

Katrina O'Reilly
Team Leader Compliance
Department of Planning, Industry and Environment
Level 1 11 Farrer Place
Queanbeyan NSW 2620

Dear Katrina,

RE: Infrastructure Approval No. SSI 9687 – 12 Month Independent Audit Response & Notification of associated non-compliances

In accordance with Schedule 4, Condition 9 Snowy Hydro have completed the 12-month Independent Environmental Audit. The audit was undertaken by Dickson Consulting; 15 non-compliances have been identified. Snowy Hydro has found undertaking the 12-month audit beneficial to providing focus for areas requiring improvement.

Schedule 4, Condition 7 of SSI 9687 requires that within 7 days of becoming aware of any non-compliance with the conditions of this approval, the Proponent must notify the Department via the Major Projects portal of the non-compliance.

Please see attached audit report and associated non-compliance summary table. Included in the table are details of the non-compliances, recommendations and agreed actions forming Snowy Hydro's response. Also submitted is a copy of the Audit action plan that will be utilised to track all findings to completion.

Snowy Hydro will provide an update to DPIE on the progress of the close out of the actions arising from the audit within 3 months of issuing this report.

Please do not hesitate to contact me if you have any questions regarding the report.

Yours sincerely,

A handwritten signature in black ink, appearing to be "Ben Croome".

May 19th, 2022

Ben Croome
Senior Environmental Advisor

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Snowy 2.0 – 12 Month IEA Non compliances

Table 5 - Independent Audit Findings – Snowy Hydro 2.0 CSSI No 9687

No	Condition / requirement Reference	Requirement	Audit Finding	Agreed Actions / Recommendations <i>(Agreed due dates for each action are in Audit Action Plan issued separately)</i>	Finding no. & rating (NC, OBS/ OFI)	Compliance Status
1.	Sch 4 Cond 11 EMS Section 8.5	<p>The Proponent must implement any approved audit action plan for the development.</p> <p>Where a non-conformance has been identified, a corrective action /preventative action will be developed and implemented to minimise the potential for recurrence. In the event of a non-conformance the following will occur:</p> <ul style="list-style-type: none"> – the nature of the event will be investigated; – advice may be sought from a specialist; – monitoring may be undertaken; – the effectiveness or need for new/additional controls will be reviewed; – an appropriate preventative and corrective action will be implemented; – environmental documentation will be reviewed and revised; and – the activities may be stopped, if necessary, by 	<p>The internal FGJV corrective action process is not effective to adequately address and satisfactorily close non-compliances and observations raised in the Independent Environmental Audits.</p> <p>Limited evidence could be provided to demonstrate that the processes described within the EMS were implemented to address and prevent recurrence of non-compliances and observations raised in the last two audits.</p> <p>The follow-up of previous findings found that a significant number had not been adequately addressed. Fourteen (14) non-compliances (NC), four (4) Observations (OBS) and two (2) Opportunities for Improvement (OFI) were raised at the previous audit. Of those, eight (8) NCs and three (3) OBSs remain open and require further action to complete and close out</p> <p>A review of the SHL Aconex corrective actions export document</p>	<p>Agreed Actions (FGJV):</p> <p>The Auditor has developed an Audit Action Plan spreadsheet for use by FGJV to respond to audit actions.</p> <ul style="list-style-type: none"> – Use the Audit Action Plan to document all corrective actions taken to address the IEA findings. FGJV may enhance / improve the Plan to include investigation and other preventive action elements where appropriate. – Submit the latest version of the Audit Action Plan to SHL that will provided to DPIE; – Keep the Audit Action Plan up to date (minimum of monthly review), providing commentary on actions taken to date. To be reviewed at SHL monthly compliance meetings; – Participate in a follow-up audit by SHL, providing evidence of audit actions completed to date within 6 months of commencement of IEA#3 	NC 1	Non-compliant

