19 October 2012

Native Vegetation Review
Department of Sustainability and Environment
PO Box 500
East Melbourne
VIC 3002

Via email nativevegetation.review@dse.vic.gov.au

SUBJECT: FUTURE DIRECTIONS FOR NATIVE VEGETATION IN VICTORIA

Cement Concrete & Aggregates Australia (CCAA) welcomes the opportunity to provide a submission to the Department of Sustainability and Environment on the review of Victoria's native vegetation permitted clearing regulations.

Introduction
CCAA is the peak industry body for the heavy construction materials industry in Australia including the cement, pre-mixed concrete and extractive industries. For your information, a list of CCAA Victoria’s members is provided in Appendix 1.

CCAA members account for approximately 90% of the $7.21 billion in revenues generated by these industries that, between them, employ 18,000 Australians directly and a further 80,000 indirectly.

CCAA members operate rock quarries, sand and gravel extraction sites, cement production and distribution facilities and concrete batching plants throughout Australia.

There are approximately 640 operating quarries across Victoria that produced some 52.2 million tonnes of stone, limestone, gypsum, sand and gravel in 2010/11 which was used to produce building and construction materials such as cement, bricks, concrete, tiles, pavers and road paving. The value of production from these quarries is estimated to be $760.2 million.

The Victorian premixed concrete industry produced 6.2 million m$^3$ of premixed concrete in 2011/12 worth around $1.3 billion. This is enough to build around 100,000 new homes, 100 Eureka Towers or 44 Bolte Bridges. Further value is added through the manufacture of concrete products and delivering concrete services.

CCAA’s members service local, regional and national building, construction and infrastructure markets. The reliable and cost-effective supply to these markets is fundamental to sustainable growth and it is CCAA’s aim to promote policies and planning frameworks that recognise the importance of these materials to Australia’s sustainable future.

CCAA welcomes efforts to simplify the native vegetation permitted clearing regulations that reduce costs and time to progress projects through the planning approvals process and results in improved biodiversity outcomes.

CCAA is encouraged by the improvements outlined in the consultation paper but more reform needs to be done now to address the native vegetation issues for major projects. CCAA makes the following key points on the proposed actions to reform the permitted clearing regulations:
• CCAA supports in principle the direction of change of native vegetation management to focus on biodiversity outcomes.
• CCAA supports in principle the concept of a simplified assessment process, but require clarification on how this will be applied to medium/high risk applications.
• CCAA supports in principle the concept of a tiered, risk based approach to native vegetation management, but require clarification on how this will be applied to medium/high risk applications.
• The Priority Reforms fail to address the key industry issues raised by CCAA with government on numerous occasions.
• The Supporting Reforms that do address the key industry issues raised by CCAA need to be implemented immediately and not deferred. Priority should be assigned to implementing Supporting Reforms 1 and 3, which will streamline the native vegetation management for major projects, such as large linear infrastructure projects or extractive industry projects that improve Victoria’s productivity.
• Decisive action needs to happen now on the following issues to encourage investment decisions on major projects:
  o Strategic assessments that enable the establishment of large offset reserves.
  o Over the counter cash payments for a range of offsets.
  o Offsets on public land.
  o Payment for approved works in lieu of offsets.
  o Increasing the value of onsite rehabilitation.
  o Commonwealth accreditation of Victoria’s assessment and approvals process.
  o Interoperability of State and local council native vegetation management practices.
  o Clearer process to achieve outcomes if economic offsets cannot be sourced after reasonable effort has been expended by the proponent.

The Victorian regulatory environment needs to be internationally competitive to continue to attract capital to ensure an ongoing, competitive, vibrant extractive industry, one that helps to maintain Victoria’s productivity, housing affordability and lower infrastructure costs.

CCAA looks to this review to deliver real reduction in red tape to decrease time and costs of native vegetation management requirements for major projects, including linear infrastructure works, and enhance Victoria’s productivity. The reforms, as outlined in the consultation paper, are focused on streamlining smaller, lower impact approvals. Reforms that streamline medium/high risk approvals and deepen the supply of offsets, including providing offsets on public land, also need to be delivered now.

CCAA looks forward to working with Government to achieve these key aspects.

A more detailed discussion of the issues is provided in the following pages.

Please do not hesitate to contact me to discuss any of these issues in more detail.

Yours sincerely

Brian Hauser
State Director Vic/Tas
FUTURE DIRECTIONS FOR NATIVE VEGETATION IN VICTORIA

While the proposed actions are largely supported by CCAA, they fail to address the key industry issues raised by CCAA with government on numerous occasions. These issues are largely acknowledged within Chapter 6 and by the set of supporting reforms in Chapter 7 of the consultation paper. However, there is no clear time frame or firm commitment to implement these supporting reforms.

