CEMENT CONCRETE
& AGGREGATES AUSTRALIA

2024 Queensland Election Policy Priorities

Delivering the sustainable supply of Heavy Construction Materials

August 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 QUEENSLANDER needs **8 TONNES** per year of stone, sand, gravel and cement to build the 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

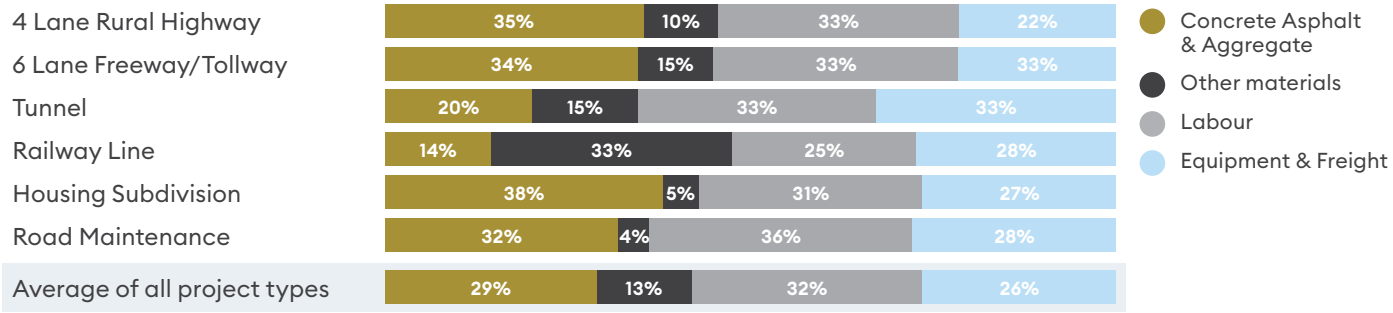
AVERAGE NEW HOME uses **110 TONNES** of aggregate and over **50m3** of concrete.

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 **700m3** of concrete per tower

ESTIMATED PROPORTIONS OF TOTAL PROJECT COSTS BY TYPE OF PROJECT



Source: Macromonitors (2022)

Queensland is facing a critical supply risk on affordable construction materials

The future pipeline of road, rail, housing, energy and Olympic Games infrastructure will drive unprecedented demand for construction materials.

QUARRY MATERIAL SUPPLY RISK

Quarry material demand hotspots will see the need to significantly increase the supply of product in the Greater Brisbane, Sunshine Coast and Darling Downs regions by 2031-32.

Regulatory reform of the approvals process and greater planning certainty across State and Local Governments are urgently needed to increase supply and avoid affordability risks.

The issue is not with Key Resource Areas (KRAs), but with the approval of extractive industries in the KRA. Although there are generally sufficient resources of quarry material, there are barriers to getting the material to market. Stronger planning protection for KRAs to protect buffer zones, streamlined development approvals and practical local council conditions that do not unduly restrict truck movements and operating hours are required.

CCAA recognises the recent work by the Department of Resources in quantifying the demand:supply risks for quarry materials but more work is required.

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.

In South East Queensland, increased infrastructure demand fueled by population growth and the Brisbane 2032 Olympics will exert pressure on local quarry reserves for the next decade".*

WHAT DOES THIS MEAN FOR QUEENSLAND...

Short term supply risk, especially for concrete & sand

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

Long lead time to approve new resources

- Less affordable homes, roads, Olympics and infrastructure.

Increasing demand

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

* Infrastructure Australia: Infrastructure Market Capacity Report 2023

FACILITATING DECARBONISATION

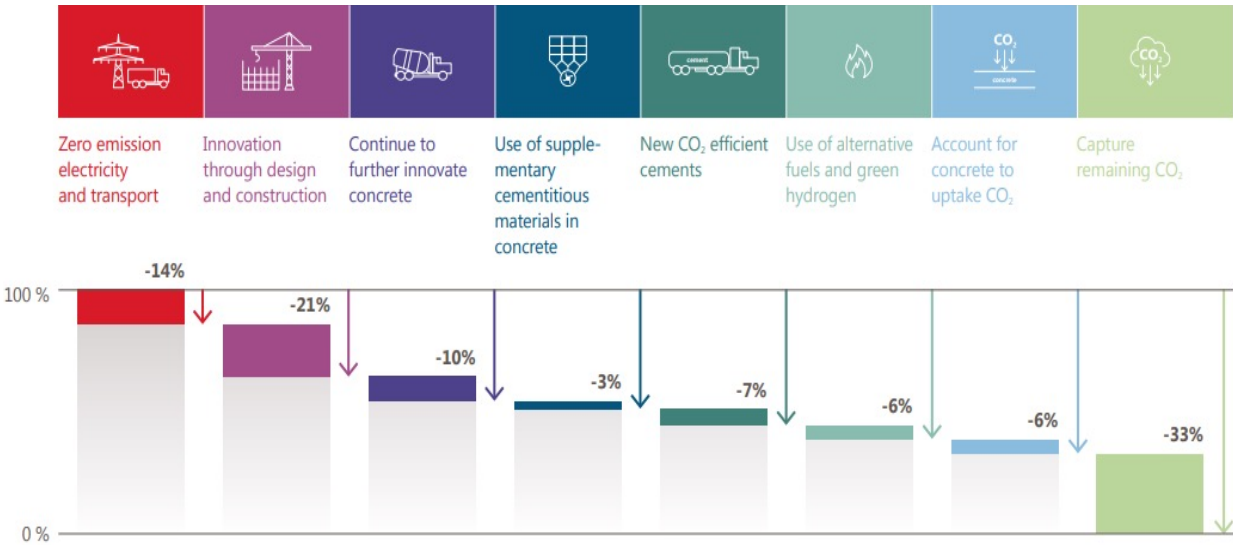
As the demand for concrete grows to fuel the State's infrastructure, housing, energy and sustainable growth ambitions, there is an urgent need to work together to enable the delivery of Lower Carbon solutions.

