



Australian Government
**Department of Climate Change, Energy,
the Environment and Water**

Compliance Audit Report

West Mt Cotton Quarry Expansion, Redland City, Qld (EPBC 2018/8340)

Karreman Quarries Pty Ltd

Report prepared by
Environmental Audit Section

3 June 2026



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Document Control

Version	Description	Approval	Date
0.1	Draft Audit Report	Tom Long - Director	21 May 2026
0.2	Draft released to Auditee	Dick Karreman - Director	22 May 2026
1	Final Audit Report	Tom Long - Director	05 June 2026

Audit Details

Report Title	Compliance Audit of West Mt Cotton Quarry Expansion, Redland City, Qld (EPBC 2018/8340)
Auditee Name	Karreman Quarries Pty Ltd
Main Auditee Contact Details	Dick Karreman Director Karreman Quarries Pty Ltd 616-632 W Mt Cotton Rd Sheldon, QLD 4157 0428 711 118 Dick@karreman.com.au
Audit Lead	Helen Hodgkins – Assistant Director audit@dcceew.gov.au
Audit Team	Kerri Dickens – Senior Auditor Tom Long - Observer
Audit Date	April 2026 – May 2026
On-site Audit Details	Date of on-site audit: 29 May 2026 616 West Mt Cotton Road, Sheldon QLD Departmental officers in attendance: <ul style="list-style-type: none">• Helen Hodgkins - Assistant Director, Environmental Audit Section• Kerri Dickens – Senior Auditor, Environmental Audit Section• Tom Long - Director, Environmental Audit Section Auditee representatives in attendance: <ul style="list-style-type: none">• Dick Karreman – Managing Director• Darren Maxwell – Offsets Coordinator• Quinton Leed – SSE/Operations Manager• Mathieu Young – Bush Regeneration Officer

Background

On 3 March 2022 a delegate for the Minister administering the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) approved the West Mt Cotton Quarry Expansion, Redland City, QLD (EPBC 2018/8340). The approval contains 31 conditions and includes requirements to mitigate, avoid, and offset impacts to matters of national environmental significance from the expansion and operation of the existing West Mount Cotton Quarry. A variation request was submitted to the Department of Climate Change, Energy, the Environment and Water (department) on 6 June 2024 to amend the Audale offset site and add a fourth offset site. A second variation request was submitted on 12 March 2025 to extend the securement timeframe of the offset sites from 12 months to 24 months. At the time of the audit, the variation requests were still under assessment by the department.

Clearing activities triggered commencement of the action on 22 July 2024. The offset site management plans were being implemented at the time of the audit. The approval has effect until 31 March 2075.

On 9 April 2026, the department commenced a compliance audit to determine if Karreman Quarries Pty Ltd (auditee) was complying with the conditions of the EPBC 2018/8340 approval. The compliance audit was enabled under condition 21 of the approval and was undertaken by an experienced auditor from the department.

Audit Methodology

This section of the report details the methodology for the compliance audit of West Mt Cotton Quarry Expansion, Redland City, QLD (EPBC 2018/8340) against the conditions of the approval and its associated plans. Information to assess compliance was gathered from internal holdings, open-source searches, information requests, and an on-site audit.

Audit Objective

The objective of the audit was to effectively assess the auditees compliance with the conditions of the approval and associated management plans.

Audit Criteria

The audit checklist and criteria were developed to address obligations required under the relevant approval instrument and measures required by associated management plans. Conditions that had multiple elements were broken down into separate criteria to assess compliance.

Audit Scope

The scope of this audit was to assess compliance with disturbance (land clearing), offset and commencement notification conditions.

The following conditions were within scope of this audit (conditions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 18, 19, 20 & 21).

Audit Process

The compliance audit commenced in April 2026.

On 9 April 2026 a letter of intent to audit was sent to the auditee to ensure they were suitably informed to participate in the audit. The letter outlined the scope of the audit.

A desktop audit of information available to the department was undertaken to establish a baseline understanding of compliance.

An on-site audit was conducted on 29 April 2026 and included an opening meeting, interviews with Karreman Quarry personnel, document review, site inspection, and a closing meeting.

The analysis of all collected data and preparation of audit findings were completed in May 2026.

Audit Terminology

The following terms were used to record findings during this audit.

Compliant	Sufficient and appropriate information presented to demonstrate the compliance of a particular requirement.
Non-compliant	Evidence has been collected to demonstrate that a condition or requirement has not been met and/or the approval holder has not provided sufficient documentation or evidence to substantiate compliance with a condition or requirement.
Not applicable	An element of the criteria was not activated or was not required within the scope of the audit.
Observation	An observation may be made about issues relevant to the protection of a matter of national environmental significance when the issue is not strictly related to compliance or non-compliance with a condition.

Audit Findings

This section details the findings of the compliance audit. Of the 19 conditions assessed under the approval, the audit determined the following:

- Compliance with 8 of the 19 conditions of approval examined (1, 2, 3, 4, 17, 18, 20, 21).
- Non-compliance with 3 conditions (5, 15, 16) of approval examined.
- 8 conditions (6, 7, 8, 9, 10, 13, 14, 19) within the scope of the audit were not applicable at the time of the compliance audit.