CCAA strongly urges that Supporting Reforms 1 and 3 are implemented immediately and not deferred. These reforms provide a real opportunity to make significant and real improvements to the permitted clearing regulations, reducing red tape, reducing costs and time of approvals for government and the proponent of major projects, including linear infrastructure works, and enhancing Victoria’s productivity.

Priority Reform 1: Clarify and amend the objective for permitted clearing

Proposed Action 1.1
Clarify and amend the objective for permitted clearing in policy documents, and in the State Planning Policy Framework and the relevant Particular Provisions in the Victoria Planning Provisions.

CCAA supports in principle the direction of change of native vegetation management to focus on biodiversity outcomes rather than an input based approach. This should allow for greater versatility in achieving positive environmental outcomes than is currently the case. CCAA looks forward to working with government on the documents that will detail the proposed improvements that will implement this concept to ensure that the aim of providing versatility in achieving positive environmental outcomes can actually be achieved.

Priority Reform 2: Improve how the biodiversity value of native vegetation is defined and measured

Proposed Action 2.1
Develop a purpose built information system that measures biodiversity value and prioritises locations across the state for conservation. This system can inform application assessment pathways, decision making guidelines and offset requirements.

CCAA supports the increased use of spatial information systems to simplify the assessment process as long as that information is:

- publicly available on an easy to use web portal,
- regularly updated with new information as it becomes available,
- useable at a project scale, and
- based on peer reviewed scientific data.

Such regional biodiversity spatial data should also be used in strategic land use planning studies that identifies areas of high prospectivity for extractive resources and future extractive needs of metropolitan and regional Victoria, as recommended by the recent parliamentary Economic Development and Infrastructure Committee’s inquiry into Greenfields mineral exploration and project development in Victoria.

Proposed Action 2.2
Map locations in the landscape for their importance as habitat for rare or threatened species.

CCAA supports improved biodiversity information to simplify the assessment process as long as that information is:

- publicly available on an easy to use web portal,
- regularly updated with new information as it becomes available,
- useable at a project scale, and
- based on peer reviewed scientific data.

**Proposed Action 2.3**

*Update the Habitat Hectares methodology so that it incorporates current technology and scientific understandings of biodiversity.*

CCAA supports a consistent, fair, open and transparent Habitat Hectares methodology. CCAA looks forward to working with government on the documents that will detail the proposed improvements.

**Proposed Action 2.4**

*Improve the publicly available information on the biodiversity values of locations.*

CCAA supports biodiversity information that is:
- publicly available on an easy to use web portal,
- regularly updated with new information as it becomes available,
- useable at a project scale, and
- based on peer reviewed scientific data.

**Priority Reform 3: Improve decision making**

**Proposed Action 3.1**

*Embed in the planning system a tiered, risk based approach to processing applications for permits to remove native vegetation, including what information is required to be provided.*

CCAA supports in principle the concept of a tiered, risk based approach to native vegetation management, but require clarification on how this will be applied to medium/high impact applications. CCAA notes that there is no clear evidence of reforms positively impacting on reducing red tape for major projects such as large linear infrastructure projects or extractive industry projects that improve Victoria's productivity. Such major projects, due to their size and scope, would generally have a medium/high impact. Improvements in the assessment and offset sourcing for major projects that would significantly reduce the regulatory burden faced by both proponents and government need to be delivered now.

CCAA looks forward to working with government on the documents that will detail the proposed improvements.

**Proposed Action 3.2**

*Update the permitted clearing decision making guidelines to better facilitate consistent outcomes and risk based decision making.*

CCAA supports the development of guidelines that clarify processes and outcomes for proponent and regulator.

CCAA supports the retention of assessing the native vegetation issues of a proposal through the current statutory endorsed work plan process for extractive industry rather than through a separate planning permit process.

**Proposed Action 3.3**

*Develop separate decision making guidelines for considering native vegetation removal in relation to biodiversity outcomes, and for other outcomes.*

CCAA supports the development of guidelines that clarify processes and outcomes for proponent and regulator.
Priority Reform 4: Ensure offsets provide appropriate compensation for the environment

Proposed Action 4.1
Develop new risk based offsetting rules that are organized around the strategic priority of locations in the landscape.

