



New South Wales Government
Independent Planning Commission

ipcn.nsw.gov.au

Sancrox Quarry Expansion Project SSD 7293

Statement of Reasons for Decision

Janett Milligan (Chair)
Terry Bailey
Michael Chilcott

26 November 2024

Executive Summary

Hanson Construction Materials Pty Ltd (Applicant) has sought development consent for the expansion of the Sancrox Quarry located 8 kilometres (km) west of Port Macquarie within the Port Macquarie-Hastings Local Government Area. The State significant development (SSD) application seeks approval to expand the quarry to new areas to extract, process and transport up to 530,000 tonnes per annum (tpa) of hard rock material over a 30-year period. The Application would provide rock aggregate products for construction in the Port Macquarie and Mid-North Coast region. The Application also seeks approval to construct and operate concrete recycling and batching facilities that would produce up to 20,000 tpa and an asphalt production plant that would produce up to 50,000 tpa.

The Application would provide a number of economic benefits, including an investment of \$12.5 million, generation of 80 jobs during construction, and up to 25 full-time equivalent employees during operation at full capacity.

The NSW Independent Planning Commission (Commission) is the consent authority for the Application because more than 50 public objections were made to the Department of Planning, Housing and Infrastructure (Department).

Commissioners Janett Milligan (Chair), Terry Bailey and Michael Chilcott were appointed to constitute the Commission Panel in determining the Application. As part of its determination process the Commission met with representatives of the Applicant, Department and Port Macquarie-Hastings Council. The Commission also conducted a site inspection and locality tour.

On 14 August 2024, the Commission opened speaker registrations on its website for a public meeting scheduled for 3 September 2024 in Port Macquarie. The Commission notified everyone who provided an email address to the Department during the Department's exhibition of the Application. The Commission also notified Council planning staff, Council's CEO, the Hon. Leslie Gladys Williams MP and Government agencies who provided advice to the Department. The Commission also issued a media release to media outlets, made social media posts and notified community groups of the public meeting through social media. By the close of registrations on 28 August 2024, no registrations to speak at the public meeting were received by the Commission, and the public meeting did not proceed.

Key issues which were considered by the Commission in assessing the Application related to biodiversity, air quality, noise impacts, blasting, water resources, rehabilitation and final landform. After careful consideration of the material and having considered the views of the community, including the local Council, the Commission has determined that consent should be granted to the Application, subject to conditions of consent.

The Commission finds that the Application's potential impacts on biodiversity can be mitigated under the conditions of consent imposed by the Commission, and do not outweigh the public interest in granting conditional development consent to the Application. The Commission is satisfied that with the implementation of avoidance, mitigation and offsetting measures, including the revegetation of significant areas within the western portion of the subject site, the Application is not likely to reduce the viability of the local koala population. The Commission has imposed conditions of consent which require the Applicant to:

- stage the proposed quarry expansion such that any required clearing of vegetation is to be undertaken progressively over several decades. Revegetation benchmarks must be met before any clearing of vegetation can be undertaken beyond the limits of the Applicant's proposed Stage A extraction area;
- achieve defined revegetation benchmarks, which have been identified upfront as part of the development consent, to provide confidence that the Applicant's proposed revegetation areas will reach a level of growth that will provide functional capacity as koala habitat before any expansion of the quarry can proceed beyond the Applicant's proposed Stage A into the area identified as Stage B;
- maintain a biodiversity corridor within the Site to allow for vegetation and wildlife connectivity and to ensure that the local Koala population retains access to habitat areas north and south of the Site;
- undertake progressive rehabilitation of the Site;

- offset residual biodiversity impacts by the retirement of ecosystem and species credits; and
- establish a Biodiversity Stewardship Site on the northern portion of the Site to protect existing koala habitat.

The Commission has also imposed conditions which require the Applicant to prepare comprehensive management plans and strategies to report on mitigation and monitoring outcomes as well as to demonstrate compliance with performance criteria on an ongoing basis.

The Commission finds that the Application is consistent with the existing strategic planning framework as well as the relevant statutory considerations. The Commission is further satisfied that the Application is consistent with the Objects of the EP&A Act, and that all environmental, social, land use and safety impacts have been assessed and mitigated subject to the Commission's imposed conditions of consent, and that the Application is in the public interest.

The Commission's reasons for approval of the Application are set out in this Statement of Reasons for Decision.

Contents

Executive Summary	i
Defined Terms	iv
1. Introduction	1
2. The Application	1
2.1 The Site and Existing Operations	1
2.2 The Project	1
3. The Commission’s Consideration	4
3.1 Material Considered by the Commission	4
3.2 Strategic Context	5
3.3 Statutory Context	6
3.4 Mandatory Considerations	7
3.5 Additional Considerations	9
3.6 The Commission’s Meetings	10
4. Community Participation & Public Submissions	10
4.1 Public Meeting	10
4.2 Public Submissions	10
5. Key Issues	12
5.1 Biodiversity	12
5.2 Air quality	17
5.3 Noise	18
5.4 Blasting	20
5.5 Rehabilitation and final landform	21
5.6 Water resources	23
5.7 Socio-economics	25
5.8 Traffic and transportation	25
5.9 Aboriginal cultural heritage	26
5.10 Historic heritage	26
5.11 Greenhouse gas emissions	26
5.12 Visual amenity	27
5.13 Hazards and risks	27
5.14 Soil and land resources	27
6. The Commission’s Findings and Determination	28

Defined Terms

ABBREVIATION	DEFINITION
2021 SEPP	<i>State Environmental Planning Policy (Biodiversity and Conservation) 2021</i>
AG DCCEEW	Australian Government Department of Climate Change, Energy, the Environment and Water
AIP	NSW Aquifer Interference Policy
Applicant	Hanson Construction Materials Pty Ltd
Application	Sancrox Quarry Expansion Project (SSD 7293)
Approved Methods	<i>Approved Methods for the Modelling and Assessment of Air Pollutants in New South Wales</i> (EPA, 2016)
AR para	Paragraph of the Department's Assessment Report
BC Act	<i>Biodiversity Conservation Act 2016</i>
BCD	Biodiversity Conservation Division
BOS	Biodiversity Offset Strategy
BRMP	Biodiversity and Rehabilitation Management Plan
CCPF	NSW Climate Change Policy Framework
Commission	Independent Planning Commission of NSW
Council	Port Macquarie-Hastings Council
dB(A)	Decibel
Department	Department of Planning, Housing and Infrastructure
Department's AR	Department's Assessment Report, dated August 2024
EIS	Environmental Impact Statement
EP&A Act	<i>Environmental Planning and Assessment Act 1979</i>
EPI	Environmental Planning Instrument
ESD	Ecologically Sustainable Development
FTE	Full time equivalent
GDE	Groundwater Dependent Ecosystem
GIA	Groundwater Impact Assessment
Heritage Assessment	<i>Sancrox Quarry Heritage Assessment</i> (ERM, 2019)
INP	<i>Industrial Noise Policy</i>
LGA	Local Government Area
Mandatory Considerations	Relevant mandatory considerations, as provided in s 4.15(1) of the EP&A Act
Material	The material set out in section 3.1
NVIA	Noise and Vibration Impact Assessment
PCT	Plant Community Type
PM_{2.5}	Particulate Matter with a diameter of 2.5 micrometres or less
PM₁₀	Particulate Matter with a diameter of 10 micrometres or less
Planning Systems SEPP	<i>State Environmental Planning Policy (Planning Systems) 2021</i>
Port Macquarie-Hastings LEP	Port Macquarie-Hastings Local Environmental Plan 2011
Project	Sancrox Quarry Expansion Project
PSNL	Project specific noise level
Regulations	<i>Environmental Planning and Assessment Regulation 2000</i>
RtS	Response to Submissions
SEPP 44	<i>State Environmental Planning Policy 44 – Koala Habitat Protection</i>
Site	The site as described in section 2.1
SSD	State Significant Development
Tpa	Tonnes per annum
TSP	Total Suspended Particles
WAL	Water Access Licence
WSP	WSP Australia Pty Ltd

1. Introduction

1. On 9 August 2024, the NSW Department of Planning, Housing and Infrastructure (**Department**) referred the State significant development (**SSD**) Application SSD-7293 (**Application**) from Hanson Construction Materials Pty Ltd (**Applicant**) to the NSW Independent Planning Commission (**Commission**) for determination.
2. The Application seeks approval for the Sancrox Quarry Expansion Project (the **Project**) located in the Port Macquarie-Hastings Local Government Area (**LGA**) under section 4.38 of the *Environmental Planning and Assessment Act 1979* (**EP&A Act**).
3. The Application constitutes SSD under section 4.36 of the EP&A Act as the Project would extract more than 500,000 tonnes of hard rock materials per year and meets the criteria specified in section 7 of Schedule 1 of the *State Environmental Planning Policy (Planning Systems) 2021* (**Planning Systems SEPP**).
4. In accordance with section 4.5(a) of the EP&A Act and section 2.7(1) of the Planning Systems SEPP, the Commission is the consent authority as more than 50 public submissions have been made by way of objection.
5. Andrew Mills, Chair of the Commission, appointed Janett Milligan (Chair), Terry Bailey and Michael Chilcott to constitute the Commission for the purpose of exercising its functions with respect to the Application.
6. The Department concluded in its Assessment Report (**AR**), dated August 2024, that the benefits of the Project outweigh its residual impacts, and that the Project is in the public interest and is approvable, subject to the recommended conditions of consent.

2. The Application

2.1 The Site and Existing Operations

7. Sancrox Quarry is an existing quarry located 8 kilometres (km) west of Port Macquarie producing a range of hard rock aggregate products and fill materials used locally and regionally for construction of civil infrastructure. The quarry has been owned and operated by the Applicant since 1998.
8. According to the Department, the quarry currently operates under development consents issued by predecessors to Port Macquarie-Hastings Council (**Council**). DA 1995/193 was approved on 19 November 1995. DA 2004/609 was approved on 10 January 2005 and DA 2006/497 was approved on 11 December 2006 (AR para 3).
9. The 'Site' is defined as the area within the site boundary illustrated in Figure 1 below.

