

Planning and Assessment Group  
Department of Planning and Environment  
Locked Bag 5022  
PARRAMATTA NSW 2124

Attention: Mr Jarrod Blane

Dear Mr Blane

**RE: Sancrox Quarry Expansion Project (SSD-7293) (Port Macquarie-Hastings)**

Thank you for your notification dated 5 April 2022 about the proposed quarry expansion at Sancrox seeking comments from the Biodiversity and Conservation Division (BCD) of the Biodiversity, Conservation and Science Directorate in the Environment, Energy and Science Group of the Department of Planning and Environment. I appreciate the opportunity to provide further input.

We have reviewed the documents supplied, including the Biodiversity Assessment Report (BAR) prepared under the Framework for Biodiversity Assessment (FBA) and information on the conservation status of koalas, and we advise that several issues are apparent with the assessments for biodiversity. These issues are discussed in detail in **Attachment 1** to this letter.

It is clear from our review of the local, state, and national status of koalas that koala populations in Australia, NSW and Port Macquarie are in decline and that habitat removal is a key contributor to this decline. The current proposal would remove 30.4ha of known high-quality koala habitat. This amount of vegetation clearing on this site will likely result in a significant adverse impact on a koala population identified by the NSW Koala Strategy as one of the 19 priority locations for investment and conservation action in NSW.

Hence, the BCD considers that the current proposal has not adequately avoided impacts on koala habitat and so does not satisfactorily meet the requirements of section 8.3 of the FBA, *'Demonstrating avoidance and minimisation of direct impacts on biodiversity values'*.

The BCD's preference is that there should be no expansion of the quarry that results in clearing of native vegetation, as this will impact threatened species, including the koala, reduce the viability of the wildlife corridor and reduce the biodiversity values of the site.

However, if the consent authority seeks to approve the quarry expansion, then for biodiversity impacts to satisfactorily address section 8.3 of the FBA, only a very minor expansion area immediately adjacent to the existing quarry footprint should be cleared for the proposal, delineated by identifying vegetation in a degraded state and/or with limited or no koala food trees.

In summary, the BCD recommends that:

1. To satisfactorily meet the requirements of section 8.3 of the FBA, the proposed quarry expansion should either:
  - a. not proceed in areas where the expansion would require clearing of native vegetation, or

- b. be significantly reduced to a very minor expansion area immediately adjacent to the existing quarry footprint, with this minor expansion area delineated by identifying vegetation in a degraded state and/or with limited or no koala food trees.
2. To meet the requirements of Appendix 7 of the FBA, one updated Biodiversity Assessment Report (BAR) is to be provided containing all the relevant information required by the FBA.
3. To meet the requirements of section 10.1.1.1 of the FBA, the credit calculations must be updated to reflect the significantly reduced development footprint and the recent listing of the Koala as Endangered.
4. To meet the requirements of section 8.4 of the FBA, the BAR should be updated to adequately address the indirect impacts of the proposal.
5. If recommendation 1 above is not adopted, then:
  - a. The proposed establishment of a Biodiversity Stewardship Site on the land to the north should be secured by conditions of consent to ensure a local land-based offset is provided that protects existing local habitat and restores cleared land to provide future koala habitat; and
  - b. A detailed Rehabilitation Management Plan should be prepared for the property subject to the development application in consultation with the BCD and to the satisfaction of the BCD and the Secretary, that includes measures for the revegetation of the cleared area in the north-west corner of the property and measures for managing the remaining native vegetation on the balance of the property; and
  - c. A koala population monitoring program should be developed for the property subject to the development application in consultation with the BCD and to the satisfaction of the Secretary.

If you have any questions about this advice, please do not hesitate to contact Mr Krister Waern, Senior Operations Officer, at [krister.waern@environment.nsw.gov.au](mailto:krister.waern@environment.nsw.gov.au) or 6640 2503.

Yours sincerely



1/7/2022

**GABRIELLE PIETRINI**  
**Director, North East Branch**  
**Biodiversity and Conservation**

Enclosure: Attachment 1 Detailed BCD Comments – Sancrox Quarry Expansion

## Attachment 1: Detailed BCD Comments – Sancrox Quarry Expansion

The Biodiversity and Conservation Division (BCD) has reviewed the documents supplied, including the Biodiversity Assessment Report (BAR) prepared under the Framework for Biodiversity Assessment (FBA) and information on the local, state, and national status of koalas, and we provide the following comments.

