



**CEMENT CONCRETE
& AGGREGATES AUSTRALIA**



BUILDING A SUSTAINABLE VICTORIA

2022 State Election Agenda



WORKING TOGETHER TO ENSURE THE EFFECTIVE SUPPLY OF CRITICAL CONSTRUCTION MATERIALS

- Heavy construction materials are essential to building a sustainable Victoria. Every Australian needs 8 tonnes per year and they constitute 29% of project costs.
- Government investment in infrastructure and housing stimulus is driving unprecedented demand.
- Critically low sand and hard rock supplies require urgent State Government led approvals.
- A largely local supply chain allows the State Government to approve extractive materials to drive affordability benefits for housing and infrastructure.
- Cement imports require port planning protection and transport security.



Image: The Metro Tunnel Project



KEY FACTS:

DRIVING RECOVERY & SUPPORTING SOCIAL & ECONOMIC DEVELOPMENT

Every Australian needs **8 tonnes** per year of stone, sand, gravel and cement to build the roads, houses and other infrastructure.



High rise buildings use up to **1,000 tonnes** of aggregate per floor.



Highways use **14,000 tonnes** of aggregate per km.



Average new home uses **110 tonnes** of aggregate and over 50m³ of concrete.



Capable Local Supply Chain
Local industry, supporting local jobs, on local projects in their local communities.

