

CCAA Submission on the New Approach to **Strategic Planning** Discussion Paper



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**CCAA Submission on
the New Approach
to Strategic Planning
Discussion Paper**

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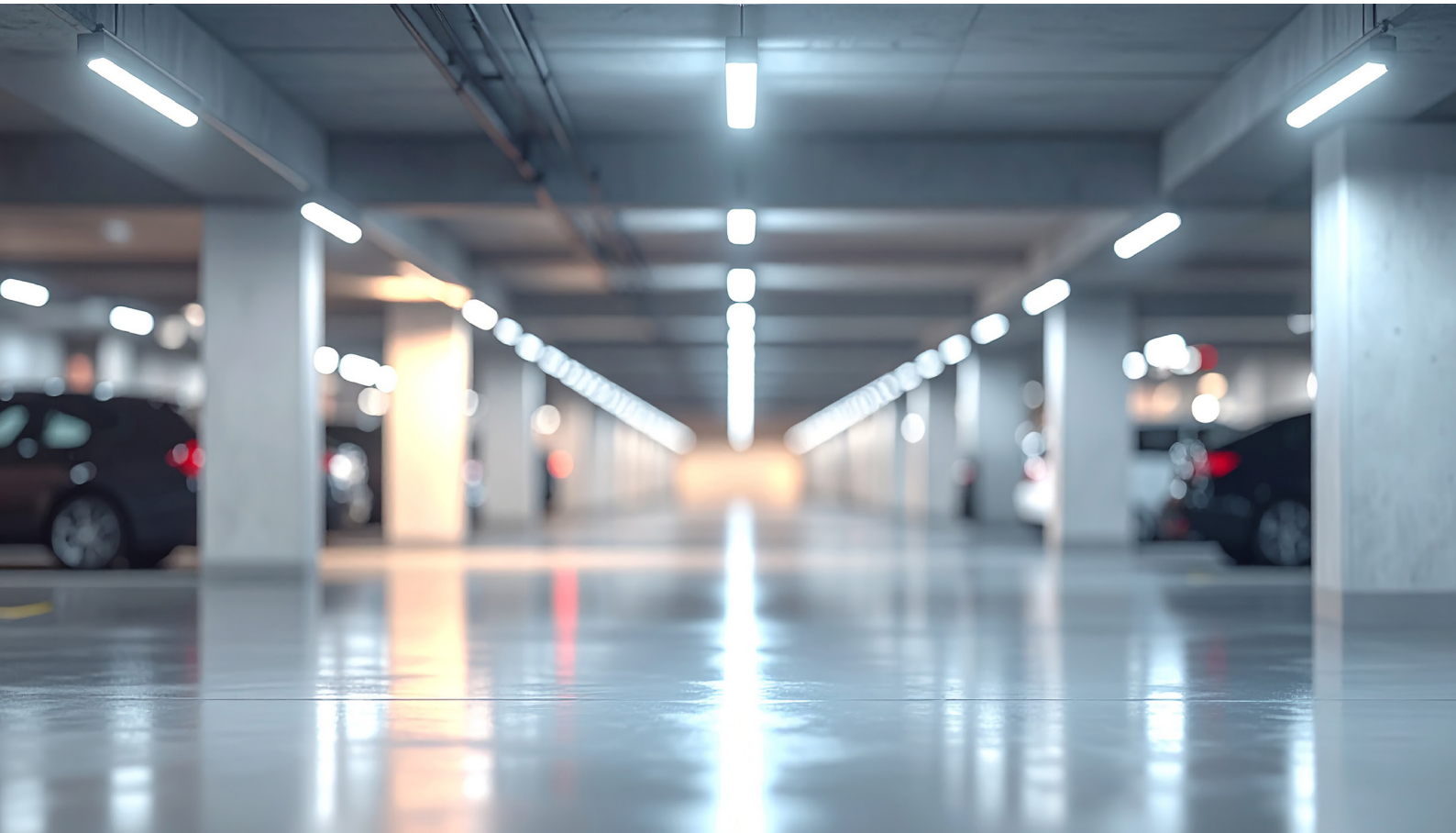
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About CCAA

Cement Concrete & Aggregates Australia is the voice of the heavy construction materials industry in Australia. CCAA members produce the majority of Australia's cement, concrete, and aggregates, which are crucial to Australia's building and construction sectors.