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		<p>the Future Generation Environmental Manager in consultation with the Project Director and Project HSE Manager.</p> <p>Corrective/preventative actions will be entered into Future Generation's quality system database and include details of the issue raised, the action required, and timing and responsibilities. The close out details shall include the date closed and the name of the person verifying completion of the required action.</p>	<p>found that most issues raised at the last audit were still in open status (16) or "ready to inspect" (5 – partially addressed but not closed / verified). One finding had been formally closed.</p> <p>The majority of actions assigned to FGJV have not been closed. Refer to the Follow-up of Audit Findings Table for full details of the status of non-compliances and other findings.</p>	<p>Responsibility: FGJV</p> <p>Agreed Action (SHL)</p> <ul style="list-style-type: none"> – Use the Audit Action Plan to document SHL progress' – Monitor FGJV progress on addressing IEA findings at least monthly through monthly compliance meetings – Undertake an internal follow-up audit on FGJV progress against agreed actions within 6 months of commencement of IEA#3 (by 30 July 2022). <p>Responsibility: SHL</p>		
2.	Sch 4 Cond 6 EPL 21266 R2.2	<p>The Proponent must notify the Department and NPWS via the Major Projects Portal immediately after it becomes aware of an incident on site. This notice must set out the location and nature of the incident.</p> <p>R.2.2: The licensee must provide written details of the notification to the EPA within 7 days of the date on which the incident occurred.</p>	<p>Incident Reporting / Notification to Authorities</p> <p>Adequate evidence was not provided to demonstrate that all incidents are reported to the appropriate authority with required timeframes.</p> <p>Evidence was not provided to demonstrate that an incident notified verbally to EPA on 22/12/2021 was also notified to DPIE and NPWS (INC 1140 level spreader - ECVT Lobs Hole).</p>	<p>Agreed Actions:</p> <ul style="list-style-type: none"> – Ensure all incidents triggered by this condition are reported to DPIE and NPWS in addition to the EPA within the required time frames – Review and update the Environmental Incident and Event Register to <ul style="list-style-type: none"> ○ include an area to record which agency was notified and when. ○ Include date each agency was notified; 	NC 2	Non-compliant

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		<i>Note: The definition of an incident for reporting to EPA and under Condition 6 are similar (both referring to “causes or threatens to cause material harm”), and therefore, notifications of incidents are required for both agencies.</i>	<p>The incident notified verbally to EPA on 22/12/2021 was not followed up with a written report within the 7 day timeframe (reported 30/01/2022)</p> <p>The reporting and notification information in the FGJV Environmental Incident and Event Register is not always consistent with the information included in the Incident Reports. The Register recorded that the incident did not cause or threaten material harm, however it was notified to EPA under the Cond R2.1 – “...must notify EPA of environmental harm ...”</p>	<ul style="list-style-type: none"> ○ Provide more detail regarding nature of the incident <p>Responsibility: FGJV</p>		
3.	Sch 4 Cond 7	<p>Within 7 days of becoming aware of any non-compliance with the conditions of this approval, the Proponent must notify the Department via the Major Projects portal of the non-compliance.</p> <p>This notice must set out the non-compliance, the reasons for the non-compliance (if known) and what actions have been taken, or will be taken, to address the non-compliance.</p>	<p>A review of FGJV incident reports raised since the last audit found that some of the incidents were noted as non-compliant to the approval conditions however evidence was not provided that these were notified to DPIE. Note: this NC has been re-raised from previous IEA non-compliance. Examples sighted included: INC 1166 relating to process water release and INC 911 relating to procedural breach to Biodiversity Plan – clearing without ecologist on site.</p>	<p>Agreed Actions:</p> <ul style="list-style-type: none"> – Review and update the Environmental Incident and Event Register to include notification of non-compliances – Ensure all non-compliances triggered by this condition are reported to DPIE through the Major Project Portal, records are kept and notification is recorded in the Environmental Incident and Event Register. <p>Responsibility: FGJV / SHL</p>	NC 3	Non-compliant

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			The monthly reports sighted also included a section noting non-compliance to approval conditions.			
4.	Sch 4 Cond 8 Sch 4 Cond 12 (a) and (b)	<p>The Proponent must provide regular reporting on the environmental performance of the development on its website in accordance with the requirements in any approved strategies, plans or programs.</p> <p>From the commencement of the development of the Main Works until the completion of the ecological rehabilitation of the areas used for operations, the Proponent must:</p> <p>a) make copies of the following information publicly available on its website:</p> <ul style="list-style-type: none"> – a comprehensive summary of the monitoring results of the development, reported in accordance with the requirements in the conditions of this approval, or any approved strategies, plans and programs – A record of all incidents and non-compliances 	<p>At the time of the audit, the following reports relating to environmental performance had not been completed or uploaded to the website:</p> <ul style="list-style-type: none"> – The Quarterly Environmental Water Reports as required by the Water Management Plan (also non-complaint at previous audit); – The Quarterly Traffic Reports required by the Transport Management Plan (also non-complaint at previous audit); – A record of all incidents and non-compliances <p>It was noted that the Annual Report required by the Biodiversity Management Plan was in draft at the time of the audit (also refer to Observation regarding Annual Report)</p>	<p>Agreed Actions:</p> <ul style="list-style-type: none"> – Finalise Quarterly Environmental Water Reports; – Finalise Quarterly Traffic Reports; – Develop a register to record incidents and non-compliances suitable for upload to the website (summary documentation). <p>Responsibility: FGJV</p> <p>Actions:</p> <ul style="list-style-type: none"> – Upload the documents to the project website once documents have been provided by FGJV <p>Responsibility: SHL</p>	NC 4	Non-compliant