2.2 The Project

10. The Applicant is seeking approval to expand the quarry into new areas to extract, process and transport up to 530,000 tonnes per annum (**tpa**) of hard rock material over a 30-year period. The Application also seeks approval to construct and operate concrete recycling and batching facilities that would produce up to 20,000 tpa and an asphalt production plant that would produce up to 50,000 tpa. The key components of the Project are set out in Table 1 below. The proposed infrastructure layout is illustrated in Figure 2 below.

Figure 1 - Site Boundary (Applicant's EIS, pg 22)

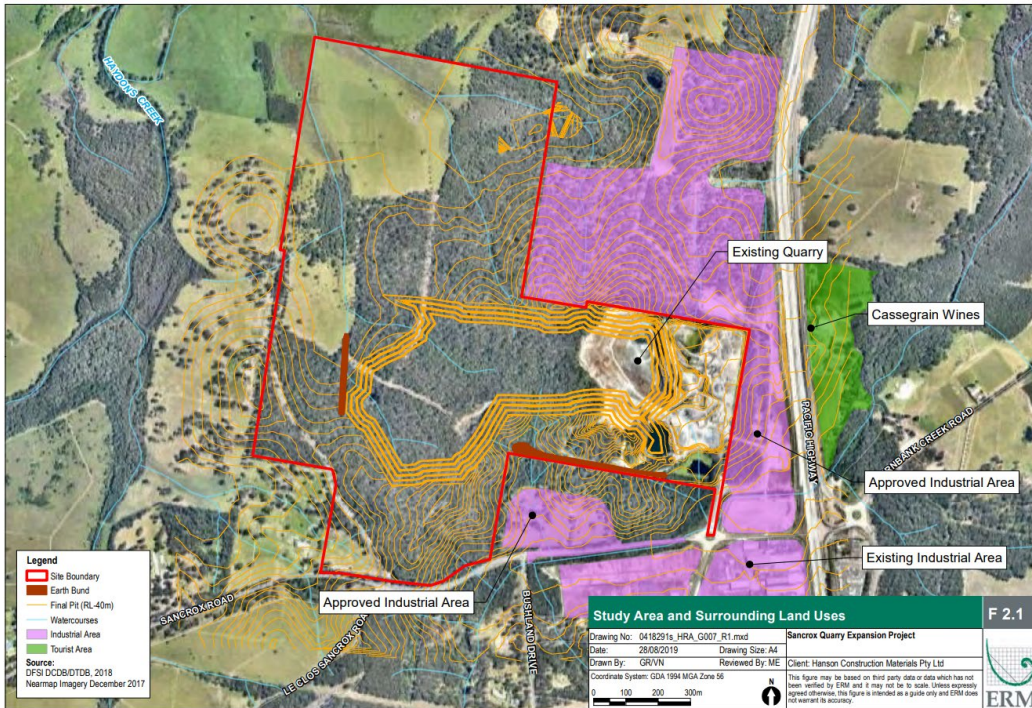


Figure 2 - Project Infrastructure Layout (Source: Applicant's Amendment Report)

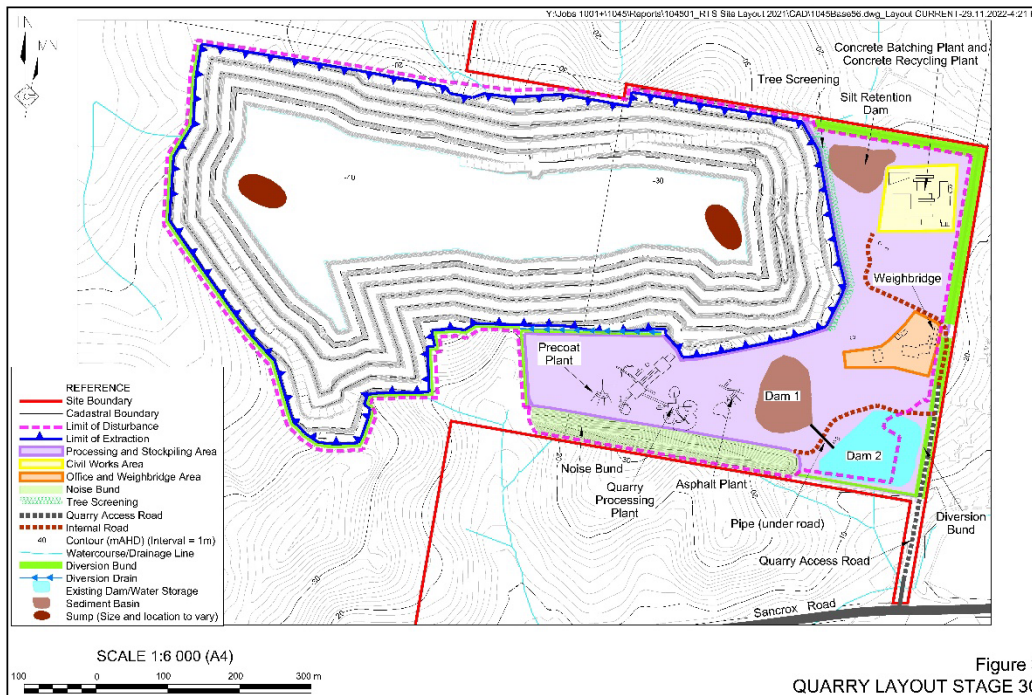


Figure 3
QUARRY LAYOUT STAGE 3C

Table 1 – Key components of the Project (Source: Department's AR)

Aspect	Existing Development	Proposed Development
Operational workforce	15 full time equivalent (FTE) employees	25 FTE employees
Quarry products	Hard rock aggregates	Hard rock aggregates, concrete and asphalt
Production limit	185,000 tpa with a temporary increase to 455,000 tpa between March 2014 and March 2019	530,000 tpa quarry products 20,000 tpa concrete 50,000 tpa asphalt
Imported material	None	Up to 20,000 tpa concrete for recycling Bitumen for production of asphalt
Footprint	17.18 hectares	47.38 hectares
Depth of extraction	-14 m Australian Height Datum (AHD)	-40 m AHD
Quarry method	Open cut extraction methods including excavation, drill, blast, load and haul	No changes
Processing method	Rock crushing, screening and washing on site	Relocation and ongoing operation of existing processing facilities New concrete batching plant to produce up to 20,000 tpa New concrete recycling facilities to process up to 20,000 tpa New asphalt production plant producing up to 50,000 tpa
Hours of operation	<u>Quarry operations</u> 7 am to 5 pm Monday to Friday 7 am to 1 pm Saturday <u>Truck Movement and Equipment Loading</u> 7 am to 11 pm Monday to Friday 7 am to 1 pm Saturdays, Sundays and Public Holidays <u>Additional Operations</u> Operations between 11 pm and 7 am on up to 20 days per year	<u>Quarry operations</u> 5 am to 10 pm seven days per week <u>Truck Movement and Equipment Loading</u> 5 am to 10 pm seven days per week <u>Additional Operations</u> Processing and loading activities permitted between 10 pm and 5 am on a maximum of 20 days per year
Blasting	9 am to 3 pm Monday to Friday	No change
Product transport	42 laden truck movements per day	200 laden truck movements per day
Rehabilitation and final landform	Not specified	Benched quarry walls and quarry floor at RL -40 m AHD. Final void could be inundated naturally and benches above inundation level revegetated with endemic species

11. The Project would be undertaken over 3 stages progressively extending the quarry to the west. The Applicant's Amendment Report dated 18 September 2024 describes the stages as:
- Stage 1 involves the extension of the western side of the existing quarry to RL -30m, and construction of new processing area, new concrete batching plant, new asphalt plant, new concrete recycling plant, and noise/visual screening bund;
 - Stage 2 involves the further extension of the quarry pit the west to RL -40m; and
 - Stage 3 involves further benching to take entire quarry footprint to RL -40m.
12. Vegetation clearing is proposed to be undertaken progressively over several decades in two areas – Area A and Area B. These areas are illustrated in Figure 4.

3. The Commission's Consideration

3.1 Material Considered by the Commission

13. In this determination, the Commission has considered the following material (**Material**):
- the Planning Secretary's Environmental Assessment Requirements issued by the Department, dated 18 September 2017;
 - the following information provided by the Applicant:
 - the Environmental Impact Statement (**EIS**) dated 1 October 2019 and accompanying appendices;
 - the Response to Submissions Report (**RtS**) dated 20 May 2021 and accompanying appendices;
 - the Applicant's responses to further information requests from the Department;
 - the Amendment Report dated 18 September 2024;
 - all public submissions on the EIS made to the Department during public exhibition;
 - all Government Agency advice to the Department;
 - the Department's AR, dated August 2024;
 - the Department's recommended conditions of consent, dated August 2024;
 - comments and presentation material at meetings with the Department, Applicant and Council, as referenced in Table 5 below;
 - observations made at the Commission's site inspection conducted on 2 September 2024;
 - all written comments received by the Commission up until 5pm, 10 September 2024;
 - the following material provided by the Applicant to the Commission:
 - the Applicant's response to questions on notice, dated 10 September 2024;
 - the Applicant's submission to the Commission, dated 10 September 2024;
 - the Department's letter, dated 24 September 2024, confirming acceptance of the Applicant's application to amend the Project;
 - the following material provided by the Department to the Commission:
 - the Department's response to the Commission, dated 4 September 2024;
 - the Department's response to the Commission, dated 24 September 2024;
 - the Department's response to the Commission, dated 22 October 2024;
 - the Department's comment on the feasibility and workability of proposed conditions, dated 21 November 2024.