Summary of audit findings

A summary of the audit findings for each condition examined are contained in the table below. For a full list of conditions, please refer to the EPBC Act approval provided as an **Attachment**.

Condition	Audit Finding	Summary
1	Compliant	All clearing at the time of the audit has been conducted within the project area.
2	Compliant	Total clearing within the project area for each calendar year has been less than 5ha.
3	Compliant	At the time of the audit all clearing was within the limits for each habitat.
4	Compliant	Controls were in place during clearing activities within the project area. No clearing has been undertaken in construction areas to date.
5	Non-Compliant	Only 2 of the 3 offsets sites had commenced implementation of the Offset Area Management Plans (OAMP) prior to commencement of the action.
6	Not Applicable	At time of the audit the project was not at the 20-year timeframe.
7	Not Applicable	At time of the audit the project was not at the 20-year timeframe.
8	Not Applicable	At time of the audit the project was not at the 20-year timeframe.
9	Not Applicable	At time of the audit the project was not at the 20-year timeframe.
10	Not Applicable	At the time of the audit the approval had not been in effect for 5 years.
13	Not Applicable	At time of the audit the project was not at the 20-year timeframe.
14	Not Applicable	At time of the audit the project was not at the 20-year timeframe.
15	Non-Compliant	At the time of the audit only 2 of the 3 offsets sites were legally secured.
16	Non-Compliant	The auditee failed to notify the department of securement of the offset sites.
17	Compliant	The offsets that have been secured have the correct notification that the securement is for the life of the approval on the legal mechanism.
18	Compliant	The auditee notified the department of commencement within the specified timeframe and in writing.
19	Not Applicable	At the time of the audit the approval had not been in effect for 5 years and the action has commenced.
20	Compliant	Records are maintained to determine compliance of conditions.
21	Compliant	Records requested by the auditor were provided within the specified timeframe.

Detailed audit findings for non-compliant and not determined conditions are discussed below.

Non-compliant findings

The auditee was found to be **non-compliant** with 3 of the 19 conditions examined. The below tables provide details of the findings for each non-compliant condition.

Condition 5

To compensate for the clearance of habitat for protected matters up to the limits specified in condition 3, the approval holder must, prior to the commencement of the action and for the duration of this approval, implement all three plans that comprise the Offset Area Management Plans.

Finding

At the time of the audit the Audale OAMP was being implemented. However, the OAMP had not begun to be implemented prior to commencement of the action therefore Condition 5 has been determined to be non-compliant. It is noted that the Pineapple Farm and University Farm OAMP implementation commenced prior to commencement of the action.

Condition 15

The approval holder must legally secure all offset sites within 12 months from the date of the commencement of the action. The associated Offset Area Management Plans must be attached to the legal mechanism used to legally secure the offset sites.

Finding

Documentation demonstrates that 2 of the 3 offset sites were secured within the specified timeframe. The third offset site (Audale) was not legally secured within 12 months of commencement of the action. Further to this, at the time of the audit, the Audale offset site has yet been secured.

Condition 16

The approval holder must provide to the department evidence of the legal mechanism used to legally secure the offset sites within 5 business days of the legal mechanism being executed.

Finding

No evidence was found during the audit to determine that the department was notified of the securement of the offset sites. This was self-reported in the Annual Compliance report, therefore Condition 16 has been determined to be non-compliant.

Observations

The auditors made the following observations during the audit:

1. Areas that have been cleared to date are not part of the construction area.
2. The auditee applied to the department on 6 June 2024 to amend the Audale Offset site prior to the action commencing on 22 July 2024. As a result, the OAMP for Audale was not being implemented when the action commenced. At the time of the audit, the OAMP was actively being implemented.
3. The auditee advised they have requested a fourth offset site as part of the amendment request. This site is currently a state required offset and implementation began before commencement. As the fourth offset site is not currently conditioned it is not subject to this audit.
4. During the audit the lodgement to legally secure the Audale Offset had commenced, and the auditee was provided with copies of the lodgement documents and draft versions of the securement.

Auditee comments

The auditee provided comment on this report to the department in correspondence dated 29 May 2026. The following comments were provided and have been reflected in this report.

1. The auditee did not accept the initial assessment of non-compliant for condition 4 in relation to koala fencing as clearing to date has not been in a construction area. A letter was provided from the auditee's legal representative on the interpretation of the condition of approval.
2. The auditee noted that in relation to the non-compliances identified with conditions 5, 15 and 16 they are currently consulting with the department's Post Approvals Section.

RECOMMENDATIONS

The auditor recommends the following actions:

- If at any time during the approval, clearing occurs in a construction area within the defined project area of the approval then fencing must be installed as per the requirements of condition 4c. For condition 4d, it is recommended that a procedure be put in place in case of a koala vehicle strike in the project area.
- Continue to implement the OAMPs and comply with the conditions of approval.

ATTACHMENTS

Attachment	
Attachment	Approval decision notification (EPBC 2018/8340)

FINAL REPORT DISTRIBUTION

- Karreman Quarries Pty Ltd
- Department of Climate Change, Energy, the Environment and Water.