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	Sch 3 Cond 32 EPBC Cond 7	<p>a) make copies of the following information publicly available on its website:</p> <p>The Proponent must implement the approved Water Management Plan for the development.</p> <p>To minimise impacts on water resources, the approval holder must comply with conditions 30 - 32 of the NSW approval relating to water management.</p>				
5.	Part B Annexure A EPBC Cond 33	<p>Annual compliance reporting</p> <p>The approval holder must prepare a compliance report for each 12-month period following the date of commencement of the action, or otherwise in accordance with an annual date that has been agreed to in writing by the Minister. The approval holder must:</p> <p>a. publish each compliance report on the website within 60 business days following the relevant 12 month period.</p>	An EPBC Annual Compliance Report had not been prepared or published on the website within the required timeframe of this condition.	<p>Agreed Actions:</p> <ul style="list-style-type: none"> – Prepare and submit the EPBC Annual Compliance Report as required by this condition; <p>Responsibility: SHL</p>	NC 5	Non-compliant
6.	EPL 21266	<u>Protection of the Environment Operations Act 1997 Section 66(6)</u>	The water quality and volume monitoring data reports had not been uploaded to the project	Agreed Actions	NC 6	Non-compliant

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	POEO Act Sect 66(6)	<p>Publication of results of monitoring. The holder of a licence subject to a condition referred to in subsection (1) (a) must, within 14 days of obtaining monitoring data as referred to in that subsection.</p> <p><u>Subsection (1) (a)</u> (1) Monitoring The conditions of a licence may require -- (a) monitoring by the holder of the licence of the activity or work authorised, required or controlled by the licence, including with respect to-- (i) the operation or maintenance of premises or plant, and (ii) discharges from premises, and (iii) relevant ambient conditions prevailing on or outside premises, and (iv) anything required by the conditions of the licence EPA publication: <u>Requirements for publishing pollution monitoring data – Section 2:</u></p> <p>The specific requirements for providing monitoring results are set out in section 66(6)</p>	<p>website within the required 14 day timeframe.</p> <p>At the time of the audit, the latest monitoring data on the Snowy Hydro website was for August 2021 and was significantly overdue.</p>	<ul style="list-style-type: none"> – Upload all outstanding EPL monitoring results to the website; – Ensure required summary data is uploaded within the required timeframes for the balance of the project. – Report as a non-compliance in the next EPL Annual Return. <p>Responsibility: SHL</p>		

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		<p>of the POEO Act. In summary, this provision requires that:</p> <ul style="list-style-type: none"> – licensees who undertake monitoring as a result of a licence condition must publish or make available pollution monitoring data within 14 days of obtaining the data and/or receiving a specific request for a copy of the data – licensees who maintain a website must make the monitoring data related to pollution available in a prominent position on their website. 				
7.	<p>Sch 3 Cond 19</p> <p>EPBC Cond 8</p> <p>BMP App F 5.1.2.1 Table 2-3 BMP</p>	<p>At minimum, a twice-annual weed control program will take place throughout the construction of the project. This will generally involve a spring and summer round of weed spraying, the timing of which will be adapted each season to maximise efficacy by targeting the most appropriate life stage of the target species.</p>	<p>The spring 2021 (due Nov 2021) weed spraying program had not been undertaken.</p> <p>It was noted during the site inspection that weed control is required at various locations across the project.</p> <p>It was also noted that a non-compliance was issued by Snowy Hydro to FGJV January 2022 in regards to weeds control and management.</p> <p>.</p>	<p>Actions Taken:</p> <ul style="list-style-type: none"> – A Weed Management Program has been provided by Narla (following issues with the engagement of a different supplier), and this is in the process of being implemented <p>Agreed Actions:</p> <ul style="list-style-type: none"> – Implement the weed management program; – Ensure that all future spraying programs are implemented in accordance with the requirements of the BMP. 	NC 7	Non-compliant