3.2 Strategic Context

14. The Commission has considered the strategic planning framework, policies and guidelines relevant to the Site and Project. The Commission finds that the Project is consistent with both the Commonwealth and NSW State Government's strategic planning framework, policies and guidelines (see Table 2 below).

Table 2 – Commission's consideration of Strategic Context

Strategic Context	Discussion
Resource and Markets	<p>The Project would provide a range of hard rock resources. The resource is considered to be high quality hard rock aggregate used for construction projects within the Port Macquarie and Mid-North Coast region (AR para 14). The population of the Port Macquarie area is expected to increase significantly in the coming decades, driving demand for construction materials in the local area (AR para 16).</p> <p>The Applicant in its submission to the Commission, dated 10 September 2024, stated that quarry product from the current operation has contributed to housing, roads, bridges, hospital and school infrastructure through the Port Macquarie Mid-North Coast region. The Applicant has advised that the proposed quarry expansion would provide product for residential, commercial and infrastructure projects in the region.</p> <p>In its December 2023 Infrastructure Market Capacity Report, Infrastructure Australia rated the capacity risk for quarry products as high, meaning that the potential for hard rock supply shortages currently threatens infrastructure and development projects. The report also acknowledged that due to high transportation costs relative to the value of materials, quarry products must be sourced locally.</p>
Regional Plans and Strategies	<p>The Sancrox Quarry is identified in the North Coast Regional Strategy 2014 – 2034 as being an extractive resource of regional significance (pp 32 and 48).</p> <p>The North Coast Regional Plan 2041 recognises the importance of protecting significant extractive resources to support ongoing economic growth in the region (AR para 18).</p>
NSW Koala Strategy 2022	<p>This strategy identifies the Port Macquarie Koala population as one of 19 focus populations for investment and conservation action. The Department noted that while the strategy primarily relates to targeted government action and investment rather than development assessment, it highlights the relative importance of the Port Macquarie Koala population and the need to invest in Koala habitat conservation initiatives in the area.</p>

The Commission is satisfied that with the implementation of avoidance, mitigation and offsetting measures, the Project is not likely to reduce the viability of the local Koala population. The conditions imposed by the Commission require the Applicant to stage its expansion of the quarry, undertake progressive rehabilitation of the Site, maintain a biodiversity corridor to the west of the quarry, implement a Biodiversity Stewardship Site which would ensure a local land-based offset, and offset residual biodiversity impacts through the retirements of species credits. For the reasons set out above and in section 5.1 below, the Commission finds that the Project is consistent with the NSW Koala Strategy 2022.

Urban land interactions and planning

The Project area is discussed in Council's *Greater Sancrox Structure Plan 2015*. This plan notes that Council is subject to a Ministerial Direction when considering plans prepared to re-zone lands to ensure that the future extraction of State or regionally significant reserves of coal, other minerals, petroleum or extractive materials are not compromised by inappropriate development. The Site has not been included within this plan's study area. (AR para 21)

The Project is located directly north of the planning investigation area identified in Council's *Draft Structure Plan for Fernbank Creek and Sancrox Villages*. The Department noted that this plan identifies the quarry as a significant resource and includes an economic objective to 'ensure land use does not restrict or prohibit the development potential of important extractive resources'. (AR para 23)

Council has prepared the Le Clos Sancrox Planning Proposal to rezone land south-west of the Site from rural to urban uses. The planning proposal specifically identifies potential land use conflict with the quarry and provides an additional undeveloped ecological corridor in the north-east corner to "provide a larger buffer to the existing quarry and any expansion, should it be approved." (AR para 24)

3.3 Statutory Context

15. The Commission has given consideration to the statutory context as set out in Table 3.

Table 3 - Statutory Context

Consideration	Commission's comments
Objects of the EP&A Act	In this determination, the Commission has carefully considered the Objects of the EP&A Act and is satisfied that the Application is consistent with those Objects.
State Significant Development	The Application constitutes SSD under section 4.36 of the EP&A Act as the Project is an extractive industry that would extract over 500,000 tonnes of hard rock materials per year and meets the criteria specified in section 7 of Schedule 1 of the Planning Systems SEPP.

Permissibility	The Site is zoned RU1 Primary Production under the Port Macquarie-Hastings Local Environmental Plan 2011 (Port Macquarie-Hastings LEP). The Project is defined as development for the purpose of 'Extractive industries' under the Port Macquarie-Hastings LEP and is permitted with consent in the RU1 zone. Section 2.9 of the <i>State Environmental Planning Policy (Resources and Energy) 2021</i> (Resources and Energy SEPP) provides that development for the purpose of extractive industry is permissible with development consent on land which development for the purpose of agriculture may be carried out.
Commonwealth Matters	The Applicant advised that it intends to refer the Project to the Commonwealth based on potential impacts on the Koala, which is an endangered species under the <i>Environment Protection and Biodiversity Conservation Act 1999</i> (EPBC Act). If the Project is declared a 'controlled action' by the Australian Government Department of Climate Change, Energy, the Environment and Water (AG DCCEEW), it cannot be assessed for the purposes of the EPBC Act by the NSW Government in accordance with the Bilateral Agreement between the NSW and Commonwealth due to the Applicant's late referral of the Project. The Applicant would be required to obtain separate approval under the EPBC Act (AR para 47).
Amended Application	In accordance with section 37 of the <i>Environmental Planning and Assessment Regulation 2021</i> , an applicant can apply to amend a development application at any time before the application is determined. On 18 September 2024 the Applicant applied for amendments to the Project in response to matters raised by the Department and BCS during the Department's assessment of the Application. The Department, as delegate of the Commission, approved the application for the amendment on 24 September 2024.
Surrender of consent	The Applicant would surrender the existing development consents for the quarry and operations would be regulated under a single contemporary development consent (AR para 25).
Integrated and other NSW Approvals	Under section 4.41 of the EP&A Act, several approvals are integrated into the SSD approval process and consequently are not required to be separately obtained for the Project (AR para 26). Under section 4.42 of the EP&A Act, several further approvals are required but must be substantially consistent with any development consent for the Project (AR para 27).

3.4 Mandatory Considerations

16. In determining this Application, the Commission is required by section 4.15(1) of the EP&A Act to take into consideration such of the listed matters as are of relevance to the development the subject of the Application (**Mandatory Considerations**). The mandatory considerations are not an exhaustive statement of the matters the Commission is permitted to consider in determining the Application. To the extent that any of the Material does not fall within the mandatory considerations, the Commission has considered that Material where it is permitted to do so, having regard to the subject matter, scope and purpose of the EP&A Act.

Table 4 – Mandatory Considerations

Mandatory Considerations	Commission’s Comments
Relevant EPIs	<p>Appendix E of the Department’s AR identifies relevant EPIs for consideration. The key EPIs (in their present, consolidated form) include:</p> <ul style="list-style-type: none"> • Planning Systems SEPP; • State Environmental Planning Policy (Resources and Energy) 2021; • State Environmental Planning Policy (Transport and Infrastructure) 2021; • State Environmental Planning Policy (Resilience and Hazards) 2021; • State Environmental Planning Policy (Biodiversity and Conservation) 2021; and • Port Macquarie-Hastings LEP 2011. <p>The Commission agrees with the Department’s assessment of the above EPIs as set out in Appendix E of the AR. The Commission therefore adopts the Department’s assessment.</p> <p><i>State Environmental Planning Policy 44 – Koala Habitat Protection</i></p> <p>At the time that the Applicant lodged its application <i>State Environmental Planning Policy 44 – Koala Habitat Protection (SEPP 44)</i> was in effect. The Commission notes that SEPP 44 has since been replaced, most recently by Chapters 3 and 4 of the <i>State Environmental Planning Policy (Biodiversity and Conservation) 2021 (2021 SEPP)</i>. Section 4.16 of the 2021 SEPP provides that ‘a development application made, but not finally determined, before the commencement of this Policy in relation to land to which this Policy applies must be determined as if this Policy had not commenced’.</p> <p>Accordingly, the Department has advised, and the Commission agrees, that the provisions of SEPP 44 continue to apply to the Project (AR pp 79 and 80).</p> <p>The Commission wrote to the Department on 26 August 2024 seeking clarification in relation to the requirements of SEPP 44 relevant to the Commission’s assessment of the Project – in particular in relation to the satisfaction of clause 9 of SEPP 44.</p> <p>In its response to the Commission dated 4 September 2024, the Department further advised that:</p> <ol style="list-style-type: none"> 1. the provisions of SEPP 44 establish matters which must be satisfied by a council in order for any such council to grant consent to a development application on land on which koala habitat is present; 2. the definition of ‘council’ (see section 1.4 of the EP&A Act and the Dictionary of the <i>Local Government Act 1993</i>) is relevantly confined to “the council of an area, and includes an administrator”, but does not extend to the Commission for the purposes of SEPP 44; and 3. because the provisions of SEPP 44 only compel consideration by councils, rather than a consent authority, and as the Commission is not a council, those provisions have no weight in the Commission’s assessment of the project. <p>After consideration of the Department’s advice, the Commission agrees with, and adopts, that interpretation of the provisions of SEPP 44 for the purpose of determining the Application before it.</p>

Relevant DCPs	Section 2.10 of the Planning Systems SEPP states that development control plans do not apply to SSD. The Commission does not consider any development control plans to be relevant to the determination of the Application.
Likely Impacts of the Development	The likely impacts of the Application have been considered in section 5 of this Statement of Reasons. Where relevant, the Commission's consideration of the likely impacts of the development includes consideration of likely impacts of the Project that do not necessarily form part of the Application. This has been informed by, among other Material, the Department's AR.
Suitability of the Site for Development	<p>The Commission has considered the suitability of the Site for the Application and finds that the Site is suitable for the following reasons:</p> <ul style="list-style-type: none"> • the use of the Site as a hard rock quarry would provide a range of hard rock aggregate products for construction and is an orderly and economic use and development of land; • the Site has access to the regional road network; and • adverse impacts on surrounding receivers and land uses have been minimised as far as practicable and would be further mitigated by the imposed conditions of consent.
The Public Interest	<p>The Commission has considered whether the grant of consent to the Application is in the public interest. In doing so, the Commission has weighed the predicted benefits of the Application against its predicted negative impacts.</p> <p>The Commission's consideration of the public interest has also been informed by consideration of the principles of ESD.</p> <p>The Commission has given consideration to the principles of ESD in its assessment of each of the key issues, as set out in Section 5 below. The Commission finds that, on balance, the Application is consistent with ESD principles, and that the Project would achieve an appropriate balance between relevant environmental, economic and social considerations. The likely benefits of the Project warrant the conclusion that an appropriately conditioned approval is in the public interest.</p>

3.5 Additional Considerations

17. In determining the Application, the Commission has also considered:

- NSW Noise Policy for Industry;
- Interim Construction Noise Guideline ;
- NSW Road Noise Policy;
- NSW Aquifer Interference Policy (**AIP**);
- NSW Biodiversity Offsets Policy for Major Projects;
- NSW Framework for Biodiversity Assessment;
- Port Macquarie Hastings Council Koala Plan of Management database;
- Approved Methods for the Modelling and Assessment of Air Pollutants in New South Wales (EPA, 2016) (**Approved Methods**);
- Social Impact Assessment Guideline for State Significant Projects (NSW Government, 2021) (**SIA Guideline**);
- Managing Urban Stormwater: Soils and construction - Volume 2E (NSW Department of Environment and Climate Change, 2008).