CCAA supports the general direction of increasing focus on outcomes and proportionality, providing flexibility in the offsetting rules. Again, as for Proposed Action 3.1, there is no clear evidence of reforms positively impacting on reducing red tape for major projects, which due to their size and scope, would generally have a medium/high impact. Improvements in the assessment and offset sourcing for major projects that would significantly reduce the regulatory burden faced by both proponents and government need to be delivered now.

CCAA looks forward to working with government on the documents that will detail the proposed improvements.

Supporting reform 1: Define state and local government regulatory and planning roles

Improvement 1.1
Work with local government to:
- Ensure the interoperability of local planning policies and the Victorian Government’s permitted clearing regulations
- Develop guidance material defining the roles responsibilities and accountabilities of different levels of government

CCAA supports the early introduction of interoperability of State and local council native vegetation management practices. This should not be delayed as it can be a major source of frustration, delay and additional cost when state and local native vegetation requirements are not compatible. Action on this issue needs to happen now.

CCAA supports the development of guidelines that clarify processes and outcomes for proponent and regulator

Improvement 1.2
Continue to investigate opportunities for using strategic planning mechanisms to deliver biodiversity outcomes from native vegetation management.

CCAA supports the continued use of strategic planning mechanisms to achieve improved biodiversity outcomes. CCAA recognises the potential economic and environmental benefit of establishing large offset reserves that deepen supply, as evidenced by the recent establishment of the Western Grasslands Reserve.

As the Growth Areas Authority states on its website, this will “improve the clarity and flexibility of native vegetation management, reduce the administrative burden on government, provide greater certainty for urban development and improve biodiversity outcomes”\(^1\). The extractive industry has exactly the same objectives and suggests that this model of government action to provide offsets should now be further expanded. A planned program with set milestones to deliver the next generation of strategic offset reserves should be developed and implemented as a high priority.

Supporting Reform 2: Better regulatory performance

CCAA supports the improvement actions 2.1 to 2.3 as they should contribute to a more open, transparent and publicly accountable regulatory system.

Again, these reforms are important to implement now to achieve an improved system and to reduce red tape, rather than leave to the medium-long term.

**Supporting reform 3: Improve offset market functionality**

**Improvement 3.1**

*Work with local government to develop over-the-counter offset provision, and expand the kinds of offsets available through these mechanisms.*

CCAA supports over-the-counter offsets that can be used for a range of offsets, just not small, low impact clearing. This is an important mechanism to deliver flexibility to the system and should be implemented now and not be left to the medium/long term. A planned program with set milestones to deliver this should be developed and implemented immediately.

**Improvement 3.2**

*Improve participation and increase efficiency in the offset market by:*  
- Reducing transaction costs  
- Increasing information available  
- Improving visibility for buyers and sellers in the offset market

CCAA supports these steps to improve the offset market but again, supports these actions being implemented in the short term rather than the medium-long term. These actions also do not go far enough to increase the supply of offsets and need to be complimented with additional actions such as allowing offsets on public land (see Improvement 3.4 below).

**Improvement 3.3**

*Identify scenarios where it is beneficial for government to play a facilitator role in the offset market.*

CCAA supports Government facilitating offset trades by improving communication and information exchange between buyers and sellers. These actions also do not go far enough to increase the supply of offsets and need to be complimented with additional actions such as allowing offsets on public land (see Improvement 3.4 below).

**Improvement 3.4**

*Investigate the development of an integrity framework to guide offsetting on public land.*

CCAA supports the ability to source offsets on public land and sees this as the largest single opportunity to increase supply of offsets and should be implemented now rather than delayed into the medium-long term. A planned program with set milestones to deliver this should be developed and implemented immediately.

The huge area of native vegetation on public land, as outlined in Figure 1 of the consultation paper, has a high degree of coincidence with areas of high strategic natural value, i.e. high potential to contribute to the conservation of Victoria’s contribution, as outlined in DSE’s NaturePrint spatial data model. This clearly provides a huge opportunity to supply offsets and improve Victoria’s biodiversity.

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*Government currently lacks the resources to adequately manage all of Victoria’s environmentally valuable public land. This is not expected to improve in the near future due to reducing government expenditure and is acknowledged in Box 1 of the consultation paper where about 3000 habitat hectares per year is lost due to ‘no active management in conservation reserves’. This equates to about 75 per cent of the total net loss of habitat hectares per year. Reversing this public land loss would make significant inroads into addressing Victoria’s total habitat hectare loss.*
CCAA recognises the need for appropriate governance to manage native vegetation offsets on public land and appropriate governance models are available from other jurisdictions. The South Australian Native Vegetation Council is an independent body that could provide such a model.

