



## **PRELIMINARY SUBMISSION**

### **Performance Benchmarking of Australian Business Regulation: Planning, Zoning and Development Assessments**

#### **INTRODUCTION**

Cement Concrete & Aggregates Australia welcomes the Productivity Commission's *Performance Benchmarking of Australian Business Regulations: Planning, Zoning and Development Assessments*.

CCAA's members are significantly impacted by Australia's planning, zoning and development assessment frameworks and consider it to be one of the most pressing issues confronting the industry.

This is an initial submission that outlines the issues confronting the heavy construction materials industry across Australia in relation to planning, zoning and development assessments, which are:

- Resource Security
- Regional Importance, Local Planning
- Risk and Development Assessments
- Urban Encroachment

This submission will focus on resource security as it provides a clear indication of how different State and local government planning, zoning and development assessment regimes equate to a complex and inconsistent business regulatory framework within Australia.

A more comprehensive submission will be submitted that will provide further examples and evidence for the issues raised in this submission.

#### **CEMENT CONCRETE & AGGREGATES AUSTRALIA**

Cement Concrete & Aggregates Australia is the peak industry body for the heavy construction materials industry in Australia including the cement, pre-mixed concrete and extractive industries.

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 2,200 quarries operating across the country that produce some 130 million tonnes of stone, limestone, gypsum, gravel and sand used to produce building and construction materials, such as cement, concrete, bricks, tiles, pavers and road paving. The revenue generated by these quarries is estimated to be \$1.63 billion per annum.

The industry produces 8.9 million tonnes of cement and 23.9 million m<sup>3</sup> of pre-mixed concrete, with a turnover of approximately \$5.58 billion per annum. Further value is added through the manufacture of concrete products and delivering concrete services.

CCAA'S members are servicing 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.

## **GROWTH AND SUSTAINABILITY**

Australia is projecting significant population growth in its major cities and regional centres. With this growth comes a requirement for increasing provision of infrastructure, including housing, roads, bridges, schools and hospitals. This vital infrastructure is built using concrete and aggregates that need to be produced and manufactured close to regional markets, which supports jobs and reduces transport impacts.

The low value and high volume nature of the materials that constitute concrete and aggregates means that the quarries that produce these materials need to be situated in relative proximity to the batching plants.

Due to its chemistry, concrete must be used within a short time after being mixed. It is not suited to being transported over long distances. The location of batching plants close to market and the efficiency of distribution are two critical factors to the application of concrete.

It is fundamental that the issues affecting the heavy construction materials industry be taken into account if Australia's cities and regional centres are to grow in a sustainable manner.

## **GENERAL ISSUES REGARDING PLANNING**

The planning, zoning and development assessment frameworks operated by the different State jurisdictions are an integral component to growing cities in a sustainable manner. They also have a significant impact on the heavy construction material industry. CCAA members have identified the following issues to be of major impediments to the sustainable supply of construction materials:

- **Resource Security:** Securing the access to new raw materials is vital to the continued supply of the housing, construction and infrastructure markets. This access is increasingly being hampered by different layers of Government regulations.
- **Regional Importance, Local Planning:** The location of a quarry is determined by geological conditions and the finite resources produced have a regional and State significance. Local government planning mechanisms do not necessarily have the capacity or expertise to assess regional or State impacts.
- **Risk and Development Assessments:** The timeframe for development approvals is lengthy and expensive and are prone to political intervention, all of which increases risk.
- **Urban Encroachment:** Poor planning has often resulted in urban encroachment. This affects the operational capacities of quarries and pushes them further away from market, negatively impacting on transport costs, road wear and tear and increasing green house gas emissions.

Authorities are increasingly amending planning guidelines in relation to where quarries, cement manufacturing plants and concrete batching plants are located in the urban footprint and are not including them at all in future growth area plans.

It is imperative that undeveloped raw materials sites be identified and set aside for guaranteed future development and that suitable industrial sites be included in future growth area plans.

Note: issues affecting 'Regional Importance, Local Planning', 'Risk and Development Assessments' and 'Urban Encroachment' will be detailed in CCAA's follow up submission.

## **RESOURCE SECURITY**

As is the case with most regulatory frameworks across Australia the different State and Territory Government variations to planning, zoning and development approvals are creating significant inconsistencies in regulation across jurisdictions. The further application of local government requirements adds to this inconsistency and complexity.

As stated earlier, one of the consistent themes, across Australian jurisdictions, for the industry is securing resources areas for future development. The table below shows how each of the States set aside areas that have potential to be developed as quarry, it illustrates the complexities and inconsistencies that exist within the planning, zoning and development approval systems utilised across Australia.