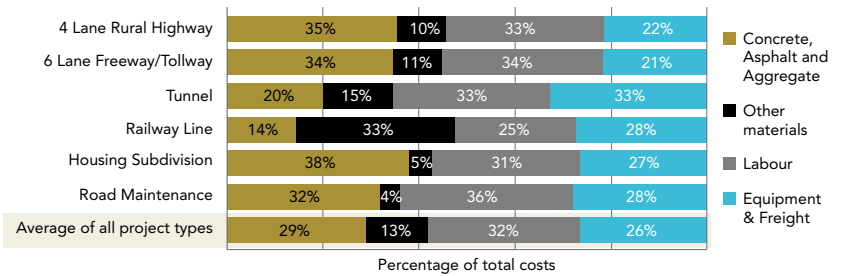


Heavy construction materials average



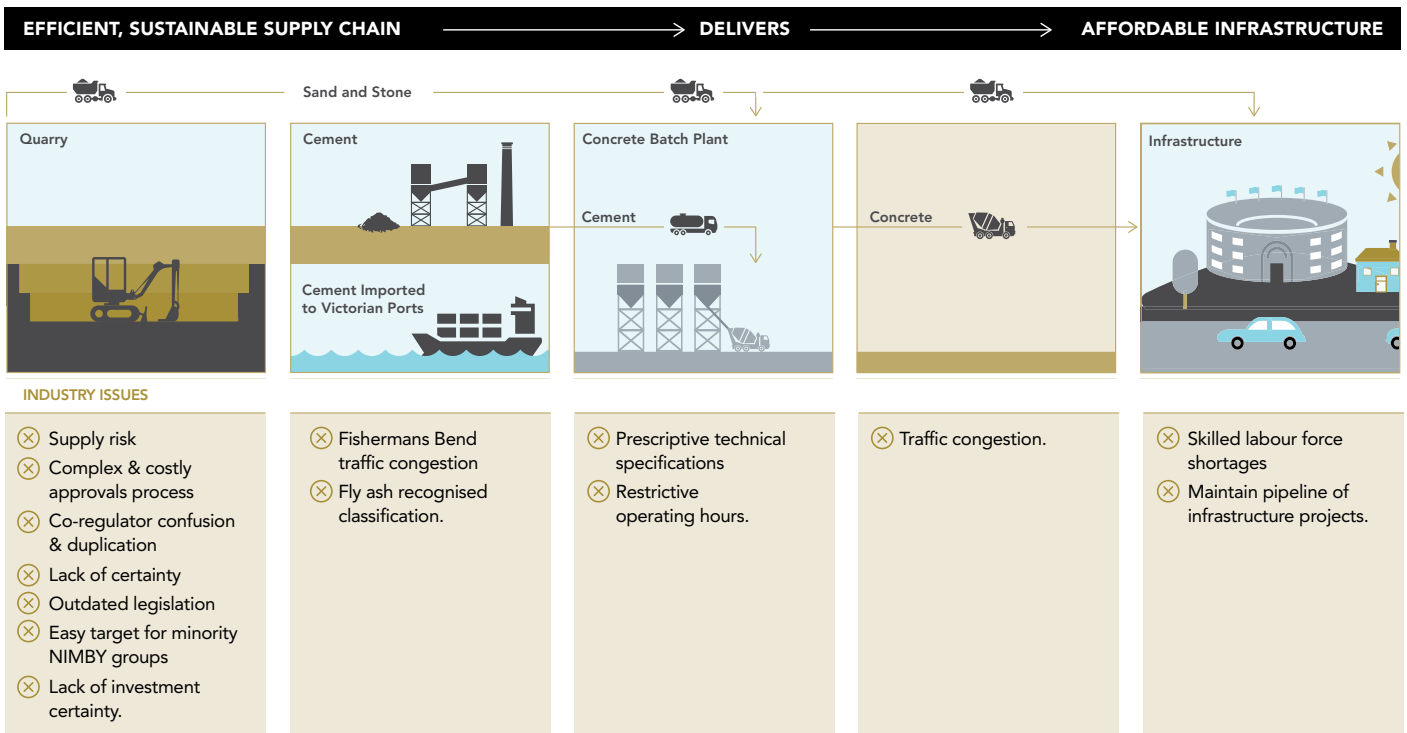
29% OF PROJECT COSTS*

ESTIMATED PROPORTIONS OF TOTAL PROJECT COSTS BY TYPE OF PROJECT

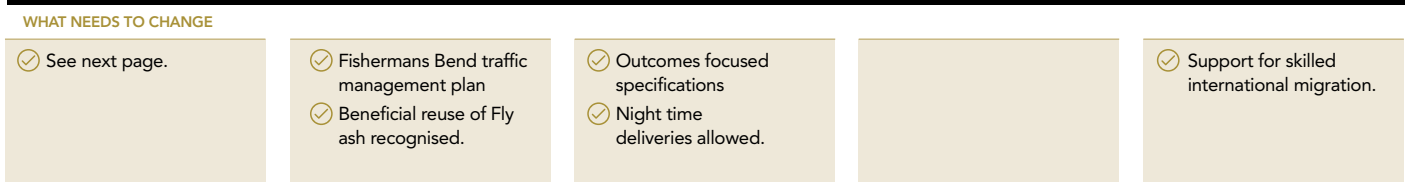


Source: Macromonitors (2022)

HEAVY CONSTRUCTION MATERIALS SUPPLY CHAIN

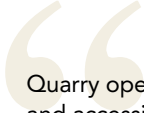


FACILITATING ECONOMIC GROWTH THROUGH STIMULAS AND REGULATORY IMPROVEMENT



*The Impact of Heavy Construction Materials Prices on Infrastructure Costs, 2022, Macromonitors report prepared for CCAA

VICTORIA IS FACING A CRITICAL SUPPLY AND AFFORDABILITY RISK...



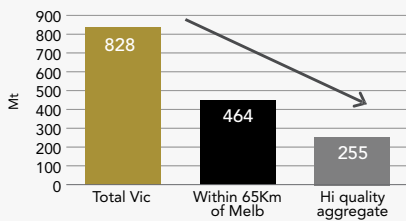
Quarry operators – big and small – play an absolutely vital role in ensuring affordable and accessible material is available close to where it is needed. The best lever Government has to address the rising cost of materials is to support the expansion of supply. Minister for Resources Statement to Victorian Parliament, 24 May 2022.”

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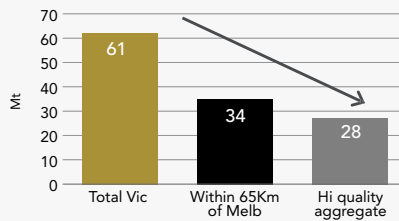
DECREASING SUPPLY

Hard rock and sand reserves that are accessible to market today without additional approvals.

