

# Environmental Audits Overview For s53X audits only

Environmental audits<sup>1</sup> are a statutory tool used to protect the community and to confirm that potentially contaminated land is suitable for its intended use.

While each site and the associated audit is unique, the overall process is standardised with well documented regulations and guidance.

The diagram outlines the five steps of an audit. The process can take time and expense to finalise.

Audits can only be completed by an Environmental Auditor appointed by Environment Protection Authority (EPA) Victoria under the *Environment Protection Act 1970*. Usually an independent environmental consultant, engaged by the proponent<sup>2</sup>, conducts an assessment and cleanup. A list of appointed auditors can be found at [www.epa.vic.gov.au](http://www.epa.vic.gov.au).

EPA recognises the contributions made by ALGA (Australasian Land & Groundwater Association), ACLCA (Australian Contaminated Land Consultants Association) and UDIA (Urban Development Institute of Australia) in the preparation of this flyer.

<sup>1</sup>This information relates to environmental audits for potentially contaminated land, conducted under s53X of the *Environment Protection Act 1970*. It is important to confirm that this is the environmental audit type required at your site - a different environmental audit (s53V) may be required, for example, at an industrial site or a site near to a current or former landfill.

<sup>2</sup>The proponent is the person or organisation whose activity is being audited or the occupier(s) of the segment of the environment that is being audited.

For further information about the environmental audit system, visit [www.epa.vic.gov.au/enviroaudit](http://www.epa.vic.gov.au/enviroaudit) contact EPA Victoria on 1300 372 842.

## 1 AUDIT TRIGGERS

Environmental audits require an assessment of a site's environmental conditions. Triggers include:

- a planning need (eg. permit condition, Environmental Audit Overlay, Ministerial Direction No.1)
- due diligence (eg. buying/selling a property)
- when previous use may have introduced contamination.

## 2 COMMERCIAL ASPECTS

An audit's cost and timeframe is an essential part of any commercial project plan.

**Costs:**

- generally start at \$30,000 and increase with a site's complexity but do not usually include cleanup and site management costs, they may be substantially higher
- can be reduced and delays minimised by engaging an auditor and consultant at the start of a project to help identify potential issues early
- should include contingencies to deal with unforeseen issues.

*Note that a financier may want certainty that auditor requirements have been met prior to lending.*

**Timeframe:**

An audit on a simple site takes about 3 months with complex sites often taking more than a year.

## 3 ASSESSMENT PHASE

The data collection phase is probably the most critical stage. This stage:

- includes assessment works completed in accordance with the relevant Australian standards
- establishes the presence and degree of any contamination and whether further work is needed to make a site safe for its intended use.

Since the auditor relies on this information, they should be actively consulted.

The preliminary site investigation examines the potential for contamination and reviews past use:

- if contamination is suspected, a detailed site investigation of soil and groundwater is done. This may take several stages to fully assess the presence and levels of contamination.
- acceptable levels of contamination may vary depending on the proposed use and the development layout.

On simple sites, this step may prove that the site is either suitable as is, or requires only minor works to make it suitable for its intended use. If the investigation identifies complex contamination issues, additional steps are required to complete the audit.

## 4 COMPLEX SITES

Sites with more complex contamination issues may require wider stakeholder consultation, more time consuming assessment and extensive cleanup. This includes:

- specific human health or ecological risk assessment
- soil and/or groundwater cleanup (remediation)
- stakeholder consultation
- approval that sufficient cleanup of groundwater has occurred (CUTEP - Cleanup to the Extent Practicable).

Where contamination remains beneath or extends beyond the site, ongoing management may be needed, such as:

- monitoring (soil, gas or groundwater)
- control of site use
- restriction on groundwater extraction via the declaration of a GORUZ (Groundwater Quality Restricted Use Zone).

Consultation must occur with affected parties about offsite contamination and cleanup.

Early consultation will minimise delays in the approval process.

## 5 AUDIT OUTCOMES

The audit is finalised when the auditor is satisfied that site risks have been remediated, or suitably managed.

For sites where no adverse contamination remains, the auditor issues a *Certificate of Environmental Audit* and *Audit Report* certifying the site is suitable for any use with no conditions. If residual contamination requires management, the auditor issues a *Statement of Environmental Audit and Audit Report*. This may include:

- restrictions and conditions that must be met for the site to be suitable for its intended use
- conditions on parties to implement ongoing actions.

Consultation with relevant stakeholders helps develop conditions that are practicable.

The audit report is submitted to council and EPA and is then accessible on the EPA website as a public document.

The proponent must provide a copy of the statement to future site occupiers.

At any stage, the proponent may terminate the audit, which will result in the auditor notifying EPA.

## 1 AUDIT TRIGGERS



Planning permit and/or rezoning

## 2 COMMERCIAL ASPECTS



Due diligence



Project finance  
Assessment costs  
Auditor costs



Engagement

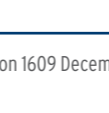
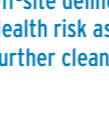


## 3 ASSESSMENT PHASE

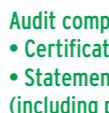
Preliminary site investigation  
Detailed site investigation  
On-site cleanup



## 4 COMPLEX SITES



Stakeholder consultation



## 5 AUDIT OUTCOMES

Audit completion results in:

- Certificate of Environmental Audit or
- Statement of Environmental Audit (including possible ongoing management conditions)



Council



Proponent



Auditor



Consultant



Environment Protection Authority



Community