18. The provisions of the *Biodiversity Conservation Act 2016 (BC Act)*, and specifically section 7.14 of that Act, apply to the assessment of biodiversity matters in relation to any SSD application. As the consent authority for this SSD Application following its referral from the Minister for Planning, the Commission has had regard to the provisions of s 7.14 of the BC Act in determining the Application.

3.6 The Commission's Meetings

19. As part of the determination process, the Commission met with various persons as set out in Table 5. All meeting and site inspection notes were made available on the Commission's website.

Table 5 – Commission's Meetings

Meeting	Date	Transcript/Notes Available on
Department	20 August 2024	23 August 2024
Council	20 August 2024	23 August 2024
Applicant	23 August 2024	27 August 2024
Site Inspection	2 September 2024	16 September 2024

4. Community Participation & Public Submissions

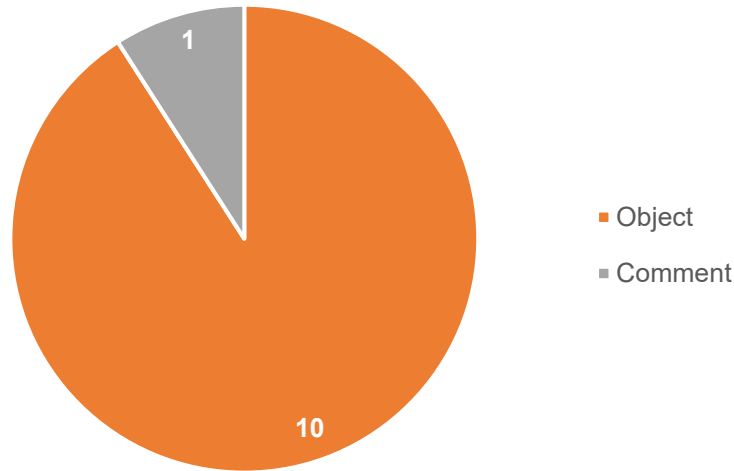
4.1 Public Meeting

20. On 14 August 2024, the Commission opened speaker registrations on its website for a public meeting scheduled for 3 September 2024 in Port Macquarie. The Commission notified everyone who provided an email address to the Department during the Department's exhibition of the Application. The Commission also notified Council planning staff, Council's CEO, the Hon. Leslie Gladys Williams MP and Government agencies who provided advice to the Department. The Commission issued a media release to media outlets, made social media posts and notified community groups through social media.
21. By the close of registrations on 28 August 2024, no registrations to speak at the public meeting were received by the Commission, and the public meeting did not proceed.

4.2 Public Submissions

22. As part of the Commission's consideration of the Project, all persons were offered the opportunity to make written submissions to the Commission until 5 pm on 10 September 2024.
23. The Commission received a total of 11 written submissions on the Application. An overview of the written submissions received by the Commission is provided in Figure 3 below. The key issues raised in submissions are summarised in section 4.2.1 below.
24. For the reasons set out in this Statement of Reasons, the Commission considers that the matters raised in submissions do not preclude the grant of development consent and that the matters can be satisfactorily addressed by the conditions of consent imposed by the Commission.

Figure 3 – Submissions received by the Commission



4.2.1 Issues Analysis

25. Submissions to the Commission raised a number of issues, which are outlined below. The Commission notes that the issues referred to below are not an exhaustive report of the submissions considered by the Commission, rather they are reflective and illustrative of what the Commission regards as the main issues that emerge from those submissions.

Biodiversity

26. Submissions objected to the Project due to biodiversity impacts. Specific concerns were raised regarding the reduction in koala habitat. One submission stated that any proposal that the impacts of the Project on koala habitat could be solely offset under the provisions of the BC Act was unacceptable, as any offset required as a condition of consent would not provide additional koala habitat on site.

27. Submissions raised concern regarding the loss of Spotted Gum Grassy Dry Forest which provides feeding habitat for the critically endangered Swift Parrot whose numbers continue to decline.

28. A submission raised concern regarding the loss of nine hollow-bearing trees.

Amenity

29. Submissions objected to the Project due to air quality and noise impacts on surrounding residents and businesses. Specific concerns were raised with the proposed expanded hours of operation. Submissions also raised concerns regarding the blasting, vibration and dust impacts on amenity.

30. A submission from an adjoining landowner commented that blast exclusion zones were still being negotiated. Concerns were also raised regarding the impacts of flyrock. The submission suggested an amendment to the conditions to require that a landowner agreement is in place prior to Stage 1 blasting.

Traffic and transport

31. A submission raised concern regarding the vibration and dust impacts as a result of quarry operations and product transport.
32. A submission raised concern regarding the increase in traffic as a result of the Project. Specific concerns were raised regarding road safety and the increase in wear and tear on local roads as a result of Project traffic.

Water resources

33. A submission raised concern regarding the potential impacts of the Project on local waterways.

Land use conflict

34. A submission raised concerns that the Project is not compatible with existing and future commercial, residential, tourism and industrial land uses surrounding the Site.
35. A submission representing the owners of the Le Clos Sancrox future urban release area objected to the Project. The objection stated that the quarry expansion presents a land use conflict and the Applicant's EIS had not considered the Le Clos urban release area. The submission also raised concerns regarding safety, amenity impacts and impacts of flyrock.