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				Responsibility: FGJV		
8.	Sch 3 Cond 24 EPBC Cond 12 Sch 3 Cond 54	<p>Management Plans issues within required timeframes (various):</p> <p>Within 12 months of the commencement of construction, the Proponent must prepare a Threatened Fish Management Plan for the development to the satisfaction of the Director-General of NSW DPI</p> <p>EPBC – To minimise impacts to the aquatic environment, the approval holder must comply with Cond 20-25 of the NSW Approval</p> <p>Within 12 months of the commencement of construction, the Proponent must prepare a Visual Impact Management Plan for the development to the satisfaction of the Planning Secretary.</p>	<p>The following Management Plans had not been prepared or submitted to the relevant agencies (Director General of the NSW DPI, the NSW Planning Secretary or to the Commonwealth (DAWE) within the nominated time frames:</p> <ul style="list-style-type: none"> Threatened Fish MP (Relevant agencies: NSW DPI and Commonwealth Department of Agriculture, Water and the Environment - DAWE) Visual Impact Management Plan (Relevant agency: NSW Planning Secretary - DPIE) 	<p>Agreed Actions:</p> <ul style="list-style-type: none"> Submit the relevant plans to DPIE Submit relevant plans to DPI Submit relevant plans to DAWE 	NC 8	Non-compliant

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	Sch 3 Cond 39	Within 12 months of the commencement of construction, the Proponent must prepare a Recreation Management Plan for the development to the satisfaction of the Planning Secretary.	<p>– Recreation MP (Relevant agency: NSW Planning Secretary - DPIE)</p> <p>It is noted that an extension of time was requested by SHL to DPI and DPIE for submission of these Plans. A letter from DPIE dated 6/12/2021 noted that SHL has been liaising with the relevant agencies to progress these with a schedule to have them submitted by April 2022.</p> <p>DPIE assessed these non-compliances and determined that the breaches will be recorded in their system.</p> <p>It was noted that DPI endorsed the requested extension, noting that a delay of the submission of the Threatened Fish Management Plan would not increase the risk to the aquatic environment.</p>			

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9.	EPBC Part B Annexure A Cond 31a.	The approval holder must: a) submit plans required by conditions 18, 22 and 24 of the NSW approval and conditions 18 and 22 of this approval for consultation purposes, electronically to the Department;	The Threatened Fish MP NSW Cond 24 had not been submitted within the 12 months from construction commencement timeframe as required. Whilst the NSW Department of Primary Industry (DPI) endorsed a request to extend the timeframe for submission, DPIE determined that the late submission of the Threatened Fish MP be recorded as a breach, and is therefore determined as non-compliant to this condition.	Agreed Action – Submit the Threatened Fish Management Plan to DPIE, DPI and DAWE Responsibility: SHL	NC 9	Non-compliant
10.	Sch 2 Cond 8 Sch 2 Cond 9	Surrender of Approval Within 6 months of the commencement of construction, unless the Planning Secretary agrees otherwise, the Proponent must surrender the infrastructure approval (CSSI 9208) for the Exploratory Works in accordance with Clause 197 of the EP&A Regulation. Prior to surrendering the infrastructure approval (CSSI 9208) for the Exploratory Works, the Proponent must update the approved management plans for the development to incorporate the approved management plans for the Exploratory Works to the	At the time of the audit, the Exploratory Works Approval had not yet been surrendered. It was noted that a surrender request was made in August 2021, however correspondence between DPIE and NPWS indicate that the Exploratory Works approval cannot be surrendered until the Main Works Worker Recreation Management Plan has been approved. (refer to NC 5) At the time of the audit, the issue was still under consideration by DPIE and NPWS and had not been resolved.	Agreed Action Once the Main Works Recreation Management Plan has been approved a prerequisite for surrender), surrender the Exploratory Works Approval Responsibility: SHL	NC 10	Non-compliant

