CEMENT CONCRETE
& AGGREGATES AUSTRALIA

2025 Western Australia Election Policy Priorities

Delivering the sustainable supply of Heavy Construction Materials

October 2024

Key Facts

The heavy construction materials industry is made up of cement manufacturing & distribution facilities, concrete batching plants, hard rock quarries and sand and gravel extraction operations.

Our materials are vital to delivering the transport & social infrastructure, energy projects and housing essential to Australia's growth. Generating approximately $15 Billion in annual revenue and employing 30,000 Australians directly and a further 80,000 indirectly.

DRIVING AFFORDABILITY & SUPPORTING SOCIAL & ECONOMIC DEVELOPMENT

EVERY WESTERN AUSTRALIAN needs **8 TONNES** per year of stone, sand, gravel and cement to build 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

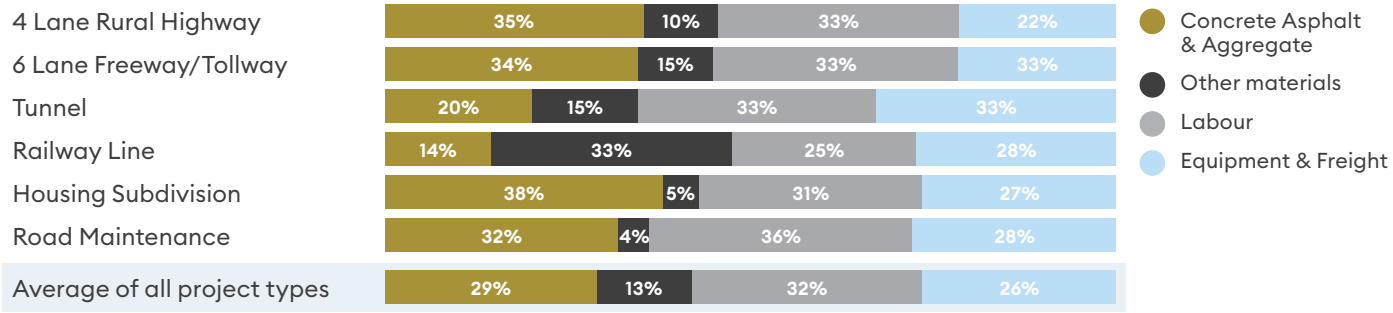
AVERAGE NEW HOME uses **110 TONNES** of aggregate and over **50m3** of concrete.

CAPABLE LOCAL SUPPLY CHAIN
Local industry, supporting local jobs on local projects in their local communities.

HEAVY CONSTRUCTION MATERIALS average **29% OF PROJECT COST**

WIND FARMS
use up to **1000m3** of concrete per tower

ESTIMATED PROPORTIONS OF TOTAL PROJECT COSTS BY TYPE OF PROJECT



Source: Macromonitors (2022)

Affordable materials support affordable infrastructure

The future pipeline of road, rail, housing, port, renewable energy and defence infrastructure will drive unprecedented demand for construction materials.

SUPPLY CHAIN RISK

An efficient supply chain will provide for the sustainable, reliable, affordable and predictable supply of heavy construction materials to meet the growing needs of Western Australia.

An efficient 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.
- Port and road access bottlenecks that potentially limit clinker imports and high quality silica sand exports.

With continued, coordinated reform across Government, the industry stands ready to play its part in supporting the construction sector as the engine for economic growth – driving the road dollar further.

INFRASTRUCTURE AUSTRALIA HAS IDENTIFIED THAT:

"shortages in local quarry supply threatens the deliverability of major public infrastructure works, increases project costs and schedule delays, and contributes greater emissions by bringing heavy materials to site from further afield.

Reducing quarry approval times would allow for increases in output in response to projected demand, with the additional benefit of reducing costs and carbon emissions."*

WHAT DOES THIS MEAN FOR WESTERN AUSTRALIA...

Short term supply risk, especially for concrete & sand

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

Long lead time to approve new resources

- Less affordable homes, roads, and infrastructure.