5. Key Issues

5.1 Biodiversity

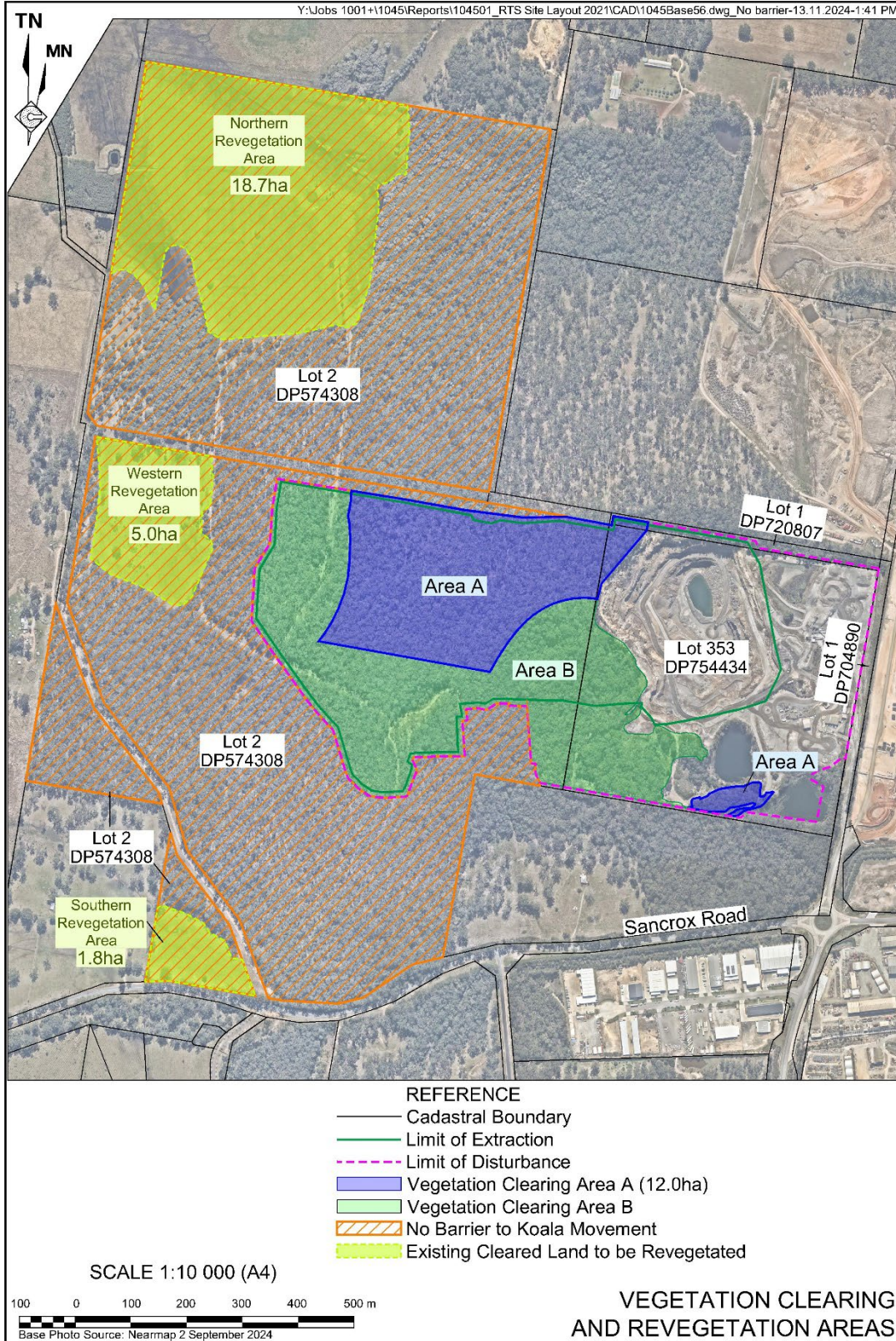
5.1.1 Impacts to Koalas

36. The Project as amended proposes the removal of 29.89 ha of Koala habitat. The BAR identified that this would reduce the availability of foraging and breeding habitat for the local Koala population and increase barriers to movement and dispersal of Koalas in the locality, particularly in a north-south direction (AR para 83).
37. The Applicant has proposed a range of measures to mitigate the Project's assessed impacts on the Koala and to improve the quality and quantity of habitat available to the local Koala population, including:
 - establishing a biodiversity stewardship site in the northern portion of the Site to ensure a local land-based offset that protects existing local Koala habitat and provides future habitat through revegetation of cleared lands;
 - implementing a revegetation strategy for the Site which is designed to provide an additional 25.5 ha of Koala habitat within existing cleared areas and to allow Koala movements around the expanded quarry between areas of habitat to the north and south;
 - delaying clearing areas of significant Koala activity until appropriate benchmarks are met in the revegetation areas; and
 - implementing a Koala population monitoring program.

38. BCS in its advice to the Department dated 17 July 2024 stated that the Project, as proposed, would likely have a significant adverse impact on the Port Macquarie Koala population. BCS noted that this Koala population had been identified in the NSW Koala Strategy as one of 10 focus areas with a key koala population to be prioritised for immediate investment and intensive conservation actions in NSW. BCS provided recommendations to the Department in relation to the Project and its potential impacts on Koalas, including that the Applicant's BAR be revised to include Koala habitat performance and completion criteria in consultation with and to the satisfaction of BCS, including specific and ecologically justified benchmarks for predicting the use of the revegetated area by Koalas.
39. The Commission wrote to the Department on 19 September 2024 seeking a response from the Department to the BCS recommendations referenced above. The Department provided a response to the Commission, dated 24 September 2024. In relation to the BCS recommendation concerning Koala habitat performance and revegetation completion criteria, the Department confirmed that, in its assessment, a revision to the Applicant's BAR was unnecessary and that the recommendations of BCS be addressed through the imposition of conditions of consent. The Department noted that its recommended condition B52 would require the Applicant to prepare a Biodiversity and Rehabilitation Management Plan (**BRMP**) which must include "...*(f)(ii) detailed performance and completion criteria, including benchmarks to be achieved prior to the commencement of clearing within the areas of significant Koala activity identified in Appendix 9 or outside of the Stage 1 Limit of Extraction (as shown on Figure 1 in Appendix 2).*" The Department noted that the BRMP must be prepared in consultation with BCS and Council, and that BCS would have a further opportunity to review the benchmarks to be achieved prior to the commencement of clearing with the areas of significant Koala activity and outside of the Applicant's Stage 1 Limit of Extraction.
40. The Commission in its deliberations, noted that the *Koala habitat restoration guidelines (2022)* state that the 'loss, modification and fragmentation of habitat' is the single biggest threat to the Koala. The Commission also noted that the Application proposed the removal of 29.89 ha of existing Koala habitat and that it would 'increase barriers to movement and dispersal of koalas in the locality, particularly in a north-south direction' (AR para 83).
41. Consequently, and recognising that maintaining Koala access to habitat areas north and south of the Site is an important outcome for the Application, the Commission considered that the Department's recommended conditions of consent may not provide sufficient certainty or finality with respect to the staging of the development. The Commission therefore wrote to the Department seeking further advice concerning conditions of consent including in relation to:
- specific performance and completion criteria including benchmarks to be achieved for the revegetation of existing cleared areas of the Site prior to the commencement of clearing within the areas of significant Koala activity or outside the Stage 1 Limit of Extraction;
 - a requirement that clearing of vegetation beyond the equivalent of the Applicant's proposed Stage 1 extraction area would be contingent on the performance and completion criteria having been met.

42. The Department consulted with the Applicant and BCS and, in its response to the Commission dated 22 October 2024, provided revised recommended conditions of consent which included specific Koala habitat revegetation performance and completion criteria as part of condition B42. The performance measures proposed specific tree species to be planted, the density of planting per hectare, and evidence of Koala use of the revegetation area or, as an alternative, evidence that the revegetation area had “functional capacity” as Koala habitat based upon certain revegetation criteria.
43. The Commission sought further advice from the Department on the feasibility and practicality of implementing conditions which, as part of the Koala habitat performance and completion criteria:
- set minimum density measures for tree species planted in the revegetation area;
 - require that there be no barriers to Koala movement across specified parts of the Site; and either
 - require evidence of Koala use of the revegetation area be identified using the NSW Koala Biodiversity Assessment Method Survey Guide; or
 - a report prepared by a suitably qualified and experienced person endorsed by the Planning Secretary in consultation with BCS verifies that the revegetation area has functional capacity as Koala habitat.
44. The Department consulted with the Applicant and BCS and provided a response to the Commission on 21 November 2024 which included updated recommended conditions of consent. In this response, the Department provided a new ‘koala activity area’ figure (see Figure 4 below) to be included in the consent which sets out areas where there must be ‘no barriers to koala movement’ as required by the performance measures proposed by the Commission.

Figure 4 - Koala Activity Areas (Source: Department's response to the Commission, dated 21 November 2024)



5.1.2 Connectivity

45. The expanded extraction area would impact a 'sub-regional biodiversity corridor' mapped in the *Greater Sancrox Structure Plan 2015*, which traverses north-south through the Site (AR para 100). Removal of vegetation within the Site would reduce the width of this corridor.
46. The Applicant proposes to retain a north-south remnant vegetation corridor of around 100 m width. The Applicant also committed to revegetating the cleared area in the northwest portion of the Site, which would provide a corridor width of greater than 300 m following completion of rehabilitation. WSP Australia Pty Ltd (**WSP**) in an independent peer review prepared for the Department advised that this width is considered acceptable for this type of secondary wildlife corridor.
47. WSP also recommended that the Applicant stage its proposed clearing to maintain a minimum remnant vegetation corridor of 250m width for the first 10 years of the Project and a minimum corridor of 200m for at least 15 years. The Department noted that this would allow a minimum period of 15 years growth in rehabilitation plantings to adequately establish Koala habitat within the existing cleared land west of the expanded pit.

5.1.3 Offsetting

48. To offset residual biodiversity impacts of the Project the Applicant proposes to implement a Biodiversity Offset Strategy (**BOS**) which includes retirement of 1,732 ecosystem credits for clearing of two native Plant Community Types (**PCTs**) and 777 species credits for impacts on Koala habitat (AR para 112). The Commission also notes that eight threatened species listed under the BC Act were recorded on Site. Seven of these are bat species that utilise the Site as foraging habitat and therefore generate ecosystem credits (AR para 79). The extent of impact and associated biodiversity credits required to offset impacts are set out in Table 6 of the Department's AR.
49. The proposed Biodiversity Stewardship Site is estimated to generate 191 Koala species credits and 135 ecosystem credits. The actual credit value would be confirmed through a Biodiversity Stewardship Agreement with the Biodiversity Conservation Trust.

5.1.4 Commission's findings

50. The Commission agrees with the Department and acknowledges that local, State and national koala populations are in decline and that the impacts of the 2019-2020 bushfires have placed increased importance on the maintenance of unimpacted areas of habitat for the local Port Macquarie Koala population (AR para 117).
51. The Commission also recognises that the Project's ability to avoid impacts to biodiversity is restricted by the location of the hard rock resource and is satisfied that the Project has been designed to avoid biodiversity impacts where practicable (AR para 119).
52. For the reasons set out below, the Commission agrees with the Department and considers that the Project's impacts on biodiversity can be mitigated under the imposed conditions of consent, and do not outweigh the public interest in granting conditional development consent to the Application. The Commission is satisfied that with the implementation of avoidance, mitigation and offsetting measures, the Project is not likely to reduce the viability of the local Koala population. The Commission finds that:
 - the Project would result in the removal of 29.89 ha of native vegetation. The Applicant has committed to revegetate a total of 25.5 ha of existing cleared areas of the Site with Koala food trees at a planting density that would offset the quantity of Koala feed trees lost through clearing for the Project;

- the quarry expansion is proposed to be undertaken in three Stages as set out in paragraph 11, with clearing to be undertaken progressively over several decades in two areas – Area A and Area B (see Figure 4). Revegetation benchmarks must be achieved before any clearing of vegetation can be undertaken outside of Area A, and prior to any expansion of the quarry into the Applicant's Area B;
- to provide confidence that the proposed revegetation areas are capable of being rehabilitated to functional Koala habitat, the Commission has conditioned revegetation benchmarks as part of the development consent, rather than these benchmarks being set post-approval as part of the BRMP (as originally proposed by the Department);
- maintaining a biodiversity corridor within the Site would allow for connectivity and Koala access to habitat areas north and south of the Site;
- the Site would be rehabilitated progressively following disturbance;
- residual biodiversity impacts would be offset by the implementation of a BOS which includes the retirement of 1,732 ecosystem credits for clearing of two PCTs and 777 species credits for impacts on Koala habitat; and
- a Biodiversity Stewardship Site on the northern portion of the Site is proposed to satisfy a portion of the required offsets. This would ensure a local land based offset that protects existing Koala habitat.