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		satisfaction of the Planning Secretary.				
11.	NHMP S 7.3	This Natural Hazards Management Plan (NHMP) will be provided for comment annually to Local Emergency Management Committees, NSWRFs, NSWSES and NPWS. Following natural hazard emergencies, where necessary lessons learnt will be incorporated into this plan.	The NHMP had not yet been provided in the 12 months since construction commencement for comment to Local Emergency Management Committees, NSWRFs, NSWSES and NPWS.	Agreed Actions: <ul style="list-style-type: none"> – Provide the Natural Hazards Management Plan to the relevant agencies for comment; – Facilitate discussions and review to ensure appropriateness and currency of the Plan – Update the NHMP as necessary following receipt of comments from the agencies. Responsibility: FGJV	NC 11	Non-compliant
12.	Sch 3, Cond 52 (a) and (b)	Excluding the spoil generated by the development, the Proponent must: a) minimise the waste generated by the development; b) maximise the reuse and recycling of any waste;	a) Bottled water is provided extensively across the project, with minimal provision of potable water for drinking (or refilling own containers). This does not meet the requirement to "minimise waste generated by the development". It is acknowledged that bottles are sent to recycling (return and earn), however this is not minimisation of waste generation.	Agreed Actions: <ul style="list-style-type: none"> – Provide potable water for drinking and positively encourage workers to refill their own containers; – FGJV could consider providing reusable vessels to workers (among other things); – For other waste streams (other than plastic bottles), 	NC 12	Non-compliant

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			b) The FGJV Waste Tracking Register- shows all waste from Lobs Hole (including recycling stream) goes to landfill). This does not meet b) - "maximise the reuse and recycling of any waste".	provide segregation facilities and send to recycle facilities rather than landfill.		
13.	EPBC Part A Cond 7	The approval holder must notify the Department in writing within 10 business days of making a biodiversity offset payment to the NSW National Parks and Wildlife Service. Each notification must state the date of payment and the amount paid.	The latest biodiversity offset payment was paid on 22/10/2021 to the NSW government and was notified to them. However, evidence could not be provided to demonstrate that Snowy Hydro had also notified the (Commonwealth) Department within 10 business days of making a biodiversity offset payment.	Agreed Actions: <ul style="list-style-type: none"> – Ensure all future biodiversity payments are notified in writing to the designated contact to DAWE within the required timeframes and records retained. 	NC 13	Non-compliant
14.	EPL 20266 Cond R4.2 and R4.3	<p>The licensee must submit an Environmental Monitoring Report every six (6) months to the EPA, unless otherwise agreed in writing by the EPA.</p> <p>The Environmental Monitoring Report must be prepared by a suitably qualified and experienced person and include, but not be limited to:</p> <p>a) results of all water quality monitoring undertaken in the preceding six (6) month period;</p>	A 6-monthly Environmental Monitoring Report was not yet been prepared or submitted to the EPA.	Agreed Actions <ul style="list-style-type: none"> – Prepare and submit the overdue 6 monthly report to the EPA in accordance with these conditions; – Ensure the 6 monthly reports are prepared on an ongoing basis; – Report this as a non-compliance in the annual return; – Publish the Environmental Monitoring Report on the website in accordance with Sect 66 (6) of the POEO Act. 	NC 14	Non-compliant

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		b) results of all-weather monitoring undertaken in the preceding six (6) month period; c) assessment of historical trends in all water sampling data for each monitoring point inclusive of the current six (6) month period; d) identification of instances where the water quality objective triggers for each relevant pollutant were exceeded at receiving water locations and/or where the predicted discharge water quality was exceeded at sediment basin discharge points; e) include details of any actions taken by the Licensee in response to exceedances identified under point (d), including but not limited to: i. additional monitoring; ii. remedial actions and; iii. activation of trigger, action, response plans (TARPs); f) recommendations for future actions in relation to monitoring and/or management.		Responsibility: FGJV		

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15.	EPL 21266 Cond M3.2, M3.1	<p>M3.1 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.</p> <p>M3.2 Condition M3.1 also applies to the monitoring of any points identified in Condition M2.2</p>	<p>The monitoring for the concentration of pollutants in monitoring points identified in condition M2.2 has not been conducted in accordance with the approved methods publication.</p> <p>Evidence of express provision to use in-house methods are not included in the current Environment Protection Licence.</p>	<p>Agreed Actions</p> <p>Either:</p> <ul style="list-style-type: none"> – Ensure that the laboratory (Eurofins) uses the EPA approved publication for monitoring the concentration of pollutants OR – Seek approval for the use of in-house methods. <p>Responsibility: FGJV</p>	NC 15	Non-compliant