These materials support the development of our nation's transport, energy, water, housing, defence, and social infrastructure.

Cement concrete stone and sand are critical materials that enables the \$56 billion NSW construction industry, employing 370,000 workers and contributing 45% of the NSW taxation revenue base.



CCAA Members

FOUNDATION MEMBERS

Companies that originally formed CCAA.



MEMBERS

Companies engaged in the manufacture or supply of cement, concrete or extractive products. Currently CCAA has over 70 Ordinary Members.





ASSOCIATE MEMBERS

Entities that are directly related to the manufacture and supply of cement, concrete and extractive products - e.g. suppliers of plant and equipment, concrete admixtures & supplementary materials.



Table of Recommendations

1. That the State Land Use Plan should recognise the importance of the heavy construction materials supply chain in high level planning instruments.
2. That Industrial Lands in which elements of the heavy construction material supply chain are located, should be regarded as state significant industrial lands.
3. That a goal of planning instruments should be to permit the 24 hour operation of the heavy construction infrastructure supporting the efficient operation of the building and construction supply chain.
4. That a priority of the annual audit to be conducted by the NSW Department of Planning, Housing and Infrastructure, as part of the Employment Lands Development Monitor, must ensure there is sufficient land available for the heavy materials supply chain to support the housing and construction goals of the Government.
5. That the proposed Sydney rural land study and programmed reviews of local strategic planning and local environment plans, must ensure that subsequent planning instruments will permit the continued efficient operation of the heavy construction materials supply chain.
6. That a 'no net loss of industrial lands' requirement be adopted when planning instruments are reviewed.
7. That a heavy construction materials plan should be prepared for NSW.

Cement Concrete and Aggregates Australia (CCAA) welcome the opportunity to make a submission on the *New Approach to Strategic Planning* discussion paper (**the Discussion Paper**) and associated documents - the **Sydney Plan** and the Statewide Policy for Industrial Lands (**the Industrial Lands Policy**).

Infrastructure projects require an efficient cement and concrete supply chain to provide a sustainable, reliable, affordable, and predictable supply of heavy construction materials.

Such a supply chain is at risk due to:

- a long, slow, complex development approvals process across multiple government agencies for new or extension of existing operations;
- encroachment of state significant quarry resources and key concrete batch plants by incompatible land uses;
- prescriptive standards and specifications acting as barriers to the increased use of innovative materials that will decarbonise the economy, and
- port and road access bottlenecks that potentially limit cement/clinker imports and high quality silica sand exports.

It is therefore important to ensure that the new planning approach protects distribution from encroachment by incompatible land uses precincts such as Port Kembla, which is a trade gateway for bulk agricultural, construction and mining industries and handles the bulk of imported cement and related construction products servicing the Sydney Region.

It is particularly concerning to industry that quarries are being forced further and further away from high population centres where the aggregates are most needed. This, in turn, increases supply chain costs and the transport related carbon emissions in supplying these materials.

Of equal concern is a reduction of sufficient amounts of industrial lands in urban areas to accommodate concrete batch plants near the construction sites that build the modern urban environment. Operations are continually being encroached on by sensitive land users.

Finally, CCAA members are increasingly concerned by the repeated - but unfounded - claims from some quarters of the construction sector that material supply constraints are a primary driver of cost escalation in transport infrastructure projects.

This is an erroneous assumption that deflects attention from the broader and more complex productivity and cost challenges affecting the construction sector, including inefficiencies in project planning, procurement practices, contract management, and workforce utilisation.

The industry has sufficient financial and strategic capability to invest and grow capacity as and when it is needed.

