



Providing the essential materials to build our nation

Policy priorities for Australia's extractive industry



CEMENT CONCRETE & AGGREGATES AUSTRALIA



The extractive industry - vital for Australia

The extractive industry quarries hard rock and sand to produce coarse and fine aggregates to create concrete (the most common construction material on the planet) and a range of other construction materials, such as road base.

Each year, about 180 million tonnes of stone, limestone, gravel and sand are extracted from about 2,200 quarries in Australia.

The industry is modern and sophisticated and operates to the highest environmental and health and safety standards.

The demand for extractive materials is closely linked to population growth, economic development and community infrastructure requirements.

Each Australian requires 7 tonnes per annum of quarry material to support the building of roads, houses and other infrastructure to service their needs.

THE INDUSTRY IS FACED WITH SIGNIFICANT REGULATORY CHALLENGES

Our industry does not believe the current regulatory frameworks that exist in many State jurisdictions are well designed. This results in approval delays and difficulties for the industry in planning for Australia's long term construction needs. Key issues include:

- Inadequate protection of quarrying resources (including transport routes) from incompatible development, such as residential development.
- Disproportionate, overly prescriptive conditions and delays on planning approvals.
- NIMBYism and the consequential inability of local governments to make timely planning decisions for the broader community interest.
- Lack of strategic State Government oversight, proper extractive area resource mapping, and a lack of a clear link within State Government infrastructure plans for quarry materials.
- Inconsistent approaches to environmental regulation and management from regulatory bodies and significant costs associated with environmental offset requirements.
- Inadequate understanding by key government decision-makers and influencers about the extractive industry.

REGULATORY IMPACTS

HOUSING COSTS

An average new house constructed needs about 110 tonnes of crushed rock, sand and cement (in 53 m³ of concrete). Increases in production and transportation costs that arise from regulatory costs, have a major impact.



INFRASTRUCTURE COSTS

Construction materials are typically the single biggest cost component in the infrastructure delivery chain - bigger than labour costs, bigger than equipment costs.



PROJECT DELAYS

Some significant projects for the community and the economy, whether it be transport infrastructure, hospitals, ports or wind farms, often require a significant amount of aggregate material. Delays in approval could affect the delivery of these important projects.



INVESTMENT UNCERTAINTY

Our industry is also a capital intensive industry and requires significant investment decisions to be made up-front. Uncertainties, delays and inconsistencies in statutory processes makes it more difficult for companies to make significant investment decisions.





What needs to change – 4 point plan for Australia’s extractive industry

4 KEY PRINCIPLES	RECOMMENDED ACTIONS
<p>1. CLEAR AND TIMELY PLANNING PROCESSES.</p>	<ul style="list-style-type: none"> • Timely, predictable and transparent decision-making in planning and development • Proportionate, risk based and long-term conditions on planning approvals • Robust process for state-interest checks through statutory planning processes to ensure state interests are properly taken into account.
<p>2. LONG TERM RESOURCE PROTECTION FROM INCOMPATIBLE DEVELOPMENT</p>	<ul style="list-style-type: none"> • Long term protection of extractive resources to prevent incompatible development close to reserves • Realistic and practical vegetation management requirements.
<p>3. SENSIBLE ENVIRONMENTAL REGULATION</p>	<ul style="list-style-type: none"> • Proportionate and risk based environmental conditions on planning approvals and environmental conditions, that are not retrospective • When dealing with compliance related issues, the focus should be on poor environmental performers, not operators who are “doing the right thing” • Consistency and clarity between different levels of government • Simplified environmental offset requirements that are proportionate, flexible and provide certainty, and take into account rehabilitation on quarry sites for offset calculations • Regulatory framework and approval conditions which take into account distinct elements of quarrying (compared with other industries, such as mining).
<p>4. STRATEGIC & ACCOUNTABLE GOVERNING PROCESSES</p>	<ul style="list-style-type: none"> • A holistic approach within State Governments focused on construction materials, which coordinates the development and implementation of government strategies impacting on construction materials and ensures a clear link between infrastructure strategies and long-term access to extractive materials.

RECENT RESEARCH

CCAA recently commissioned a study by the Centre for International Minerals and Energy Law (CIMEL) at the University of Queensland Law School (internationally renowned as a leading centre of knowledge in resource law) into the legal and policy frameworks for the extractive industry. The report concludes,

“the current regulatory framework for access to and the supply of aggregates in Australia is not optimal and that the regulatory system for the extractive industry is likely to struggle significantly in the future to meet increased demand for aggregate due to increases in population significant infrastructure projects.”

These conclusions are also similar to the 2014 Productivity Commission report on Public Infrastructure which noted the raft of social and environmental regulation affecting quarries, some of which may impose undue costs and restrict supply. It noted that a failure to allow new quarry developments or expansions, particularly close to cities, ***“could lead to future scarcity of some key inputs into many infrastructure projects”***.



About Cement Concrete & Aggregates Australia

Cement Concrete & Aggregates Australia (CCAA) is the peak body for the heavy construction materials industry in Australia. Our members operate cement manufacturing and distribution facilities, concrete batching plants, hard rock quarries and sand and gravel extraction operations throughout the nation.

They rely on CCAA to advocate for efficient access to resources, good transport policy and responsible work place health, safety and environmental regulations.

CCAA promotes concrete solutions to engineers, architects and builders that solve building and construction challenges.

CCAA Membership

FOUNDATION MEMBERS



Adelaide Brighton Ltd
Adelaide Brighton Ltd



Boral Construction Materials



Boral Cement Limited



Cement Australia Pty Ltd



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Entire Concrete Pty Ltd
Ever-Ready Concrete Pty Ltd
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Zanows Sand and Gravel

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