53. For the reasons set out above, the Commission has imposed conditions of consent B40 to B60.

5.2 Air quality

54. Air quality in the vicinity of the Site is influenced by particulate matter emissions from the existing quarry, combustion emissions from vehicles on local roads and the Pacific Highway, and agricultural and light industrial activities from surrounding land uses (AR Para 129). The Applicant's Air Quality Assessment (**AQA**) dated 2 December 2020, identified 48 sensitive receiver locations which include future industrial and residential developments.
55. Project components and quarrying activities with the potential to generate particulate matter emissions include the batching plant, drilling, blasting, product handling, rock processing, concrete crushing and wheel generated dust.
56. The AQA modelled three scenarios representative of the Project's worst-case impacts under normal operating hours and extended operating hours and predicted both incremental and cumulative concentrations of total suspended particles (**TSP**), PM_{10} , $PM_{2.5}$ and deposited dust at sensitive receivers around the Site. The air quality modelling within the AQA predicted no exceedance of the annual average PM_{10} , $PM_{2.5}$ or TSP criteria, or the monthly and annual average dust deposition criteria at any sensitive receiver. There was also no exceedance of the 24-hour average $PM_{2.5}$ criteria predicted (AR para 131 – 134).

57. The air quality modelling predicted exceedances of the 24-hour PM₁₀ criteria at four sensitive receiver locations (receivers 13, 46, 47 and 48) when the Project would be operating at maximum daily throughput under both normal and extended operating hours. Three of the four sensitive receivers (46, 47 and 48) are future industrial developments situated on currently vacant and vegetated land while receiver 13 is a residential property purchased by the Applicant and no longer considered to be a sensitive receiver (AR para 135 – 137). In response to the potential impact to receivers 46, 47 and 48 the Applicant committed to implementing a proactive and reactive air quality management system to reduce dust emissions before an exceedance occurs. This would include onsite meteorological monitoring and real-time PM₁₀ monitoring (AR para 138).
58. The AQA predicted that maximum 1-hour average NO₂ concentrations and annual NO₂ concentrations would both be well below the EPA's assessment criteria. Annual average respirable crystalline silica concentrations at all sensitive receivers were also predicted to be well below the assessment criterion.
59. The Applicant has committed to implementing a range of measures to mitigate and manage potential air quality impacts from the Project in addition to real-time air quality monitoring and reactive management strategies. These are set out at AR para 142.

5.2.1 Commission's findings

60. The Commission acknowledges the concerns raised regarding the potential air quality impacts on surrounding landowners. However, the Commission notes that no exceedances have been predicted at any sensitive receiver for any types of air quality impacts, except the 24-hour PM₁₀ criteria which would be expected to impact three future industrial developments and a residential property owned by the Applicant. The Commission agrees with the Department and EPA and is satisfied that these exceedances could be prevented through the proposed air quality management system, informed by a meteorological forecasting system and real-time air quality monitoring (AR para 147).
61. The Commission finds that, subject to the conditions of consent, the air quality impacts of the Project are acceptable. The Commission has imposed condition B17, requiring the Applicant to restrict particulate matter emissions to the strict air quality criteria. The Commission has also imposed condition B19 which requires the Applicant to comply with a number of operating conditions including:
- minimise odour, fume and dust emissions of the Project;
 - operate a comprehensive air quality management system;
 - develop and implement a Trigger Action Response Plan to prevent exceedances of the air quality criteria at any industrial premises developed north and east of the Site;
 - carry out routine air quality monitoring in accordance with the Approved Methods; and
 - regularly assess meteorological and air quality monitoring data and relocate, modify or stop operations on the Site to ensure compliance with the relevant conditions of consent.

5.3 Noise

62. The existing noise environment is primarily characterised by rural residential and agricultural activities with traffic noise influence from the Pacific Highway. Proposed future development in the area includes residential developments to the south and west of the quarry and industrial developments to the south, east and north.

63. The Applicant's noise and vibration impact assessment (**NVIA**), dated 27 November 2020, identified representative sensitive receiver locations and accounted for future industrial and residential developments. Background noise levels measured for the NVIA were between 32 and 48 decibels (**dB(A)**), with traffic noise, wind-blown vegetation and birds and insects found to be the dominant noise sources.

5.3.1 Construction noise

64. Construction activities would take approximately 12 months to complete and would involve demolishing existing structures and construction of a concrete batching plant, asphalt and processing plant, and earth bunds on the southern and western edges of the quarry. The NVIA predicts that construction noise levels would exceed the applicable daytime noise levels set under the *Interim Construction Noise Guideline (2013)* at several residences by up to 9 dB(A). The Applicant has committed to undertaking attended noise monitoring in response to any noise complaints and implementing further mitigation and management measures where the relevant noise levels have been exceeded (AR para 162 – 164).

5.3.2 Operational noise

65. The Project would involve operational noise generating activities that have the potential to cause adverse impacts to nearby sensitive receivers, including the operation of plant and equipment during extraction and loading of trucks (AR para 149).
66. The NVIA modelled each stage of the quarry expansion to predict the worst-case noise levels at representative sensitive receiver locations during the life of the Project. Worst case noise levels were found to not exceed the relevant project specific noise levels (**PSNLs**) (i.e. background noise environment + 5 dB(A)) at any receiver during all operational stages of the Project. The Department stated that the *Industrial Noise Policy (EPA, 2000) (INP)* is the applicable NSW Government operational noise policy for the Project due to transitional arrangements (AR para 152). The NVIA predicted that noise levels would be equal to or below the INP's minimum intrusiveness criterion of 35 dB(A), except at receivers 14, 16, 33, 34 and 35 (AR para 159 and 160).

5.3.3 Road noise

67. The Project would involve an increase in truck movements along the Pacific Highway and local roads near the quarry. The Applicant's NVIA predicted that increased road traffic associated with the Project would increase noise by up to 1.8 dB(A) at the closest sensitive receiver. The Department considers this increase to be barely perceptible and that it is consistent with the relevant assessment criteria under the *NSW Road Noise Policy (2011)* (AR para 161).

5.3.4 Noise monitoring and management

68. The Applicant has proposed noise mitigation measures, partially in response to community concerns about potential noise impacts. The Applicant amended the Project to limit night-time operations to 20 nights per year and reduced the proposed extraction rate from 750,000 tpa to 530,000 tpa. To further mitigate noise impacts, the following mitigation measures have also been committed to by the Applicant: (AR para 156)
- construction of an earth bund along the southern edge of the quarry to shield sensitive receivers from noise;

- limiting plant and equipment sound power levels through the use of enclosures and silencers;
- maintain all vehicles and equipment to be in correct working order;
- select quieter equipment and plant where practicable;
- prepare and implement a noise management plan.

5.3.5 Commission's findings

69. The Commission notes the EPA's recommendation that operational noise limits for all residential receivers be based on the more stringent approach of adopting the INP minimum intrusive criterion of 35dB(A), (or the predicted evening or night noise level for receivers 14, 16, 33, 34 and 35) instead of PSNLs. The Commission is satisfied that this more stringent approach is appropriate to mitigate the risk that potential existing quarry noise might have influenced the measurement of background noise, as identified by the EPA.
70. The Commission acknowledges the concerns raised regarding the potential noise impacts on surrounding landowners. However, the Commission finds that subject to conditions of consent, construction, operational and road noise impacts of the Project can be managed and are acceptable. The Commission has therefore imposed condition B1 which sets operational noise criteria for the Project. The Applicant must ensure that noise generated by the Project does not exceed these criteria at any residence on privately-owned land. The Commission has also imposed condition B4 which sets out noise operation conditions for the Project. As part of this condition the Applicant must take all reasonable steps to minimise all noise from construction, operations activities and road noise. The Applicant must also operate a comprehensive noise management system to ensure compliance with the relevant conditions of consent.

5.4 Blasting

71. The Applicant is proposing to utilise blasting to access the hard rock resource during quarrying operations. The key issues related to blasting are potential blast vibration impacts on residences and other structures, and potential flyrock impacts on adjoining properties.
72. The Applicant's NVIA found that airblast overpressure and vibration levels are predicted to comply with relevant criteria at the nearest sensitive receiver for blasts with a maximum instantaneous charge of up to 270 kg. The Applicant has committed to implementing a blast management plan to ensure blast designs achieve compliance with the relevant blasting criteria (AR para 173).
73. At the request of the Department and in response to concerns about flyrock impact raised by an adjoining neighbour to the north, the Applicant commissioned a flyrock assessment that calculated the required exclusion zones and blast design parameters to prevent flyrock impact to the property in question. The Applicant has committed to implementing the blast design measures set out in the flyrock assessment to ensure flyrock is contained within the established exclusion zone. All other privately owned residences would be situated more than 300m from blasting activities and are unlikely to be impacted by flyrock (AR para 175).

5.4.1 Commission's findings

74. The Commission acknowledges the concerns raised by nearby landowners regarding the potential impacts from Project blasting. However, the Commission finds that blasting would be unlikely to result in material impacts to sensitive receivers given the implementation of the Applicant's proposed mitigation measures, appropriate blast design practices and conditions of consent.
75. The Commission imposes the following conditions, which provide a framework for minimising and mitigating blasting impacts as well as investigating and repairing any confirmed damage to nearby properties. The Commission has therefore imposed condition B6 which sets blasting criteria at any residence on privately-owned land. The Commission has also imposed condition B8 which limits blast frequency to a maximum of one blast per week. The Applicant must also comply with condition B15 which sets blast operating conditions. As part of this condition the Applicant must take all reasonable steps to ensure the safety of people and protection of public or private infrastructure and property from blasting damage associated with the Project.