However, if the Government is to meet the targets set out on page 45 of the Sydney Plan, it is imperative that the entire cement and concrete supply chain can efficiently operate.

This will require batching plants operating near to the places where infrastructure will be built.

They are typically located on the industrial (or employment) lands discussed in the industrial lands policy.

CCAA members have experienced circumstances where residential amenity concerns conflict with the ordinary operational needs of a plant, leading to inefficiencies and in isolated circumstances a need to relocate.

The industry supports land access and planning regimes that are certain and streamlined and ensure the efficient delivery of strategic resources, whilst acknowledging the need to balance the amenity of local communities, the supply of land for housing purposes and the environment.

However, it is important that operations such as batching sites, and concrete manufacturing and distribution facilities are located at places close to their market, given transportation is a significant cost of operations and hence the cost of housing to purchasers. This is especially true as concrete is a perishable item needing to be delivered within 90 minutes of batching.

Strong building design standards surrounding proximity to industrial land, to mitigate future amenity impacts, must be included in any proposals near industrial land.

As indicated in the Sydney Plan:

Sydney's industrial lands are vital to Sydney's productivity, underpin supply chains and provide essential services such as last-mile delivery, data centres, warehousing and local manufacturing. They represent just 2% of the Sydney region. In 2024, industrial related activities contributed approximately \$90 billion to the Sydney economy.

Unlocking and securing the supply of serviced and competitive industrial land can drive investment and innovation, create jobs and support housing construction.

Sydney's industrial land supply is one of the most constrained in Australia with only a small supply of serviced and undeveloped industrial land available. Demand for industrial land in Sydney is high, with some areas seeing almost zero vacancies. The supply constraint is contributing to escalating prices and lowering supply.

In 2023, 228 ha of undeveloped industrial lands were developed, 43% higher than the long-term average since 2008. This suggests there is between 2 and 4 years of zoned and serviced industrial lands supply.¹

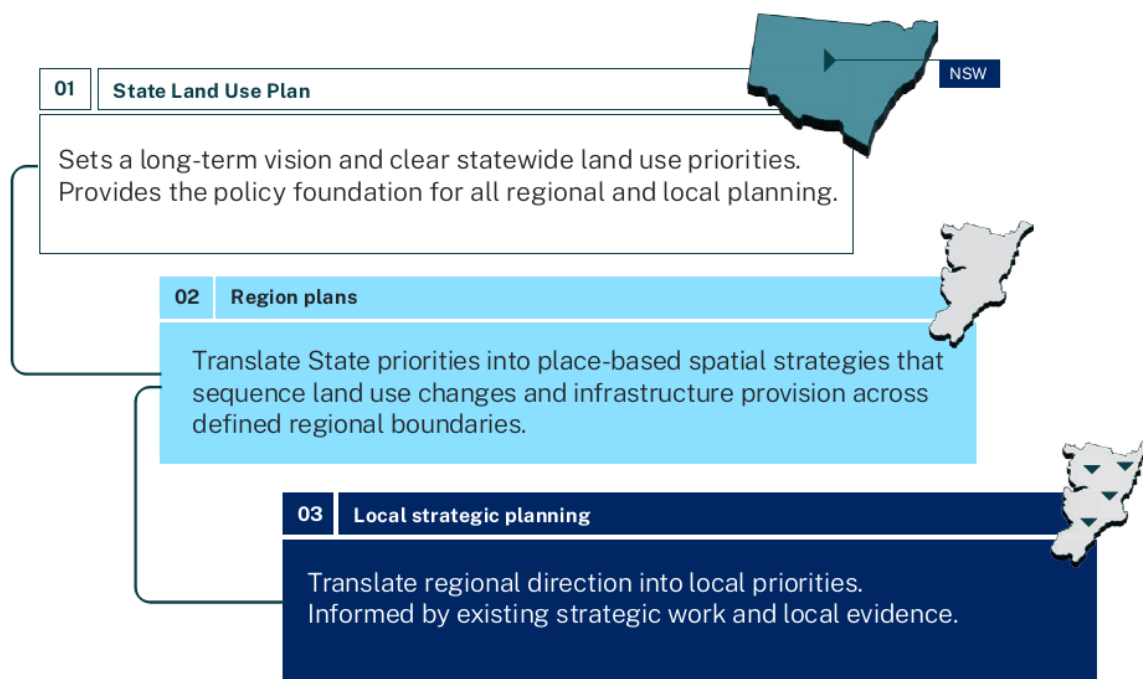
CCAA's principal observation that whilst the documentation emphasises, for example:

