



26<sup>th</sup> October 2012

Leader of the Opposition  
Parliament House  
Perth  
WA 6000

**Attention: The Honourable Mark McGowan MLA**

Dear Leader of the Opposition,

**STRATEGIC ASSESSMENT OF THE PERTH AND PEEL REGIONS  
BASIC RAW MATERIALS & APPLICATION PROCESSES FOR QUARRIES**

Cement Concrete & Aggregates Australia (CCA) is aware that the current Western Australian State Government, in collaboration with the Federal Government, is undertaking a Strategic Assessment of the Perth and Peel Regions, which is a whole of Government priority and will be used to streamline applications and decisions on land use.

CCA has had discussions with a number of current government officials and considered it appropriate to inform the opposition of issues discussed which are important to our industry. We are keen to work with any future Government towards rationalising our industry's regulation and ensuring that the proposed Strategic Assessment does not place additional constraints on access to Basic Raw Materials and the operations of the Concrete and Extractive Industries.

**Background**

CCA is the peak industry body for the construction materials industry in Australia including the cement, pre-mixed concrete and extractive industries. Further information can be viewed on our website at: <http://www.cca.com.au>.

Our WA members include Boral, Cockburn Cement, Hanson, Holcim, Lime Industries, Rocla, Urban Resources and WA Limestone which along with Austral Bricks and Boral Bricks extract a large proportion of WA's Basic Raw Materials (BRMs). They operate rock quarries, sand, gravel and limestone extraction sites, cement production and distribution facilities and concrete batching plants throughout WA and Australia. These materials are used to produce building and construction materials, such as cement, concrete, bricks, tiles, pavers and road paving and without them most developments would not be possible.

Basic Raw Materials underpin WA's building and construction industry with 90% of all extractive products used in building and construction. Without concrete and its constituent parts (sand, aggregate & cement) the construction & building industries would not function.



### Importance of Quarries

WA quarries are operated on both State and private land, with differing application requirements. The common objective is to supply construction materials, which are essential to the building industry and the wider community. Key considerations when extracting BRMs from quarries are:

- BRMs are finite, site specific and limited in occurrence by geological conditions, with some already being scarce in some regions of Western Australia.
- Extractive operations need to occur at the geological source of the material and plans can ultimately only be withdrawn or amended if met with Environmental, planning or Aboriginal Heritage impacts. If a particular site can not be accessed other suitable geological formations need to be identified, which typically results in moving the quarry further away from the consumer, along with related costs & transport.
- BRM extraction is a high volume, low cost activity, which differentiates it from typical mining resources which are of relatively high value.
- Extractive industry operations are best located close to the communities that use them to ensure that they are economically viable whilst balancing the perceived impost on environmental and social cost.
- Local communities need to acknowledge that quarries supply to and benefit the broader community and therefore should be open to them being situated as close as possible to their markets to ensure the efficient, cost effective supply of BRMs and minimising truck traffic.
- BRMs need to be protected from urban densification (with associated buffers) to reduce environmental impacts of the operation on the local community.
- Quarries are progressively environmentally rehabilitated often to the benefit of the local community.
- Any increase in costs due to prolonged applications, delayed access to resource, additional transport distance, etc, is directly reflected in the cost of the material to the end user and hence the cost of construction.
- BRMs are key to the development of WA, Australia, its communities and the construction industry:
  - Each Australian person requires 6 tonnes of rock, sand and cement per year to support the building of roads, houses and other infrastructure to service their needs.
  - An average new house constructed needs about 110 tonnes of crushed rock, sand and cement in 53m<sup>3</sup> of concrete.
  - About 1,000 people are moving to WA every week, which creates demand for materials to construct housing and infrastructure.
  - Security of access to BRMs is essential to sustain WA's budgeted \$26.4 billion capital works program over the next four years.
- A large proportion of BRMs are supplied to **concrete batching plants**, which service the housing and construction industries. The 'Economic and Employment Lands Strategy: non-heavy industrial: April 2012' document identified the need to protect existing key strategically located industrial facilities i.e. concrete batching plants. The properties of concrete are such that the location of concrete plants relative to the market is crucial to reduce cost and transport requirements (concrete once loaded at the batching plant must be placed within 90 minutes). Thus the positioning of concrete batching plants, such as those in East Perth, is vital to the efficient development of Perth.

### Quarry Applications

State Government's role in managing access to BRMs is acknowledged as an important mechanism to ensure a suitable balance between the community and industry's needs. An efficient and appropriate application process for quarries (both existing and new) is essential.

To assess the current status of Quarry Application regulation, CCAA members have completed an internal assessment and report. The report reveals that the Government's current process of evaluation of quarry applications is complex, requiring input and discussion with numerous departments, causing assessment delays and resulting in applicants spending excessive time and resources. This report will form the basis of ongoing future discussion, with the following elements considered appropriate for immediate submission into the State's current Strategic Assessment:

1. Quarry applications on private land, irrespective of value, should be permitted the option of determination by Development Assessment Panels (DAPs), not the specific local authority. Quarries are typically for the benefit of the wider community and their assessment, whilst considering, should not be complicated with local council specifics.
2. Quarry approvals (on both State & private land) need to be for the life of the reserve. Alternatively it may be based on similar requirements as per the DMP's 21 year approval and subsequent renewal process of crown land leases. Currently many quarries are approved for shorter time frames, requiring periodic re-application, which results in additional work for both the applicant and Government, along with the uncertainty of continued operation and capital investment.
3. The collection of BRM production data on both private and State land should be regulated and collected by the State Government. Knowing the BRM production demand within certain regions would permit more meaningful evaluation of future community needs, measured against Environmental, Aboriginal Heritage and planning constraints.
4. Updated BRM maps (state wide), which identify available and accessible resources, would further enhance the assessment of quarry applications against environmental, community and industry's needs.
5. Historically (in 1998/99), the extractive industry made concessions to the WA Bush Forever program, relinquishing potential resources, which should be acknowledged when assessing environmental off-sets for new or extended quarries.
6. A single environmental assessment process is required. Assessment by both the State and Federal Government is creating uncertainty and complicating the application process.
7. Quarry applications require an appropriate regulatory framework which acknowledges that BRM's are high volume, low cost materials, taking into account that:
  - They are different to mining extraction where the materials are typically of high value.
  - BRMs are not exported, they are generally consumed by the communities that produce them.
  - BRMs are essential to sustain community development.

Failure to properly manage BRMs and quarry applications will potentially increase their cost, increase transportation distances along with the related carbon emissions and road wear, all of which are negative externalities that can be avoided through proper planning. Not responding to this challenge will ultimately result in increased infrastructure, building and housing costs due to the relatively high content of basic raw materials within all construction.

#### **Recommendation**

CCAA acknowledges the Western Australian Government's many decades of strong support for the industry and looks forward to the Quarry application process being amended according to the above noted points.

CCAA is ready to work with any Government to discuss appropriate regulation for Basic Raw Materials and we are willing to provide any assistance that may be require in this regard.

Yours sincerely,

**HARRY BACKES**  
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