Draft Queensland Resources Industry Development Plan

CCAA Submission

February 2022
QUEENSLAND’S HEAVY CONSTRUCTION MATERIALS INDUSTRY

CCAA is the peak body for the heavy construction materials industry in Australia. Our members operate hard rock quarries and sand and gravel extraction operations, cement manufacturing and distribution facilities and concrete batching plants. Our membership includes most material producers and suppliers, and ranges from large global companies to SMEs and family operated businesses.

Nationally, our sector generates approximately $15 billion in annual revenues and employs approximately 30,000 Australians directly and a further 80,000 indirectly.

In Queensland, the cement, concrete and aggregates industry has a long and proud history, having supported the State for almost 200 years. Employing more than 8,000 people directly, and 18,000 indirectly, our industry is based in all parts of the State, producing approximately 45 million tonnes of sand, stone and gravel (ie aggregates); 7.2 million cubic metres of pre-mixed concrete; and 2.2 million tonnes of cementitious material (eg cement, flyash) each year.

Heavy construction materials (and quarry resources in particular) are a key part of the broader resources sector and support the construction sector, which has been key in keeping the QLD economy moving during the COVID-19 pandemic and currently supports around 230,000 jobs.

- Each Queenslander needs at least 10 tonnes per annum of quarry material to support the building of roads, houses and other infrastructure.
- Building just 1km of two-lane highway requires some 14,000 tonnes (or 400 truckloads) of construction aggregates.
- High-rise buildings use up to 1,000 tonnes of aggregate per floor.
- An average new home needs about 110 tonnes of crushed rock, sand and cement in 53m3 of concrete.
- Queensland’s economy benefits from a complete local cement, quarry and concrete supply chain not dependent on government subsidies.

SUPPORT FOR DRAFT PLAN

Overall, CCAA strongly endorses the draft Queensland Resources Industry Development Plan. Our State is well-positioned to take advantage of an international and domestic demand for a range of resources in the new economy, including our need to transition to a more sustainable economy. We support the broad vision and the proposed six key Focus Areas set out in the plan:

1. grow and diversify the industry
2. strengthen our ESG credentials and protect the environment
3. foster coexistence and sustainable communities
4. ensure strong and genuine First Nations partnerships
5. build a safe and resilient future workforce
6. improve regulatory efficiency.

We also have feedback on specific aspects of the plan, as outlined below.

Action 42 - “Fit for Purpose” Extractive Industry Assessment Framework

Our sector strongly supports the proposed development of a new "Fit-for-Purpose" Extractive Industry Assessment Framework for the quarry sector, which will “balance the impacts of extractive industries with local and state need for construction materials to support infrastructure priorities”.

Quarry assessment and approval processes has been a long-standing issue for our industry, and we are very encouraged that this reform area has been included in the draft Plan. The proposed action is particularly timely and critical in the light of the following:
1) **The Palaszczuk Government’s Infrastructure Agenda** Heavy construction materials such as quarry resources, cement and concrete are a key element supporting the Palaszczuk Government’s infrastructure agenda - $52.2 billion in infrastructure over the next 4 years.

As noted by Infrastructure Australia in its October 2021 *Infrastructure Market Capacity Report*:\(^1\):

“(Australia) is on the cusp of an unprecedented wave of investment in public infrastructure projects...Over the next five years, this investment will exceed $218 billion – a scale of investment, and the rate of growth to achieve it ‘has never before been seen’....Australia’s largest east coast states – NSW, Queensland and Victoria – are the biggest drivers of infrastructure expenditure, accounting for 87% of all activity over the next five years.”

This investment needs heavy construction materials, as noted below:

“Within the materials demand classification, concrete and quarry products, and steel are the two largest sub-categories in expenditure terms. Over the next five years, in expenditure terms, these categories represent around 40% and 30% respectively of the overall material demands, which corresponds to approximately 230 million tonnes over both categories. Concrete and quarry products represent the majority of demand by volume, accounting for almost 85% of the total material demand category. The second largest materials category in volume terms is asphalt, accounting for around 11% of the total, while steel only comprises a mere 3% of total demand in volume terms.”