- the need for planning instruments to protect construction trades²; and
- a requirement to meet house building targets,

it does not emphasise - or mention - the importance of the supply chain necessary to provide the construction materials to build the required housing.

We also note that, as explained in the Discussion Paper, an overarching State Land Use Plan is to be developed as a document that is 'better designated and designed to achieve real-world outcomes like housing delivery, infrastructure coordination and resilience'³ to support a three tier framework operating in this fashion:⁴

A three tier framework



¹ Sydney Plan: 30

² See for example the reference to construction trade on page 14 of the industrial lands policy

³ DP:19

⁴ DP:24

In this context, the following recommendations are made:

Recommendation 1:

That the State Land Use Plan should recognise the importance of the heavy construction materials supply chain in high level planning instruments.

The State Land Use Plan is to (amongst other things) establish statewide planning priorities in areas such as housing while region plans are designed to (amongst other things) guide the sequencing of developments and infrastructure delivery.⁵

If the housing targets and other infrastructure projects the Government hope to meet are to be achieved, planning instruments must support the ability of the heavy construction materials supply chain, the quarries, batch plants and other forms of infrastructure important in the production of concrete, to deliver the materials allowing construction to take place

The State Land Use Plan must be designed to ensure that planning instruments permit the establishment of batching plants in industrial (or employment lands) or mixed-use or other zones with appropriate buffering proximate to transport infrastructure and building construction work.

It should be noted that some batch plants and site plants can and do operate in mixed-use or similar zones overseas.

A site plant provides surety and continuity of supply throughout the project's lifecycle and can reduce vehicle movements around construction.

In California the Public Works Department lists 47 batching plants in Los Angeles including the communities of Hollywood, Long Beach, Santa Fe and Sun Valley, while the City of London has 30 operational batching plants within the city limits.

Recommendation 2:

That Industrial Lands in which elements of the heavy construction material supply chain are located, should be regarded as state significant industrial lands.

It follows from the above that it is important that State and Regional plans have as a planning priority, outcomes that permit the heavy construction materials supply chain supply chain to operate efficiently.

Land uses with the following characteristics should be regarded as being State-significant industrial land:

- Industrial lands adjacent to, surrounding, or within defined catchments of ports and intermodal terminals (including bulk materials rail handling facilities).
- Industrial lands with direct access to key road and rail freight routes required for construction logistics.
- Large, contiguous lots/precincts that provide essential capacity for logistics and materials handling (e.g. ≥ 2 ha).
- Sites with intermodal handling capability (container and non-container), including bulk construction materials handling nodes.

A 'whole-of-site' approach to classification so a single operating facility is not split across categories should also be adopted.

It is likely that in many circumstances, elements of the heavy materials supply chain will be contained in what will be characterised as being locally significant industrial land, with planning decision responsibilities vested in local government authorities.

The nature of supply chain operations means that sometimes those authorities impose planning controls that do not permit those elements to operate in the most efficient manner.

The goal should be to allow heavy construction infrastructure to permit 24 hour operation to support the construction supply chain's efficiency.

