storage by a dangerous goods specialist is warranted.</p>	
C19	<p>In consideration of the findings of this audit, the sensitive nature of the receiving environment, the spill risk and associated potential for water contamination during ongoing operations at the site, it is recommended that:</p> <ul style="list-style-type: none"> • surface water and groundwater monitoring continue to be undertaken on an annual basis in accordance with the framework adopted in the OEMP, including provision of quarterly summary reports and comprehensive annual reports to DPE and EPA; and • this ongoing monitoring commitment should be incorporated in an amended version of the OEMP/OSGM. 	Aurizon agree with this condition and the recommendations shall be incorporated into a revised OEMP.	28 June 2019

Condition	Recommendations	Aurizon Response	Target Completion Date
OEMP	<p>It is recommended that the OEMP be revised to remove references to conditions of the project approval and statements of commitments which are not relevant to ongoing operations.</p> <p>It is recommended that the OEMP including the Sub Plans be extensively revised to condense the OEMP and Sub Plans to avoid current duplication of information and remove unnecessary detail that is no longer relevant to ongoing operations.</p> <p>It is recommended that the Annexure 4 checklists be updated as part of the OEMP revision to reflect the inspection regime of current operations.</p> <p>While informal daily inspections are endorsed by the audit team, it is recommended inspection of sumps in the CMF are also included in scheduled formal inspections in the revised Annexure 4 checklists.</p>	<p>Aurizon agrees with the recommendations relating to the revision and update of the OEMP and associated annexures/sub plans. The update will seek to improve usability and remove reference to conditions of approval which have expired.</p> <p>Update of the OEMP will be undertaken following receipt of the DP&E response to the 2018 Operational Compliance Report and in consultation with the DP&E Infrastructure Post Approval Team.</p>	28 June 2019
Tool box talks	<p>It is recommended that environmental aspect toolbox talks be incorporated into day to day operations at Hexham TSF. Toolbox talks should be scheduled on a quarterly basis to remind employees of their environmental obligations under the project approval and should also be held as required for any work outside of standard daily tasks.</p>	<p>Aurizon agrees with the recommendation regarding toolbox talks at the Hexham TSF. Toolbox talks relating to environmental matters are delivered as required but will be scheduled on a quarterly basis to improve awareness of environmental matters onsite.</p> <p>The above will be included in the updated OEMP which will be undertaken following receipt of the DP&E response to the 2018 Operational Compliance Report and in consultation with the DP&E Infrastructure Post Approval Team.</p>	28 June 2019