5.5 Rehabilitation and final landform

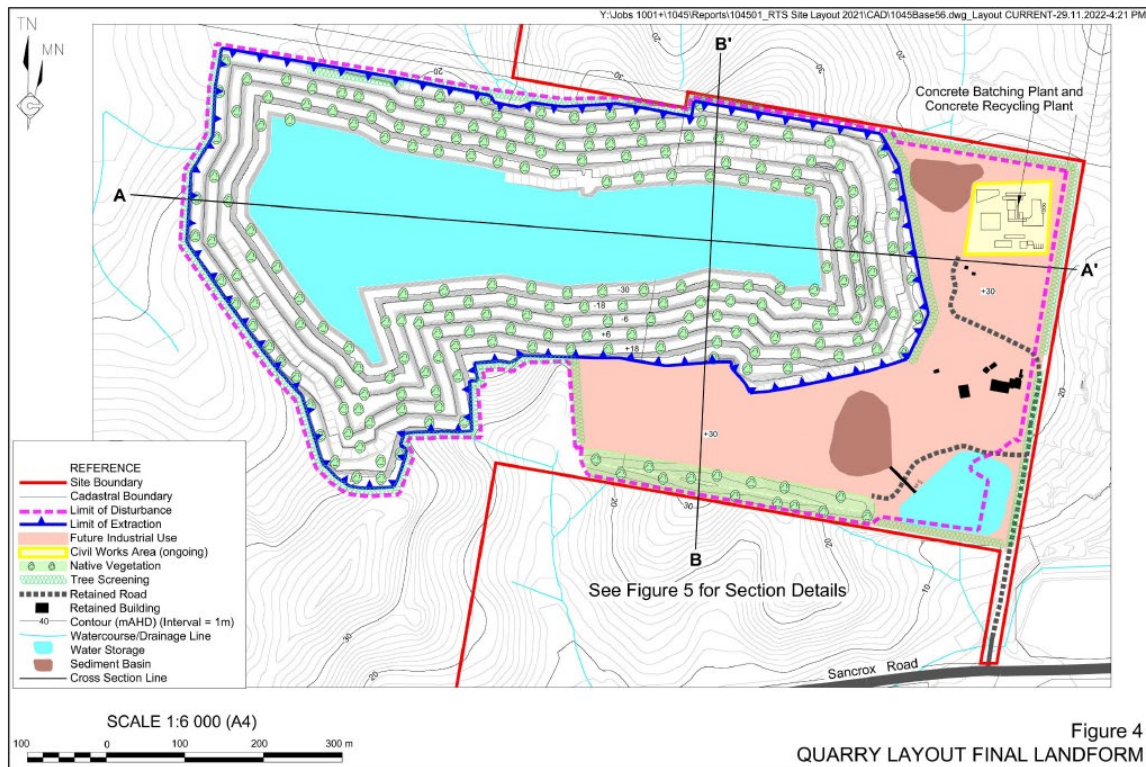
76. The Applicant proposes to progressively rehabilitate the Site to create a safe, stable and non-polluting landform. This would include revegetation with native endemic plant species and a final void which would fill over time with surface and groundwater inflows (AR para 227). This proposed progressive rehabilitation would link with and extend from the Applicant's current progressive rehabilitation program for the existing pit, which will continue during the life of the proposed quarry expansion.
77. The conceptual final landform is described below (AR para 228 and 229) and is illustrated in Figure 5.

The conceptual final landform would primarily consist of benched quarry walls and a quarry floor at RL -40m AHD. The void would eventually fill with water and spill to the receiving environment. The benches above the inundated void would be revegetated with native endemic species and would drain to either stabilised areas or the quarry void, dependent on the topography.

The void would take approximately 82 years to fill after closure before spilling to the receiving environment. Runoff to the final voids would be from upstream undisturbed catchments and rehabilitated disturbed areas and hard rock surfaces. As such, final void water quality is expected to be similar to that of runoff from the surrounding catchment.

78. The Department states that the processing and stockpile areas are anticipated to be suitable for future industrial use, consistent with the planned land use for the surrounding Sancrox employment precinct. Decommissioned infrastructure would be removed and the area regraded and revegetated as suitable for its determined end use (AR para 230).
79. The Applicant identified the preferred final land use to be passive biodiversity conservation which would include maintenance of an established vegetated buffer and amenity barrier to shield views to the final landform (AR para 231).

Figure 5 – Conceptual final landform (Source: Department’s AR)



5.5.1 Commission’s findings

- 80. The Commission recognises that the landscape within the Site has been impacted by existing quarrying operations and is subject to ongoing rehabilitation. The Commission agrees with the Department and is of the view that a new SSD consent would provide greater certainty for land-use planning and apply consistent, contemporary rehabilitation performance standards and practices compared with the limited rehabilitation conditions included in the existing three consents (AR para 237).
- 81. The Commission finds that subject to appropriate rehabilitation objectives and a comprehensive management framework, the Project area is capable of being rehabilitated to achieve an appropriate rehabilitation outcome and sustainable final landform.
- 82. The Commission has imposed condition B51, which requires the Applicant to rehabilitate the Site consistent with the Applicant’s rehabilitation strategy, conceptual rehabilitation plan and rehabilitation objectives set by the Commission in the consent. The Applicant must ensure all areas of the Site affected by the development are safe, stable, non-polluting and that the final landform is fit for the intended post-quarrying uses and integrated with the surrounding natural landforms as far as is reasonable and feasible. The Commission has also imposed condition B52 which requires the Applicant to rehabilitate the Site progressively.
- 83. The Commission has also imposed condition B53, requiring the Applicant to prepare a detailed biodiversity and rehabilitation management plan prepared in consultation with BCS and Council before commencing any new construction or quarrying operations.

5.6 Water resources

5.6.1 Surface water

84. Water would be required for product processing, dust suppression, plant maintenance, vehicle/machinery washdown, concrete batching and asphalt production. The total water demand for the Project at full production and maximum extent of the pit is predicted to be approximately 132 ML per year (AR para 188).
85. The Project would operate at a potential water deficit of approximately 6.5 ML per year during Stage 1 in dry years (AR para 190). The Applicant identified that any potential water deficit during Stage 1 could be met through the installation of new production bores (AR para 191).
86. The Project is predicted to operate at a water surplus during Stages 2 and 3 in dry years and during all stages in median (50th percentile rainfall) and wet (90th percentile rainfall) years (AR para 190). Inflows would be captured in the proposed sediment basins and controlled discharges are predicted from these basins approximately 28 times per year. Controlled discharges would only be undertaken when relevant water quality criteria are met in accordance with the Site's EPL. Uncontrolled discharges would also occur following extreme rainfall events and are expected 1 to 2 times per year (AR para 193). According to the Department, the proposed dirty water management system is consistent with the requirements of *Managing Urban Stormwater: Soils and construction - Volume 2E*, accords with the EPA's recommendation, and is therefore acceptable (AR para 195).
87. The Project would progressively reduce the catchment area of Haydons Creek and Fernbank Creek by approximately 19 ha and 5 ha of their total catchment area. The loss of flows would be partially offset by licenced discharges from the Site. According to the Department, any loss of downstream surface water flow would be limited due to the relatively small area of each impacted catchment and the Project's location in the headwaters of relatively small first order streams (AR paras 196 and 197).
88. Under the *Water Management Act 2000* the Applicant is required to hold a surface water access licence (**WAL**) for the interception of surface water flows within the Coastal Hasting Water Source. The Applicant holds an existing WAL which allows the use of 6 ML per year from this water source. According to the Department, the Applicant's existing surface water Harvestable Rights and WAL entitlement are expected to be sufficient to account for any licensable surface water take associated with the Project (AR paras 206 and 208).

5.6.2 Groundwater

89. Within a 2 km radius of the quarry there are 13 registered groundwater bores which are all used for stock watering or domestic purposes. The nearest licensed groundwater bore is located approximately 600 m south of the Site. The groundwater source is characterised as a 'less productive groundwater source' under the AIP (AR paras 209 and 211).
90. The Applicant's Groundwater Impact Assessment (**GIA**) predicts that the groundwater seepage rate would be between 15 ML and 22 ML per year. The GIA included two modelling scenarios ('base case' and 'sensitivity case') to predict maximum drawdown at both nearby licensed bores and the Groundwater Dependent Ecosystem (**GDE**) over the life of the Project. The predicted drawdown is set out in Table 11 and illustrated in Figure 10 and Figure 11 of the Department's AR (AR para 213).

91. Drawdown exceeding the AIP's Level 2 minimal impact considerations for 'less productive' groundwater sources is predicted at one licensed bore (GW303749) under the 'base case' and two bores (GW303749 and GW306269) under the 'sensitivity case' (AR para 214). According to the Department, in these circumstances the AIP requires appropriate studies to demonstrate this drawdown would not prevent the long-term viability of the affected water supply – otherwise make good provisions are required to be applied. The Applicant has committed to undertaking groundwater monitoring and implement mitigation measures, including make good provisions if required (AR para 216). The predicted drawdown at the nearest GDE is considered negligible and no significant impacts are expected from the Project.
92. The Project is predicted to require up to 22 ML per year of licensed groundwater allocation to account for seepage into the quarry pit (AR para 219). As set out in paragraph 85 above, the Project may also require an additional 6.5 ML per year to offset potential water deficits during Stage 1 in dry years. The Department and Water Group are satisfied that there is adequate capacity within the water market for the necessary entitlements to be obtained (AR para 221).