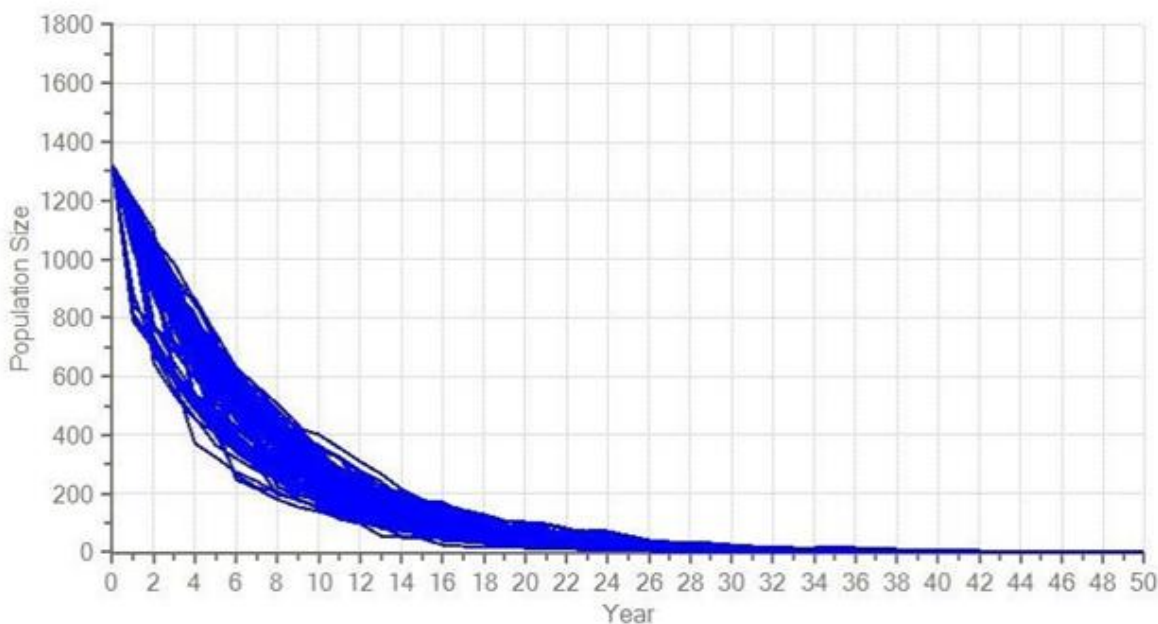
### **Koala habitat impacts**

The previous BCD letter dated 16 September 2021 outlined our issue with the large amount of koala habitat to be impacted by the proposal. To provide context to the issues we raised, we set out below the local, state, and federal status of the koala.

#### Local koala habitat information

The Port Macquarie Hastings Council (PMHC) adopted the PMHC Koala Recovery Strategy (2018). This Koala Recovery Strategy acknowledges that habitat loss is the greatest threat to the viability of koalas. The figure below is from the Koala Recovery Strategy and shows a 'Koala Population Viability Assessment' for the Port Macquarie local coastal koala population.

This assessment suggests that without threat intervention, koalas will become extremely rare in 25 years and will be functionally extinct there in 50 years, with the biggest threat being habitat loss from native vegetation clearing. These forecasts were developed before the extensive and damaging fires of 2019-20 that significantly impacted koala habitat and koala numbers in the Port Macquarie area, suggesting the situation for the species in the local area is likely to be worse than that predicted.



Further, the site forms part of a wildlife corridor that extends to the east of the Pacific Highway and more largely to the south eventually linking to state forest areas. The corridor linkages were recognised during the Pacific Highway upgrade as being koala habitat and the highway has exclusion fencing in that area in recognition of the presence of koalas in the vegetation and the risks of vehicle strike to the species.

#### NSW koala habitat information

The status of koalas was changed from vulnerable to endangered on 20 May 2022 following a final determination from the NSW Threatened Species Scientific Committee, which noted habitat loss had significantly lessened population sizes. The koala is now listed as Endangered under the *Biodiversity Conservation Act 2016* (BC Act).

The NSW Koala Strategy aims to secure koalas in the wild and has set an ambitious goal to double koala numbers in NSW by 2050. Koalas in NSW face a range of threats, including habitat loss, fragmentation and degradation, climate change, disease, declining genetic diversity, vehicle strike, bushfire, and dog attack.

These mounting pressures, exacerbated by the impacts of bushfires and other natural disasters, and combined with historic declines, mean that without intervention, koalas could be extinct in NSW by 2050. The 2019–20 bushfires exacerbated existing threats and it is estimated that at least 5,000 koalas in our state were lost in the fires, which also caused the loss of 22 per cent of high and very high suitability habitat in eastern NSW.

NSW is aiming to grow our koala population by 20,000 koalas to reach our goal of 40,000 koalas by 2050. Assuming a conservative average of 0.2 koalas/ha, we must therefore protect or restore at least an additional 100,000 ha of koala habitat over the next 30 years and protect existing habitat.