Increasing demand

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

* Infrastructure Australia: Infrastructure Market Capacity Report 2023

FACILITATING DECARBONISATION

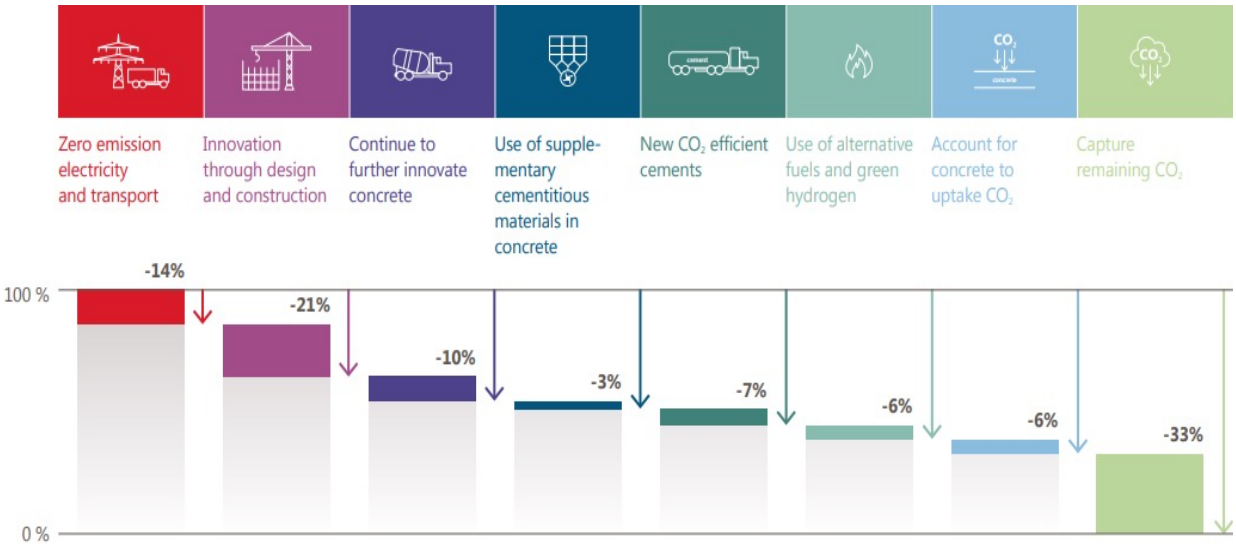
As the demand for concrete grows to fuel the State's infrastructure, housing, energy and sustainable growth ambitions, there is an urgent need to work together to enable the delivery of Lower Carbon solutions.

The Heavy Construction Industry's Climate Ambition Statement released in 2021, and the Industry Decarbonisation Pathways Report outlines the industry's commitment to work towards decarbonisation throughout the value chain, and emphasises that achieving these significant decarbonisation objectives can only be achieved through collaboration.

The establishment of public procurement practices that reflect government policies on reducing emissions and encouraging the circular economy are required to achieve our collective net zero goal.

Australian Standards and State based infrastructure Specifications also play a critical role in enabling decarbonisation in the built environment. Performance-based specifications that do not specify minimum amounts of portland cement, and therefore promote the greater uptake of Mineral Additions and Supplementary Cementitious Materials (SCM) such as Fly Ash, Blast Furnace Slag and lithium by-products are key to achieving our goals.

These issues should be addressed by the development of **a comprehensive Heavy Construction Materials Plan**



Source: Decarbonisation Pathways for the Australian Cement and Concrete Sector, 2021

A Heavy Construction Materials Plan

CCAA calls on the incoming Government to develop a comprehensive Heavy Construction Materials Plan covering cement, aggregates, sand, limestone, crushed gravel, and concrete which will aim to:

- Ensure proximate and adequate materials supply for housing, infrastructure and renewable energy projects.
- Protect extractive resources and concrete batch plants from urban encroachment and sterilization.
- Facilitate decarbonisation and the circular economy.

THE PLAN SHOULD:

- 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 the Recovered Materials Framework, including priority materials such as C&D, fly ash, lithium byproduct and incinerator bottom ash aggregate.
- Support the cement and concrete industries ambition to deliver net zero cement and concrete to the Australian market by 2050, and support the circular economy, through supporting initiatives such as those set out in the independent report Decarbonisation Pathways for the Australian Cement and Concrete Sector.
- Recognise there is a joint responsibility between industry and government to enhance the Social License to Operate for the cement, concrete and quarry operations.