5.6.3 Commission's findings

93. For the reasons set out below, the Commission finds that the risks of significant impacts to surface water and groundwater resources are low and that the impacts of the Project are acceptable and capable of being suitably managed, subject to conditions of consent. The Commission finds that:
- there would be sufficient water available for the Project and that any shortfalls could be offset through modified operations;
 - the proposed dirty water management system is consistent with the requirements set out in the Managing Urban Stormwater: Soils and construction - Volume 2E and is in accordance with the EPA's recommendations;
 - impacts to stream flow due to the expansion of the quarry are unlikely to result in a material change to the flow regime of the receiving watercourses and are acceptable;
 - potential water quality impacts can be appropriately managed;
 - the Applicant's existing surface water Harvestable Rights and WAL entitlement are expected to be sufficient to account for any licensable surface water take associated with the Project;
 - monitoring will be undertaken at the impacted licensed bores and the Applicant has committed to 'make good provisions' if required;
 - no significant impacts to GDEs are expected from the Project; and
 - there is adequate capacity within the water market for the necessary groundwater entitlements to be obtained.
94. For the reasons set out above, the Commission has imposed the following conditions of consent:
- the Applicant must ensure that it has sufficient water for all stages of the Project and if necessary, adjust the scale of the development to match its available water supply (condition B21);
 - the Applicant must report on water take from the Site each year, including water taken under each licence (condition B23);
 - the Applicant must provide compensatory water supply to any landowner of privately-owned land whose rightful water supply is adversely and directly impacted as a result of the Project (condition B24);

- the Applicant must ensure that all surface water discharges from the Site comply with all relevant provisions of the POEO Act (condition B28); and
- the Applicant must prepare a Water Management Plan in consultation with EPA and NSW DCCEEW Water Group. This Plan must include a Site Water Balance, Surface Water Management Plan and a Groundwater Management Plan (condition B29).

5.7 Socio-economics

95. The Commission recognises the continued supply of high-quality construction materials to facilitate housing and infrastructure development in the Mid North Coast region is a key economic benefit of the Project (AR para 145).
96. The Commission also acknowledges the Project would provide a number of other economic benefits, including an investment of \$12.5 million and generation of 80 jobs during construction and would support up to 25 full-time equivalent employees during operation at full capacity. The Commission recognises that the continued employment of the quarry's existing workforce and provision of additional jobs is an economic and social benefit.
97. The Commission agrees with the Department and is of the view that the Project would result in positive economic benefits to the local and regional areas and to the State of NSW. To ensure ongoing community engagement, the Commission has imposed condition A20 which requires the Applicant to establish a Community Consultative Committee for the Project in accordance with the Department's *Community Consultative Committee Guidelines: State Significant Projects* (2019).

5.8 Traffic and transportation

98. Heavy vehicles would access the Site via the Sancrox Road interchange with the Pacific Highway. The Oxley Highway interchange with the Pacific Highway to the south, would provide for eastern and western truck movement, eliminating the need for truck travel on Sancrox Road. As set out in Table 1, product transport would involve 200 laden truck movements per day between 5 am and 10 pm seven days per week. The Commission notes that TfNSW did not raise any issues with the Project.
99. The Commission acknowledges the concerns raised in submissions regarding Project impacts on the safety of road users and damage to the local road network. The Commission notes the Applicant has committed to limiting the use of local roads including Sancrox Road and Fernbank Creek Road to supplying product to local customers only. The Commission notes that the Applicant has committed to paying annual financial contributions to Council towards the maintenance of local roads used for haulage of quarry product.
100. The Commission is of the view that the additional traffic associated with the Project would not present unacceptable safety risks to existing road users, subject to the conditions of consent. The Commission acknowledges the commitments made by the Applicant referenced above and has reflected these in the imposed conditions of consent.
101. For the reasons set out above, the Commission has imposed the following conditions of consent:
- the Applicant must keep accurate records of all laden truck movements to and from the Site and publish a summary of these records on its website every six months (condition B32);

- the Applicant must ensure that all laden trucks have their loads covered. The Applicant must take all reasonable steps to minimise traffic safety issues and disruption to local road users (condition B33);
- the Applicant must prepare a Traffic Management Plan in consultation with TfNSW and Council. As part of this plan the Applicant must set out measures to be implemented to minimise traffic safety issues and manage traffic impacts, including the transmission of dust and tracking of material onto public roads. As part of this plan the Applicant must also include a Drivers' Code of Conduct to ensure that drivers adhere to speed limits, designated transport routes and travel times (condition B34); and
- the Applicant must make annual financial contributions to Council towards the maintenance of local roads used for haulage of quarry products. The contributions must be paid at a rate of \$0.15 per tonne of quarry products transported from the Site (condition A18).

5.9 Aboriginal cultural heritage

102. As part of its Application, the Applicant submitted the *Sancrox Quarry Heritage Assessment* (ERM, 2019) (**Heritage Assessment**) which incorporated an Aboriginal cultural heritage assessment. The Aboriginal cultural heritage component of the Heritage Assessment was prepared in consultation with registered Aboriginal parties. The Heritage Assessment identified a potential culturally modified tree within the Site to the west of the disturbance area which the Applicant has confirmed would not be impacted by the Project. Previous archaeological investigations reported that a ceremonial site once existed on the Site; however, no archaeological evidence of the ceremonial site has been found and would have been destroyed during the establishment of the original quarry (AR Table 12).
103. The Commission finds that there is a low potential for adverse impacts to Aboriginal cultural heritage and that with appropriate measures to protect, monitor, record and manage identified Aboriginal heritage items, any potential impacts can be minimised. The Commission imposes conditions B37 – B39 setting out a framework for how the Applicant must avoid any direct or indirect impacts to any identified Aboriginal objects and manage unexpected archaeological finds.

5.10 Historic heritage

104. The Applicant's Heritage Assessment concluded that the Project would not impact any local or State listed heritage items and that it is unlikely that any sites of historical significance would be located within the Site. The Commission notes that the Heritage Council advised that no items on the State Heritage Register are expected to be impacted by the Project and that it had no concerns that were not adequately addressed (AR pg 68).
105. The Commission agrees with the Department that there is low potential for adverse impacts to historic heritage from the Project (AR pg 68).

5.11 Greenhouse gas emissions

106. The Project would result in the generation of greenhouse gas emissions through the use of purchased electricity and natural gas, and combustion of fuels associated with machinery, processing and equipment transportation (AR pg 65).
107. The Commission agrees with the Department and is of the view that the greenhouse gas emissions from the Project are minor and can be managed to acceptable standards.

5.12 Visual amenity

108. Views from the north, west and south would be screening by vegetation in the proposed revegetation area to the north and in the retained vegetation corridor in the western and southern areas of the Site. The Commission notes that the industrial development to the north and east of the Site would have views of the quarry. A 10 m wide vegetated buffer would remain along the northern boundary to provide screening (AR pg 66). The Applicant advised in its response to the Commission dated 10 September 2024, that a buffer zone is proposed along the eastern interface between the Site and the industrial precinct, however the Applicant advised that discussions are still underway and the quarry buffer zone is yet to be finalised.
109. The Commission agrees with the Department and is of the view that the visual amenity impacts of the Project are acceptable, subject to conditions of consent. The Commission has imposed condition B61 which requires the Applicant to minimise the visual and off-site lighting impacts of the Project. The Applicant must also ensure that the visual appearance of all buildings, structures, facilities or works (is aimed at blending as far as possible with the surrounding landscape and take all reasonable steps to shield views of quarrying operations and associated equipment from users of public roads and privately-owned residences.

5.13 Hazards and risks

110. The Project would generate waste streams including domestic waste, sewage, oil and grease, sediment and concrete washout. The Project would also receive and process solid concrete waste material, which is classified as General Solid Waste under the EPA's Waste Classification Guidelines (EPA, 2014).
111. The Commission is satisfied that hazards and waste associated with the Project can be effectively managed. The Commission has imposed condition B62 which requires the Applicant to manage on-site sewage, classify all waste in accordance with the EPA's guidelines referenced above, minimise waste generated by the Project and ensure that waste generated by the development is appropriately stored, handled, and disposed of.

5.14 Soil and land resources

112. The majority of the land within the Site is of low agricultural capability with a Land and Soil Capability of Class 5 to 6. The Site does not contain Biophysical Strategic Agricultural Land. According to the Department, due to the limited previous use of the Site, the risk of encountering contaminated soils is considered low. The Applicant has also proposed measures to manage acidic soils and associated runoff. (AR pg 69)
113. The Commission is of the view that loss of agricultural land of low capability is offset by the benefits from rehabilitating the proposed revegetation areas to achieve functional capacity as Koala habitat as set out in section 5.1 above. The Commission agrees with the Department and is of the view that impacts of the Project on soils and land resources would be minor and could be managed through conditions of consent.

6. The Commission's Findings and Determination

114. The views of the community, including those of the local Council, were expressed through public submissions and comments received (as part of exhibition and as part of the Commission's determination process). The Commission carefully considered all of these views as part of making its decision.
115. The Commission has carefully considered the Material before it as set out in section 3.1 of this report and has weighed the broader strategic and economic benefit of accessing the hard rock resource in the context of the impacts on the environment and amenity of local residents. Based on its consideration of the Material, the Commission finds that the Project is in the public interest and should be approved subject to conditions of consent.
116. For the reasons set out in above, the Commission has determined that the consent should be approved subject to conditions. These conditions are designed to:
- prevent, minimise and/or offset adverse environmental impacts;
 - set standards and performance measures for acceptable environmental performance
 - require regular monitoring and reporting; and
 - provide for the on-going environmental management of the development.
117. The reasons for the Decision are given in the Statement of Reasons for Decision dated 26 November 2024.



Janett Milligan (Chair)
Member of the Commission



Terry Bailey
Member of the Commission



Michael Chilcott
Member of the Commission



New South Wales Government
Independent Planning Commission

**For more information, please contact
the Office of the Independent Planning
Commission NSW.**

ipcn.nsw.gov.au

Phone (02) 9383 2100

Email ipcn@ipcn.nsw.gov.au

Mail Level 15 135 King Street Sydney NSW 2001

Disclaimer

While every reasonable effort has been made to ensure that this document is correct at the time of publication, the State of New South Wales, its agencies and employees, disclaim all liability to any person in respect of anything or the consequences of anything done or omitted to be done in reliance upon the whole or any part of this document.

The Independent Planning Commission NSW advises that the maps included in the report are intended to give visual support to the discussion presented within the report. Hence information presented on the maps should be seen as indicative, rather than definite or accurate. The State of New South Wales will not accept responsibility for anything, or the consequences of anything, done or omitted to be done in reliance upon the mapped information.

ABN 38 755 709 681