**Supporting reform 4: New approaches to compliance and enforcement**

**Improvement 4.1**

*Work with local governments to develop a cost-benefit based compliance and enforcement strategy that ensures the obligations of the permitted clearing regulations are being met.*

CCAA supports a compliance and enforcement strategy that supports a hierarchy of enforcement framework where the emphasis in the first instance is on education, guidance & support for industry to comply with its legal requirements. The strategy should also focus on risk based enforcement where the greatest enforcement effort is placed in the area of greatest environmental risk.

Regardless of the regulatory system and model in place, it needs to be operated by government agencies that are adequately resourced with appropriate numbers of competent and professional staff trained to support the implementation of Government policy in an appropriately structured organisation. DSE should also ensure that all staff have a standard understanding of all current policies across the whole organisation to deliver a fair, balanced, consistent approach to compliance issues with action commensurate with the environmental risk associated with the issue.

Competent staff is the key to the realistic administration of Government policy and a balanced enforcement regime. The best compliance framework can be in place, but without competent government staff to make key decisions, the full benefit of the framework cannot be realised.

CCAA looks forward to working with government on the detail of the proposed improvements.

**Supporting reform 5: Continuous improvement program**

**Improvement 5.1**

*Adopt a process of continuous improvement for the permitted clearing regulations.*

CCAA supports a regulatory regime that operates under a continuous improvement regime. Priority should be given to working with the Commonwealth Government to ensure the accreditation of Victoria’s assessment and approvals processes. Our members have experienced significant regulatory duplication and costly delays due to incompatible State and Commonwealth assessment and approval requirements. There have been frustrating examples where an offset that satisfies one level of government does not necessarily satisfy the other level of government, even when the ecological species requiring protection by both bodies is similar.

Again, these reforms are very important to implement now to achieve an improved system and to reduce red tape, rather than leave to the medium-long term.

**Reasonable Effort**

CCAA notes that the consultation paper failed to clarify the process to achieve outcomes if economic offsets cannot be sourced after reasonable effort has been expended by the proponent. It should be realised that despite the best facilitation efforts by DSE and reasonable effort by the proponent over a reasonable time, that economic offsets may not be sourced. A clear process that delivers biodiversity benefits to Victoria and process certainty for the proponent needs to be clearly outlined and defined so that major projects, including infrastructure projects that improve Victoria’s productivity, are not stalled.
Again, this reform is important to implement now to achieve an improved system and to reduce red tape, rather than leave to the medium-long term.

**Improving Low Value Land**

CCAA recommends that sourcing low conservation value, degraded land and rehabilitating it to an agreed higher conservation value that is maintained over time should be an alternative to sourcing increasingly rare and expensive existing high conservation land. In a similar theme, rehabilitating exhausted quarry operations, which is regulated by DPI to set standards, should also be increasingly used toward achieving the quantum of offset required.

**Research Programs**

CCAA recommends the application of research programs that can examine and improve the regeneration of species required to be protected and/or offset should also be used as an alternative to sourcing direct offsets. Recognition of such important research needs to be incorporated within the permitted clearing regulations.

CCAA looks forward to working with government on the detail of these proposed improvements.
### APPENDIX 1

**CEMENT CONCRETE & AGGREGATES AUSTRALIA**

**MEMBERSHIP**

**FOUNDATION MEMBERS**

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<tr>
<th>Boral Construction Materials</th>
<th>Boral Cement Limited</th>
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<tr>
<td>Adelaide Brighton Ltd</td>
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<td>Boral Construction Materials</td>
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<td>Hanson Australia Pty Ltd</td>
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<td>Holcim (Australia) Pty Ltd</td>
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**VICTORIA**

**ORDINARY MEMBERS**

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<thead>
<tr>
<th>Aidan J Graham Pty Ltd</th>
<th>Broadway &amp; Frame Premix Concrete Pty Ltd</th>
<th>Independent Cement &amp; Lime Pty Ltd</th>
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<td>Alsafe Pre-Mix Concrete Pty Ltd</td>
<td>Fulton Hogan Construction Pty Ltd</td>
<td>Premier Resources T/A Hy-Tec Industries Pty Ltd</td>
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<td>Axedale Sands &amp; Gravel</td>
<td>Hillview Quarries Pty Ltd</td>
<td>Rocla Pty Ltd</td>
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<td>Barossa Quarries Pty Ltd</td>
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**ASSOCIATE MEMBERS**

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<tr>
<th>Agi-Kleen Pty Ltd</th>
<th>Concrete Waterproofing Manufacturing Pty Ltd T/a Xypex Australia</th>
<th>Sika Australia Pty Ltd</th>
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