HARD ROCK



SAND



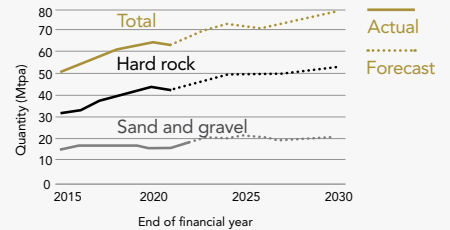
The latest Government Extractive Resources Pulse Check indicates that taking into account economic and technical factors, there is only limited sand and hard rock reserves close to market.

Government's preliminary demand forecasts for hard rock and sand resources indicate an average annual growth of 3% from 2021-2030, much faster than the average growth in the previous decade.


This is driven by the Government's planned infrastructure works including Victoria's Big Build and strong ongoing residential and commercial construction.

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INCREASING DEMAND




WHAT DOES THIS MEAN FOR VICTORIA...




Short term supply risk, especially for concrete sand

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Long lead time to approve new resources

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Increasing demand

- > Increased risk of hard rock, sand and cement supply shortages to infrastructure and housing construction.

- > Less affordable homes.
- > Less affordable roads.
- > Less affordable Big Build.

- > Project delays.
- > Loss of investment & jobs.
- > Increased political risk.



SOLUTIONS

RELEASE HARD ROCK AND SAND SUPPLIES FROM EXISTING OPERATIONS CLOSE TO MARKET NOW.

CCAA CALLS ON THE GOVERNMENT TO ACT NOW...

SHORT TERM ACTIONS

- > Establish a permanent Quarry Approvals Coordinator to navigate joined up approvals for priority sites and resolve approval roadblocks
- > Reform the MRSDA into a duty based regime
- > Budget support to streamline Work Plan approvals and identify new strategic extractive resources
- > Temporary operating hours relaxed to support critical supply
- > Social licence strengthened as a shared industry/govt responsibility
- > Public Ministerial support

BUILDING A SUSTAINABLE VICTORIA...

- > A sustainable supply of cement, concrete and aggregates are essential building blocks that support a circular economy and underpin the sustainable development of Victoria. Government policy and specifications must support and incentivise investment in this sector
- > Concrete is flood resilient, fire resistant, robust and strong. It has high thermal mass, helping to reduce building energy consumption, and can be recycled into road-base materials or aggregates. Concrete is the world's most widely used building and construction material and is vital to securing a resilient built environment that is sustainable for life
- > Our industry is committed to the health and safety of its workers, operating in an environmentally responsible manner and working collaboratively with community and Government
- > Refresh the Extractive Industries Strategy 2018
- > Update the Joint Ministerial Statement (Resources, Economic Development, Planning) that restates Government's priorities
- > Improve Earth Resources Regulation's culture, capability & accountability to support the sustainable development of the industry
- > Aligned State and Federal energy and climate change policy is essential to minimising complexity and ensuring national targets are met. Instability in energy markets across Australia is of critical concern to our sector and must be addressed collectively by governments
- > The Cement and Concrete industry has declared its ambition to deliver net zero carbon cement and concrete to Australian society by 2050. This is supported by a new independent report titled 'Decarbonisation Pathways for the Australian Cement and Concrete Sector' to facilitate this transition

MEDIUM TERM ACTIONS

IMPLEMENTING THESE CHANGES NOW WILL:



Keep people and communities safe and working



Allow Victoria to rebuild our economy fast



Attract essential investment



Fast-track critical infrastructure for the future



Deliver affordable infrastructure & housing



Maintain social licence

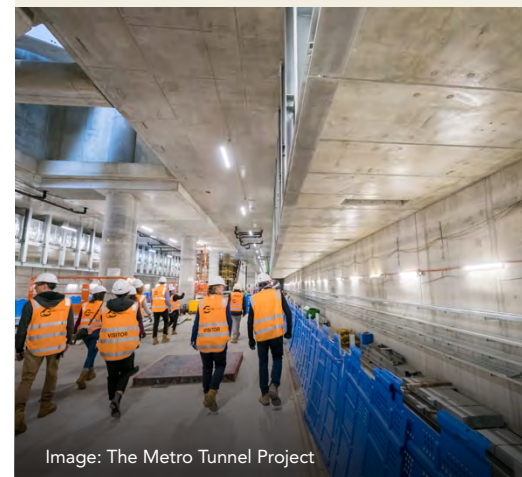


Image: The Metro Tunnel Project