

1 November 2019

Minister Dan van Holst Pellekaan  
Minister for Energy and Mining

Email: [dem.customerservices@sa.gov.au](mailto:dem.customerservices@sa.gov.au)

Dear Minister,

**CCA response to "Sustainably Growing Energy and Mining in SA" Paper**

Cement Concrete & Aggregates Australia (CCA) welcomes the opportunity to provide a submission on the "Sustainably Growing Energy and Mining in SA" Paper.

CCA is the peak industry body for the heavy construction materials industry in Australia including the cement, pre-mixed concrete and extractive industries. Our members operate cement distribution facilities, concrete batching plants, hard rock quarries and sand and gravel extraction operations throughout Australia.

CCA members nationally account for 90% of total industry output, with the industry generating \$15 billion per annum in revenue, employing 30,000 Australians directly and supporting the employment of a further 80,000 people. CCA members produce and supply the heavy construction materials that are used to construct South Australia's infrastructure. Providing both the raw material and finished product, heavy construction materials contribute to the construction of our roads, railways, bridges, multi-storey and domestic dwellings and more.

**• *Is energy and mining as a sector identified appropriately? (page 10)***

CCA submits that there should be a greater focus on the extractive sector. In particular there should be recognition of the export (to interstate and overseas markets) of existing quarry products, ranging from specialized aggregates used in high value concrete for architectural purposes through to extracted products used in cement manufacture and exported to other states either as a raw product for cement manufacture, or manufactured into cement in SA and sent interstate as a higher value product. In addition, SA is blessed with high value dimension stone products used in building and construction as well as landscaping, which is exported interstate currently and to a lesser extent overseas. The overseas export market has great potential for South Australia. These growth opportunities are significant for SA and should not be overlooked.

Identifying the makeup of the extractive sector and the broad number of products and markets for these products would serve the state well.

DEM already has strategies in place for Copper, Magnetite and Hydrogen. **CCA submits that an action to develop an "Extractives Strategy" would serve the State of South Australia well.**

**• Are these four targets achievable and sufficiently bold to support our Growth State ambitions? Can these targets serve to identify industry's barriers and opportunities for stronger economic growth? (page 12)**

CCAA does not take issue with any of these targets, however there should also be an additional target around interstate exports, reflecting the fact that most exports from the extractive sector are to other states rather than overseas.

**• Should we adopt an energy productivity target? (page 22)**

Improved energy productivity, through lower cost electricity provision, use of alternative fuel sources, or lower consumption are all important, however to be internationally competitive requires lower cost electricity and reliability.

CCAA supports a national approach to lower electricity costs in line with other comparable jurisdictions. In setting such a target, the indicative international electricity prices chart (Figure 6 p20) should be updated to include Canada, the USA, China and India. For the most part, these countries all enjoy energy prices much lower than those on this table. Canada in particular is an excellent example of similar types of markets when taking into account a range of factors, such as size, geography, population etc. China and India should also be included to enable us to recognize the price differential into the markets in which we export and to which we compete.

Cement manufacture, for example, has high energy demand and is leading the way in using Refuse Derived Fuels in South Australia. Whilst this is beneficial to the environment, it is absolutely critical to do so to reduce energy costs. High electricity costs have resulted in companies closing in SA and moving manufacture elsewhere.

**• What other growth opportunities should we be pursuing? Are there any other opportunities for leveraging South Australia's clean energy transition to grow jobs and investment? (page 23)**

As mentioned above, South Australia must also pursue interstate and overseas exports from the extractive sector. Whilst not specifically excluded in this paper, a specific reference would help allocate the appropriate attention and assist in further developing actions to assist this sector.

**• Are all the key challenges to strong sustained growth in the energy and mining sector captured in the Consultation Paper? (page 24)**

The heavy construction materials sector made up of extractive, cement and concrete manufacture is critical in the development of other mining and energy projects as well as the associated facilitating infrastructure. The need to be able to bring quarries to fruition in a timely manner to minimize the cost impacts on these other developments is critical to the State being able to reach the objectives set out in this paper. In many cases, these projects pay more than should be required to transport

materials, as extracting the product locally in the timeframe required, simply cannot be achieved with the normal approvals process. This is not a slight on the Dept. for Energy and Mining or the Industry itself, but rather recognizes that appropriate scale quarries do not exist in many of the places where the mining and energy projects (or the associated infrastructure) is being developed and cannot even be contemplated by the private sector until a project has approval. At this stage it is too late to go through the process to identify, apply and gain approval. Perhaps the Government could provide a streamlined approach or even a standard approval for a short term operation, akin to the provisions in the Local Government Act for Borrow Pits, but for the private sector, when meeting the needs of these remote projects.

**• Are there any priority areas that should be the focus of the Energy and Mining Strategy? Is there a greater or lesser role for government/industry? Where can the South Australian government work in collaboration with industry, Commonwealth Government and national industry groups to support the Strategy over the next 5-10 years? (page 26)**

CCAA appreciate the collaborative approach of the South Australian Government and will continue to work with and support initiatives to grow the economy, grow infrastructure, reduce energy consumption/cost, and streamline processes for mining and extractive projects.

**• In each of the four streams, are the proposed industry goals, key challenges and scope for further action correctly identified? What more could be done? (page 27)**

CCAA agrees with the key challenges as identified on p24, and puts forward some additional comments.

No other jurisdiction in the world has opened up a large bulk mining export sector without Government intervention in the creation of multi-user infrastructure. Governments can hope that this will happen and even encourage it to happen, however the magnetite industry is an excellent example of an industry that has huge potential but cannot quite overcome the infrastructure challenges. Government must support, in some shape of form, multi-user infrastructure, such as ports, power and rail to facilitate these projects. Such a coordinated approach would also give the heavy construction materials sector suitable investment signals to expand in areas of future demand.

**CCAA reiterates its call for a specific “Extractives Strategy” to be developed by the State Government in close collaboration with the CCAA and the extractives sector and for this action to be included in the Sustainably Growing Energy and Mining in South Australia strategy paper.**

Should you have any further questions, or simply wish to discuss this matter further, please contact me on 0448 848 848 or on [jason.kuchel@cca.com.au](mailto:jason.kuchel@cca.com.au)

Yours sincerely



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