State*	Mechanism	Comment
<b>Queensland</b>	State Planning Policy 2/07: Protection of Extractive Resources	<p>The policy identifies the location of Key Resource Areas (KRAs), which are those extractive resources of State or regional significance where extractive industry development is appropriate in principle, and aims to protect those resources from developments that might prevent or severely constrain current or future extraction when the need for the resource arises.</p> <p>However, the policy does not address the issue of other competing State interests, such as agricultural land, coastal protection, vegetation management, koala conservation and biodiversity. As a result the future development of large parts of KRAs is constrained.</p>
<b>New South Wales</b>	State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007	<p>This Policy determines permissibility of extractive industries on land zoned for agriculture and on land already used for extractive industry. It also sets out matters that must be considered when assessing a development application for the purposes of extractive industry as well as stipulating requirements for proposed developments that surround the extractive industry. This policy does not provide surety against other competing issues, such as vegetation management.</p> <p>In addition, Section 117 of the <i>Environmental Planning and Assessment Act 1979</i> also provides the Minister for Planning with the power to direct local authorities to consider matters deemed relevant in the preparation of local environmental plans, such as identified state or regionally significant extractive resources identified by the Department of Industry and Investment.</p>
<b>Victoria</b>	Extractive Industry Interest Areas	<p>This Policy identifies broad area of land where extractive materials are located.</p> <p>The minerals on the identified tracks of land are ill-defined and the tracts of land are too broad to make the policy a useful tool for planning purposes. As such, it does not act as an effective mechanism for defending extractive mineral areas from inappropriate land use or development.</p>
<b>Tasmania</b>	Quarry Code of Practice	<p>The Code recommends that local authorities consult with quarry operators when a new development is planned within 100 metres of a quarry. However, this is a discretionary and does not prevent urban encroachment or protect future sites from incompatible land use.</p>
<b>Western Australia</b>	State Planning Policy 2.4: Basic Raw Materials	<p>This Policy sets out the matters that are to be taken into account and given effect to by the WAPC and local governments in considering zoning, subdivision and development applications for extractive industries.</p> <p>While the Policy identifies future quarry sites it does not protect or guarantee the development of the sites, which are increasingly being excluded from development through the Bush Forever Program.</p>

**\*Note:** South Australia is currently introducing a new planning framework and CCAA is currently working with the SA Government to determine how the new system will impact on the heavy construction materials industry.

For communities in Australia to grow in a sustainable manner, while keeping housing and other infrastructure affordable, then consideration needs to be given to the location and operation of the heavy construction materials industry.

It is CCAA's position that the Key Resource Area model utilised in Queensland provides a framework for best practice within Australia in regards to planning, zoning and development assessment for the heavy construction materials industry. The features of the model that are particularly effective are:

- Identifies an extractive materials area, a separation site and an associated transport route.
- Provides a buffer around the identified areas to prevent encroachment of incompatible land usage.

The identified Key Resource Area provides a framework to local authorities to be utilised in the planning process and when making a development assessments.

However, the model does not address the issue of competing interests, such as agricultural land, coastal protection, vegetation management, fauna conservation and biodiversity. As a result the future development of large parts of Key Resource Areas is constrained by these other interests.

For example, of the 10,209 hectares of Key Resource Areas (production and processing areas) in South East Queensland, approximately 2,425 hectares are now constrained by koala conservation in addition to some 1,910 hectares constrained by vegetation management legislation.

Additional layers of restriction continue to be added in most cases with little regard for existing land use rights. Further, under the policy there are no mechanisms to add, delete or amend Key Resource Areas. The policy also falls away when its provisions are incorporated into Local Government Planning Schemes.

CCAA is not arguing that environmental or community interest should not be considered in the planning process, but rather that the heavy construction materials industries impact on sustainable growth and its resultant State and regional importance be duly assessed in all planning, zoning and development assessment frameworks within Australia.

## **CONCLUSION**

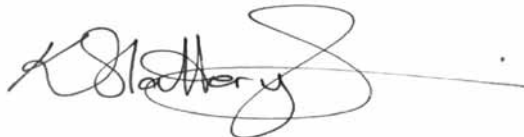
It is anticipated that Australia's population will experience significant growth, which will inevitably lead to an increase in demand for concrete and aggregates, as vital infrastructure is built to support sustainable communities.

The sustainable growth of Australia's cities and regional centres is dependant on the capacity of the industry to supply extractive materials to regional markets. The location of the raw materials is determined by geological conditions and cannot be altered. Unlike other industries or housing there is no latitude in where a quarry can be located.

In this regard, CCAA would like to see the adoption of statutory protection for future resource sites, such as the Key Resource Area system adopted in Queensland, which has the potential to protect future quarry sites and transport routes from encroachment by incompatible land usage.

However, CCAA would advise that the Queensland model be improved so that due consideration be given to land use rights as well as environmental and community rights, which can unduly constrain the development options of Key Resource Areas.

A follow up submission will be provided that will build on the issues presented in this submission and provide more detailed examples and evidence of the inconsistencies associated with planning, zoning and development assessment in Australia.



**KEN SLATTERY**

Chief Executive Officer

**CEMENT CONCRETE & AGGREGATES AUSTRALIA**

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