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 and Blast Furnace Slag 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, and concrete which will aim to:

- Ensure proximate and adequate materials supply for housing, infrastructure, Olympic and 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, similar to other essential industries such as wind farms and ports.
- Commit to regular demand:supply data collection and granular analysis to better understand barriers to increasing supply of material.
- Deliver stronger planning protection for Key Resource Areas to give priority to extracting quarry materials.
- Extend operating hours to support critical supply.
- Deliver practical, harmonised biosecurity measures.
- 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.
- 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:

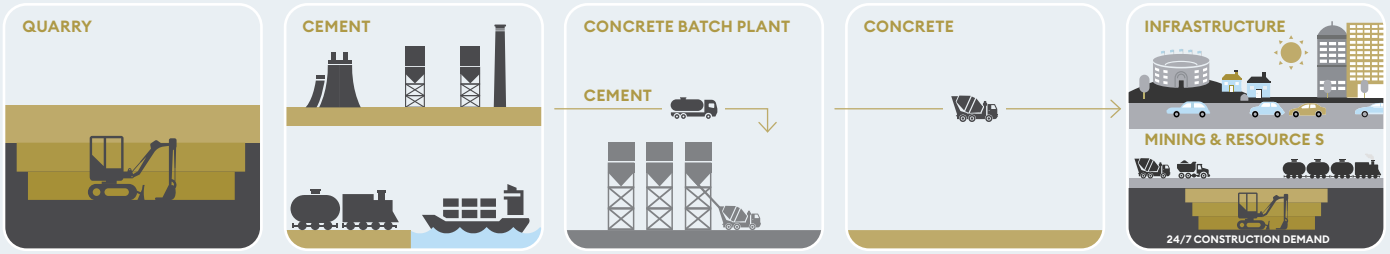
- Help industry achieve its ambition of delivering Net Zero concrete by 2050
- Deliver affordable infrastructure, Olympic program & housing
- Attract essential investment
- Keep people and communities safe and working
- Support timely delivery of critical infrastructure
- Foster greater partnerships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

Snapshot

HEAVY CONSTRUCTION MATERIALS SUPPLY CHAIN

EFFICIENT, SUSTAINABLE SUPPLY CHAIN → DELIVERS → AFFORDABLE CONSTRUCTION

SAND & STONE



Cementitious material (cement, fly ash & slag) manufactured, processed & transported via Gladstone, power stations and major state ports

INDUSTRY ISSUES

✕ Complex approvals process	✕ Keep port facilities open and efficient for cement	✕ Local Council requirements	✕ Traffic congestion	✕ Skilled labour
✕ Multiple sets of regulations & government agencies	✕ Urban encroachment	✕ Hours of operation	✕ Restricted heavy vehicle access	✕ Maintain pipeline of infrastructure projects
✕ Resource security & urban encroachment	✕ 24/7 manufacturing and loading	✕ Prescriptive specifications	✕ Constrained site access and delivery time restrictions	✕ Business taxes and royalties
✕ Increasing demand for materials	✕ Bringing low carbon products to market			
✕ Local Council conditions limiting supply	✕ Low cost energy			
✕ Key Resource Areas (KRAs) lack planning priority				

FACILITATING AFFORDABILITY AND ECONOMIC GROWTH THROUGH REGULATORY REFORM AND IMPROVEMENT

WHAT NEEDS TO CHANGE

✓ Appoint Quarry Approvals Coordinator in State Government	✓ 24 hr product loading and sales	✓ Stronger planning protection for concrete batch plants	✓ Extended hours for construction site delivery, operation and access	✓ Continued investment in social housing
✓ Stronger planning protection for KRAs to protect buffer zones and enable development approvals	✓ Priority road access	✓ Streamlined process to co-locate construction material manufacturing with quarries	✓ Streamlined site access	✓ Balanced delivery of State/Local Government infrastructure projects
✓ Practical local council conditions	✓ Planning protection	✓ Streamlined process to extend operating hours		✓ Increase road maintenance
	✓ Ensure internationally competitive energy costs	✓ Aligned State and Federal energy and climate change policy		✓ Minimise payroll tax, land and property taxes
	✓ Recognition of re-use of waste through effective End of Waste Framework	✓ Risk based approach for material specifications		

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