Ten focus areas for koalas have been identified in the NSW Koala Strategy by experts within '19 populations for immediate investment' where there are important koala populations that will benefit from more intensive investment and action. These focus areas, dubbed koala strongholds, represent koala populations that are significant in some respect. Some of these strongholds support very large populations of koalas, whilst others represent areas that are likely to be important refuge areas from the impacts of climate change in the coming decades. The subject site lies adjacent to one of these identified koala strongholds and the koala habitat there is likely to be contributing to the viability of that stronghold.

Over the course of the NSW Koala Strategy, investment and conservation action will focus on the 19 identified koala populations. The Port Macquarie area, which includes the subject site, forms part of one of these 19 koala populations. Based on Areas of Regional Koala Significance (ARKS) and using expert input, these koala populations have been prioritised because we have a good understanding of their size and distribution, habitat values and the nature and intensity of threats. Through investment and the right management, the strategy will aim to reduce the threats to these koala populations.

#### National koala information

On 12 February 2022, the koala (combined populations of Queensland, New South Wales and the Australian Capital Territory) was listed as Endangered by the Department of Agriculture, Water and the Environment (DAWE) under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999*. The koala was previously listed as vulnerable, which is a lower degree of endangerment.

The Conservation Advice provided by the DAWE provides information that the koala population is declining, and habitat loss is a major contributor to the species decline. The Conservation Advice also defines '*Habitat critical to the survival of a species*', which may be relevant to the Sancrox quarry site, to include factors such as:

- whether the habitat is used during periods of stress (examples: flood, drought or fire);
- whether the habitat is used to meet essential life cycle requirements (examples: foraging, breeding, nesting, roosting, social behaviour patterns or seed dispersal processes);
- whether the habitat is necessary to maintain genetic diversity and long-term evolutionary development;
- whether the habitat is necessary for use as corridors to allow the species to move freely between sites used to meet essential life cycle requirements.

We are not aware if the proposal has been referred to the DAWE for consideration, but we expect the proponent would make such a referral and that the consent authority would strongly encourage the proponent to do so.

### Other biodiversity impacts

The property also contains an identified Endangered Ecological Community (EEC). Although the current development footprint has been amended slightly to avoid direct impacts to the EEC, the proposal has not provided sufficient buffers to ensure the ongoing viability of the EEC.

The proposed impact area also includes known habitat for several other threatened species, and it is predicted that a further 24 threatened species may utilise the vegetation communities on site. The site is also recognised for its importance as part of a broader wildlife corridor for all threatened species and other biodiversity values.

### BCD position

It is clear from our review of the local, state, and national status of koalas, that koala populations in Australia, NSW and Port Macquarie are in decline and that habitat removal is a key contributor to this decline. In the absence of detailed current local information about the size and health of the Port Macquarie koala population, the status information is the best available to inform our advice.

The current proposal has been modified to reduce impacts on koala habitat by about 25%. However, the modified proposal will still remove 30.4ha of known high-quality koala habitat. Given the koala status information above, this level of impact is unacceptable to the BCD, as vegetation clearing on this site will likely result in a significant adverse impact on this koala population, which is identified by the NSW Koala Strategy as one of the 19 priority locations for investment and conservation action in NSW within habitat that adjoins one of the ten koala strongholds identified by the strategy in the state.

Hence, the BCD considers that the current proposal has not adequately avoided impacts on koala habitat and so does not satisfactorily meet the requirements of section 8.3 of the Framework for Biodiversity Assessment (FBA), '*Demonstrating avoidance and minimisation of direct impacts on biodiversity values*'.

The BCD's preference is that there should be no expansion of the quarry that results in clearing of native vegetation, as this will impact threatened species, including the koala, reduce the viability of the wildlife corridor and reduce the biodiversity values of the site.

However, if the consent authority seeks to approve the quarry expansion, then for biodiversity impacts to be acceptable to the BCD and to satisfactorily address section 8.3 of the FBA, only a very minor expansion area immediately adjacent to the existing quarry footprint should be cleared for the proposal. The very minor expansion area adjacent to the existing quarry footprint should be delineated by identifying vegetation in a degraded state and/or with limited or no koala food trees.

### BCD Recommendation

1. To satisfactorily meet the requirements of section 8.3 of the FBA, the proposed quarry expansion should either:
  - a. not proceed in areas where the expansion would require clearing of native vegetation, or
  - b. be significantly reduced to a very minor expansion area immediately adjacent to the existing quarry footprint, with this minor expansion area delineated by identifying vegetation in a degraded state and/or with limited or no koala food trees.

### Incomplete BAR

The Sancrox Quarry proposal has been under review for many years with numerous updated versions of the proposal including the BAR. The previously submitted BAR is dated May 2021. The updated information has been provided as an addendum to the previous BAR and is dated March 2022. The information contained in the addendum is different to the information presented in the May 2021 BAR due to the change in the development footprint and other mitigation measures. An updated and complete BAR is required to ensure all relevant information is contained in a single document.