2) **2032 Olympics/Paralympics** As outlined by Treasurer Dick at the last State Budget, in relation to the 2032 Olympics and Paralympic Games: “This one event will fire the starter’s gun on the biggest infrastructure building program our state has ever seen....The Games will get projects off drawing boards faster, with the benefits and opportunities right there for the taking, right across Queensland.”\(^2\)

3) **Meeting Queensland’s Growing Population (and managing competing land uses)** As Queensland’s population grows so does the demand for materials such as sand, stone, gravel and cement. Queensland’s population (currently around 5 million) is predicted to increase to around 6.7 million by 2036 and around 7.16 million by 2041.\(^3\) CCAA estimates that this will translate to approximately 17 million tonnes per annum of additional quarry material by 2036 and an additional 22 million tonnes per annum by 2041. Bearing in mind that a large quarry produces approximately 1.5 million tonnes per year, a significant number of new or expanded quarries will be needed during this period, particularly as current operations exhaust existing sites.

In addition, a growing population, particularly in metropolitan areas, also brings with it increasing land use pressure, heightening the need for planning mechanisms to prevent incompatible development near strategic quarry resources.

4) **Supporting construction of renewal energy projects** Heavy construction materials are key components of the supply chain for the renewal energy sector, particularly concrete and quarry materials. For example, the MacIntyre Wind Farm project near Warwick includes the following: 206km of internal access roads for the transportation of equipment and the connection routes between the turbines and approximately 190,000 cubic meters of concrete.\(^4\) Concrete foundations are built to safely secure the wind turbines. Foundations consist of concrete, reinforced steel and bolts. Each foundation will be approximately 20

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\(^1\) Infrastructure Australia *Infrastructure Market Capacity October 2021*, p30


\(^4\) Acciona Presentation, CCAA Industry Insights Breakfast, November 2021, Brisbane.
metres in diameter and approximately 3 metres in depth. As a result, this project alone will translate to more than 400,000 tonnes of quarry material and more than 50,000 tonnes of cementitious material).

**Current Policy Risks**

It is vital that the proposed Extractive Industry Assessment Framework addresses the current weaknesses in policy arrangements in Queensland.

As highlighted by CCAA in its earlier submission, CCAA believes that the State Government needs to take a clearer role in the quarry approval and protection process - to put in place clear measures to prevent local councils from allowing incompatible development near quarry reserves, and in supporting a clearer pathway for new or extended operations.

There must be a cohesive government approach on quarry resources and construction materials, better protection of Key Resource Areas within Local Government planning schemes, and a much-improved approved process for the industry to gain approval for new Greenfield quarry developments (or new approvals for existing sites) in areas of high construction activity demand, such as the Gold and Sunshine Coast regions.

Unfortunately, our industry has too many examples where a small number of non-representative lobby groups stymie applications. Significant examples in South-East Queensland in recent years have included the following:

- **Nucrush Oxenford Quarry** - On 1 November 2021, despite a clear recommendation from officers to approve, Gold Coast City Councillors voted by a narrow majority to refuse the application of Nucrush to extend the life of the existing Oxenford quarry. This was despite the fact the existing quarry which has been in operation for 29 years, is both recognised as a committed resource and operates in land zoned extractive within the Gold Coast City Planning Scheme. The resource is also recognised by the State as a KRA (KRA68). In addition, Nucrush spent several years working to fulfil all legislative and environmental obligations required for an approval, working diligently with State and local authorities, and engaging closely with the community. An appeal was subsequently lodged with the Planning and Environmental Court, and as the legal bid is likely to take 24 months, the Council voted to allow the quarry to continue operating for at least another two years but under tougher conditions, until at least 2024 while a court appeal is decided.