⁵ Discussion Paper:27

This means that, amongst other things:

- the Policy's definition of 'Alternative Employment Land Uses' expressly exclude sensitive uses that commonly generate land-use conflict in industrial precincts (e.g. centre-based child care, backpackers' accommodation, hotel/motel accommodation, recreation facilities and shop-top housing); and
- that planning and regulatory controls avoid operational caps/curfews on State and Regionally significant industrial lands, and instead require 'agent of change' style minimum design standards for new sensitive uses (including future noise environment considerations) near ports, freight rail and industrial precincts.

Recommendation 3:

That a goal of planning instruments should be to permit the 24 hour operation of the heavy construction infrastructure supporting the efficient operation of the building and construction supply chain

We finally note that the employment lands development monitor is an annual audit conducted by the Department to inform the development of the Employment Lands Development Program.⁶

Recommendation 4:

That a priority of the annual audit to be conducted by the NSW Department of Planning, Housing and Infrastructure, as part of the Employment Lands Development Monitor, must ensure there is sufficient land available for the heavy materials supply chain to support the housing and construction goals of the Government.

Quarrying activities

It is important that quarries providing the raw materials for cement are located close to areas where housing and infrastructure projects are being developed.

Preserving suitable areas is becoming of increasing importance given, for example, the proposal to phase out sand extraction at Botany by 2030.

Response 11 in the Sydney Plan indicates the rural and conservation areas formerly known as the Metropolitan Rural Area require to be protected from fragmentation and urban encroachment, with Activity 11.1 requiring the undertaking of a Sydney rural lands study to map productive uses, critical infrastructure and important supply chains beyond the Sydney footprint.

Finally, review action 1.4 requires councils to review and update local strategic planning and environmental plans to align with the Sydney Plan and provide sufficient feasible capacity to meet housing targets from 2027 and beyond.

Recommendation 5:

That the proposed Sydney rural land study and programmed reviews of local strategic planning and local environment plans, must ensure that subsequent planning instruments will permit the continued efficient operation of the heavy construction materials supply chain.

Because of the relative scarcity of industrial lands in the Sydney basin, it would be appropriate for those to adopt as a policy principle a 'no net loss' approach to prevent incremental erosion of scarce industrial land.

Recommendation 6:

That a 'no net loss of industrial lands' requirement be adopted when planning documents are reviewed

Development of a NSW Heavy Construction Materials Plan

NSW has a plan for transport, planning, infrastructure, the environment and more and yet we do not have a plan for the very building blocks needed to deliver the housing, infrastructure and renewable energy projects that drive our economy.

⁶ Industrial Lands Policy: 11

The key reasons NSW needs such a plan is to overcome a lack of planning guidance for planning agencies to rely on to support the operation of the heavy construction materials supply chain, which can prejudice government building goals.

The development of such a plan would (amongst other things):

- ensure proximate and adequate materials supply for housing, infrastructure and renewable energy projects;
- protect extractive resources and concrete batch plants from urban encroachment and sterilisation;
- establish a permanent Quarry Approvals Coordinator, similar to the system in force in Victoria to navigate joined up approvals for priority sites and resolve approval roadblocks across State and Local Governments;
- commit to regular demand: supply data collection and analysis to better understand barriers to increasing supply of material and to better plan for major infrastructure project delivery to ensure efficient and economical delivery into projects;
- deliver stronger planning protection for strategic extractive resources to give priority to extracting quarry materials;
- protect key concrete batch plants and quarries from encroachment;
- enable a streamlined environmental and development approval process;
- align State and Federal energy and climate change policies to minimise complexity and ensure national targets are met;
- encourage public procurement practices that reflect government policies on reducing emissions;
- remove barriers for lower carbon concrete by moving from prescriptive to performance based specifications;
- support the introduction of lower carbon cement standards;
- facilitate the circular economy by fast tracking the introduction of recovered materials frameworks such as the Queensland End of Waste Codes⁷, including priority materials such as construction and demolition waste, fly ash, lithium byproduct and incinerator bottom ash aggregate; and
- require any proposal for Additional Permitted Uses or rezoning of industrial land be supported by a Supply Chain and Urban Services Impact Statement that considers freight and construction logistics and material supply impacts and a requirement to consult with relevant supply chain operators, including relevant port and intermodal operators where port/intermodal catchments are affected.