Appendix 7 of the FBA identifies the reporting requirements for each of the three stages of the FBA.

#### *BCD Recommendation*

2. To meet the requirements of Appendix 7 of the FBA, one updated BAR is to be provided containing all the relevant information required by the FBA.

#### **Calculation of biodiversity credits**

The biodiversity credit calculator which identifies the credit requirement for the proposal was submitted by the assessor to the BCD for review based on the development impact of 30.4ha. Considering the changes to the proposal that we are recommending to significantly reduce the development footprint, the biodiversity credit calculations will need to be redone. The change to the BC Act listing status of the Koala from vulnerable to endangered, along with a significantly reduced development footprint, will also require the recalculation of Koala species credits.

Section 10.1.1.1 of the FBA states that, *‘Once the impacts on biodiversity have been avoided and minimised to the fullest extent practicable, the boundaries of the development site will be confirmed and calculation of an offset requirement can commence’*.

#### *BCD Recommendation*

3. To meet the requirements of section 10.1.1.1 of the FBA, the credit calculations must be updated to reflect a significantly reduced development footprint and the recent listing of the Koala as Endangered.

#### **Indirect Impacts**

The BCD has previously recommended that indirect impacts need to be considered in the BAR. The indirect impacts should be calculated as further biodiversity credits, and the BAR needs to identify how the retained vegetation on the property will be managed and protected. Our recommendations to address indirect impacts were set out in our previous correspondence of 11 December 2019, 3 April 2020, and 23 June 2021. This issue has still not been addressed to date.

This issue relates to section 8.4 of the FBA *‘Demonstrating minimisation of indirect impacts on biodiversity values using reasonable onsite measures’*. We have also identified that the Biodiversity Assessment Method Stage 2 operational manual provides examples of how offsetting indirect impacts can be undertaken

#### *BCD Recommendation*

4. To meet the requirements of section 8.4 of the FBA, the BAR should be updated to adequately address the indirect impacts of the proposal.

#### **Additional Mitigation Measures**

##### Local land-based offset

If our recommendation 1 above is not adopted by the consent authority, then we support the proposed establishment of a Biodiversity Stewardship Agreement (BSA) site located on the adjoining property to the north.

The establishment of the BSA in the proposed location will protect existing koala habitat and the proposed rehabilitation of cleared land can provide future koala habitat for the local population. The

BSA will also ensure that conservation actions are undertaken on the property, as these actions are appropriately funded through the BSA, and the habitat will be protected in perpetuity.

The proponent will need to liaise with the Biodiversity Conservation Trust (BCT) to provide evidence that the BCT can support a BSA for that particular site, so the consent authority can impose appropriate conditions of consent to require this outcome.

#### Rehabilitation Management Plan

Further, we support the proposed rehabilitation of the cleared area in the north-west corner of the property. The early commencement of rehabilitation works to provide habitat and bolster the habitat corridor should form part of the proposal. The timing of staged clearing should also be linked to the progression of rehabilitation and potentially the habitat viability of this rehabilitated area to ensure that the local koala population has alternative habitat to expand into and utilise.

Further details about this proposed mitigation measure need to be provided in the form of a rehabilitation management plan, which should be prepared in consultation with the BCD and to the satisfaction of the BCD and the Secretary. Biodiversity impacts associated with the quarry expansion should not be permissible until rehabilitation actions identified in the approved plan have commenced and the new areas of vegetation established under the plan have reached a structural stage that would provide viable koala habitat by the time the staged clearing for the quarry expansion is complete.

The rehabilitation management plan should also include measures for protecting and enhancing the existing retained native vegetation on the balance of the property to sustain and improve its biodiversity values.

#### Koala population monitoring

In addition, as any substantial expansion of the quarry and removal of native vegetation is likely to significantly impact the existing koala population, further mitigation measures should be required to identify how this impact can be managed and monitored. A koala population monitoring program should be developed for the property to help understand how the impacts of the quarry expansion affect the viability and movements of koalas there.

#### BCD Recommendation

5. If recommendation 1 above is not adopted, then:
  - a. The proposed establishment of a Biodiversity Stewardship Site on the land to the north should be secured by conditions of consent to ensure a local land-based offset is provided that protects existing local habitat and restores cleared land to provide future koala habitat; and
  - b. A detailed Rehabilitation Management Plan should be prepared for the property subject to the development application in consultation with the BCD and to the satisfaction of the BCD and the Secretary, that includes measures for the revegetation of the cleared area in the north-west corner of the property and measures for managing the remaining native vegetation on the balance of the property; and
  - c. A koala population monitoring program should be developed for the property subject to the development application in consultation with the BCD and to the satisfaction of the BCD and the Secretary.