- **Barro Group - Burrum Quarry (Beerburrum)** In 2019, the Sunshine Coast Regional Council refused a planning application for Barro to develop operations at Burrum Quarry, 60km north of Brisbane. Barro Group had applied to extract more than one million tonnes of materials per annum from the 23ha site in Beerburrum, near the Glass House Mountains. The assessment process – from the time it was lodged to the time the council handed down its decision – took 28 months. At the end of that process, council planning officers recommended that councillors should approve the development with conditions. The site was formally recognised as a Key Resource Area (KRA) under the State Planning Policy (SPP) in November 2013 and remains so.

- **Boral KRA 96 Reedy Creek (Gold Coast)** – The proposed Greenfield quarry, intended to replace Boral’s near-exhausted resource nearby, was refused by Gold Coast Council in 2014. Subsequent unsuccessful appeals by Boral to the Planning and Environment Court and the Court of Appeal illustrated that the Gold Coast planning scheme is a major impediment to extractive industry in the Reedy Creek KRA 96, despite the possibility that impacts could be managed to acceptable levels. The Gold Coast planning scheme Strategic Framework section 3.5.5.10 1 for Reedy Creek KRA 96 appears to be designed to ensure extractive industry approvals in the major hard rock resource in KRA 96 would be very difficult. The development had also been approved under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) (in January 2014) and approval of the Environmental Impact Statement (EIS) was issued by the Coordinator-General (December 2013). The Court was unable to identify sufficient need for the development to override the conflict with the planning scheme. This is despite expert advice to the Court that the site is the last undeveloped hard
rock resource in this part of the Gold Coast, and its use would keep transport distances for quarry materials close to current levels.

These sentiments have recently been backed up by Infrastructure Australia in its October 2021 report:

“The extraction and transport of quarry materials (including sand and aggregates) has considerable supply side risks, as the cost of these materials rises significantly the further they are located from construction activity, thereby necessitating a particularly local supply response. This also extends to the manufacture and delivery of concrete and concrete products. Furthermore, the closure of longstanding quarries coupled with the time it takes to develop new quarry capacity (often over 10 years) presents further significant market capacity risks that should be further examined given the strong growth in demand for these products engendered in the Major Public Infrastructure Pipeline.”

CCAA estimates if State and Local Governments do not plan properly, and quarries need to be located further afield, an extra 100km will result in:

- Housing cost increases and blow-outs in project infrastructure costs – in the order of an extra $250 million for a $2 billion project.
- More truck movements and impacts on the road network – a fivefold difference in truck travel per annum.
- Increased Greenhouse emissions in the order of 40,000 tonnes per year.

OTHER COMMENTS ON DRAFT PLAN

Action 20: Investigate establishment of an independent Environmental Protection Agency

CCAA does not support the establishment of an Independent EPA. As set out in our submission to the current review underway there are five (5) key reasons why there is no requirement for an Independent EPA for Queensland:

1. Robust and independent approval and compliance mechanisms are already built into Queensland’s environmental legislation.
2. No evidence of case for change.
3. Increased regulatory complexity and uncertainty for Government and industry.
4. DES is already recognised as a robust, effective and efficient regulator.
5. Limited information about structure and function of proposed body.

Key focus area 5: Build a safe and resilient future workforce

CCAA strongly supports the priority given to safety and health within the draft Plan.

As the draft Plan states, the Queensland Government expects worker safety and health to characterise all aspects of the resources industry. Government and industry must work together to protect resources industry workers.

In any workforce, workers must always be safe. No person should lose their life or suffer serious injury or occupational illness at work. Every worker has the right to return home safe and healthy.

Therefore, worker safety and health must underpin all quarry and resource operations in Queensland, and CCAA works closely with the recently established Resources Safety and Health Queensland, to protect worker safety and health in Queensland’s mining, quarrying, petroleum, gas and explosives sectors.

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5 Infrastructure Australia *Infrastructure Market Capacity* October 2021, p.136.
Our industry also strongly supports initiatives to attract a more diverse set of skills and people to the sector, and has a number of initiatives in place to achieve this. We would welcome the opportunity to work further with the Queensland Government on similar initiatives.

For further discussion of the CCAA submission on the draft Resource Sector Industry Development plan, please contact Aaron Johnstone, State Director, CCAA at aaron.johnstone@ccaa.com.au.