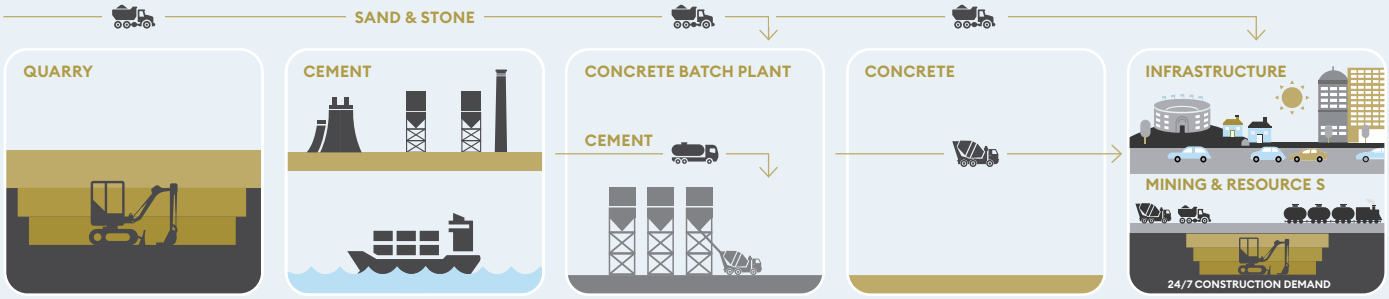
IMPLEMENTING THESE CHANGES WILL:

- Help industry achieve its ambition of delivering Net Zero concrete by 2050
- Deliver affordable infrastructure and housing
- Attract essential investment
- Keep people and communities safe and working
- Support timely delivery of critical infrastructure
- Foster greater partnerships between Government and industry for the betterment of Western Australia
- Ensure Western Australia continues to build its economy
- Deliver affordable renewable energy projects for Western Australia
- Support the circular economy and decarbonisation

Snapshot

HEAVY CONSTRUCTION MATERIALS SUPPLY CHAIN

EFFICIENT, SUSTAINABLE SUPPLY CHAIN → DELIVERS → AFFORDABLE CONSTRUCTION



INDUSTRY ISSUES

QUARRY
- ✕ Complex approvals process
- ✕ Multiple sets of regulations & government agencies
- ✕ Resource security & urban encroachment
- ✕ Increasing demand for materials
- ✕ Strategic extractive resources lack planning priority

CEMENT
- ✕ Keep port facilities open and efficient for clinker imports and silica sand exports
- ✕ Urban encroachment
- ✕ 24/7 manufacturing and loading
- ✕ Bringing low carbon products to market
- ✕ Low cost energy

CONCRETE BATCH PLANT
- ✕ Critical concrete batch plants protected from urban encroachment
- ✕ Hours of operation
- ✕ Prescriptive specifications
- ✕ Environmental regulations limit the recycling of returned concrete, and use of innovative supplementary cementious materials

CONCRETE
- ✕ Concrete batch plants located to ensure efficient concrete delivery to CBD
- ✕ Restricted heavy vehicle access
- ✕ Constrained site access and delivery time restrictions

INFRASTRUCTURE
- ✕ 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

QUARRY
- ✓ Appoint Quarry Approvals Coordinator in State Government
- ✓ Stronger planning protection for strategic extractive resources
- ✓ Streamline quarry approvals process

CEMENT
- ✓ 24 hr product loading and sales
- ✓ Priority road access
- ✓ Planning protection
- ✓ Ensure internationally competitive energy costs
- ✓ Recognition of beneficial reuse of material through effective End of Waste Framework
- ✓ Increase investment in port and road infrastructure to reduce bottle necks and increase capacity

CONCRETE BATCH PLANT
- ✓ 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

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

INFRASTRUCTURE
- ✓ Continued investment in social housing
- ✓ Balanced delivery of State/Local Government infrastructure projects
- ✓ Increase road maintenance
- ✓ Minimise payroll tax, land and property taxes
- ✓ Implement procurement models that reflect government policies on reducing emissions

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