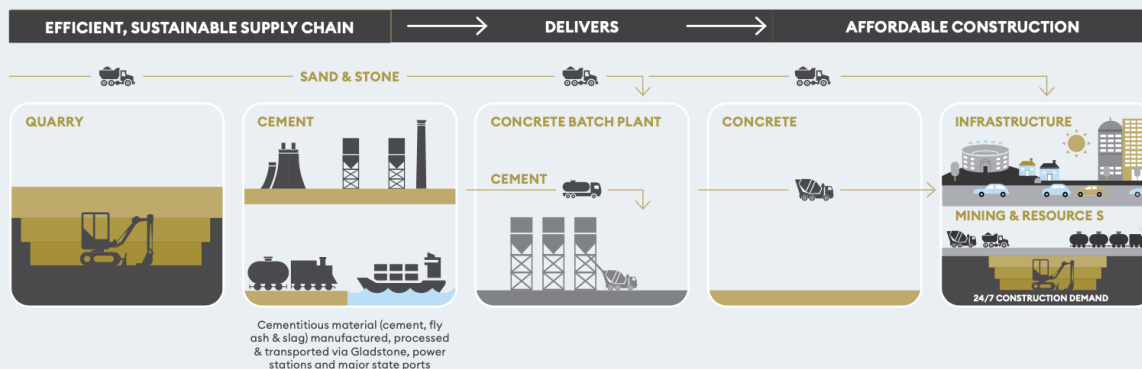
Further reasons for such a plan are set out in the graphic contained in the **Attachment**.

Recommendation 7:

That a heavy construction materials plan should be prepared for NSW.

⁷ <https://www.business.qld.gov.au/running-business/environment/waste-management/regulated-waste/eow-codes>

HEAVY CONSTRUCTION MATERIALS SUPPLY CHAIN



INDUSTRY ISSUES

- ✗ Complex approvals process
- ✗ Multiple sets of regulations & government agencies
- ✗ Resource security & urban encroachment
- ✗ Increasing demand for materials
- ✗ Local Council conditions limiting supply
- ✗ Key Resource Areas (KRAs) lack planning priority

- ✗ Keep port facilities open and efficient for cement
- ✗ Urban encroachment
- ✗ 24/7 manufacturing and loading
- ✗ Bringing low carbon products to market
- ✗ Low cost energy

- ✗ Local Council requirements
- ✗ Hours of operation
- ✗ Prescriptive specifications

- ✗ Traffic congestion
- ✗ Restricted heavy vehicle access
- ✗ Constrained site access and delivery time restrictions

- ✗ Skilled labour
- ✗ Maintain pipeline of infrastructure projects
- ✗ Business taxes and royalties

FACILITATING AFFORDABILITY AND ECONOMIC GROWTH THROUGH REGULATORY REFORM AND IMPROVEMENT

WHAT NEEDS TO CHANGE

- ✓ Appoint Quarry Approvals Coordinator in State Government
- ✓ Stronger planning protection for KRAs to protect buffer zones and enable development approvals
- ✓ Practical local council conditions

- ✓ 24 hr product loading and sales
- ✓ Priority road access
- ✓ Planning protection
- ✓ Ensure internationally competitive energy costs
- ✓ Recognition of re-use of waste through effective End of Waste Framework

- ✓ Stronger planning protection for concrete batch plants
- ✓ Streamlined process to co-locate construction material manufacturing with quarries
- ✓ Streamlined process to extend operating hours
- ✓ Aligned State and Federal energy and climate change policy
- ✓ Risk based approach for material specifications

- ✓ Extended hours for construction site delivery, operation and access
- ✓ Streamlined site access

- ✓ Continued investment in social housing
- ✓ Balanced delivery of State/Local Government infrastructure projects
- ✓ Increase road maintenance
- ✓ Minimise payroll tax, land and property taxes