Reducing regulatory burdens for Queensland's extractive and quarrying industry

Submission to the Agriculture, Resources and Environment Committee

Cement Concrete and Aggregates Australia (CCAA)

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About Cement Concrete and Aggregates Australia (CCAA)

CCAA is the peak industry body representing the nation's heavy construction materials industry, and includes members in the extractive, cement and pre-mixed concrete industry. A list of CCAA members is attached.

Nationwide, 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. In Queensland, there are approximately 6,000 people employed in the industry.

We welcome the opportunity to make a submission to the Agriculture, Resources and Environment Committee's investigation into regulatory burdens for Queensland's agriculture and resource industries, particularly in relation to regulatory issues for the extractive and quarrying industry.

About the extractive and quarrying industry

The extractive and quarrying industry plays a critical role in the built environment in which Queenslanders live work and play.

Life without the material out industry provides is almost unimaginable. The materials extracted and processed by our industry are used in a broad range of applications in our built environment, including applications such as:

- Aggregate (ie rocks, stones and sand) for concrete (the most used building product on the planet). Concrete is comprised of approximately 80% aggregate material, 10% cement and 10% water.
- Material for roads and road base
- Rail ballasts
- Construction sand for anything from water filtration plants to public facilities such playgrounds, golf courses
- Rock walls

The industry operates in diverse geographic and environmental settings, ranging from built-up urban environments to remote outback settings.

The scale of operations range from hard rock quarries producing more than two million tonnes per annum, to small sand pits producing a few hundred tonnes per annum.

Examples of the amounts of material provided by our industry include:

- One kilometre of highway requires 25 000 tonnes of crushed rock.
- One kilometre of suburban roads requires: 5 000 tonnes of crushed rock; 750 tonnes of concrete for footpaths, kerbs and gutters 450 tonnes of asphalt for road surfacing
- One kilometre of railway requires 2000 tonnes of aggregate.
- A high-rise building can use up to 1000 tonnes of aggregate per floor.
- Construction of a typical house, including driveway and landscaping, uses about 100 tonnes of aggregate.

In general, due to significant transportation costs, quarries only provide materials to their local communities, and quarry material needs to be sourced from specific geological areas. The material is not imported from overseas, nor from other parts of Australia. It is a "high volume, low value" material and transportation costs are significant.

Compared to other extractive activities – such as mining – quarrying has a relatively small footprint. For example, an average hard rock quarry is about 10% the size of an average open cut coal mine.

There has been a significant demand for quarry material generated in Queensland over the past decade, and this is likely to continue in the foreseeable future, particularly in the context of:

- Continued population growth in Queensland. Although growth has slowed, it is still continuing and expected to result in an extra one million people living in Queensland each decade until 2056. It is estimated that each Queenslander requires about 10 tonnes per annum of quarry material to support the building of roads, houses and other infrastructure to service his or her needs.

- Road and transport network rebuild following the devastating flood and cyclone events of 2010/11 and early 2012.

- Mining and gas project investment which places a significant call on construction materials demand (eg for roads, ports and other related infrastructure).

Regulatory concerns for Queensland's extractive and quarrying industry

Our overall view on regulation

Our industry supports a robust regulatory framework that supports better social, economic and environmental outcomes – such as improved environmental management, protection of community amenity, protection of worker and public safety, better land use planning, consumer protection and a "level playing field" between companies.

Such values are important to the community and important to our industry.

However, we believe there is significant scope to improve the regulatory framework that our industry operates within.

Improving regulatory processes increases the ability of our industry to provide a reliable and cost-effective supply of construction materials to meet the needs of Queensland.

Costs for regulatory and planning approvals are not insignificant. In South East Queensland our members estimate that development approval costs are in the order of $2.5 million for a Greenfield site, and about $1.2 million for an extension to an existing quarry (excluding any costs for infrastructure charges, or opportunity-loss costs for time delays). Mines Inspectorate regulations, including the $800 levy per site employee and various compliance requirements are also additional. Normal timeframes for the approval of a new quarry are between 5-7 years.

Specific regulatory impacts affecting our industry

There are a number of regulatory areas affecting the extractive and quarrying industry, especially in areas such as:

- Vegetation management
- Environmental licensing and management
- Planning and development issues
- Workplace health and safety
- Procurement requirements (eg specifications and standards) for Department of Transport and Main Roads projects
- Road Freight Transport

More detail on these areas is provided in the table below, and further details can be elaborated on in a public hearing.

Specific areas for the quarrying industry where regulatory improvements could be made

Policy	Area of concern	How improvements could be made
Vegetation and Biodiversity restrictions	Vegetation and biodiversity restrictions are difficult to navigate and produce perverse and unintended environmental outcomes for the industry, particularly in relation to: • Vegetation clearing restrictions in quarries – despite many quarries being designated as "Key Resource Areas", there is a number of vegetation policies and regulations that prevent resources being extracted in existing quarry sites. Having full access to resources on existing quarry sites mitigates against the need to open new quarries. • Offset requirements. The complexity associated with management of offsets, such as Biodiversity Offsets, Koala Management, Vegetation Management and Marine Fish Habitat can represent a significant regulatory burden and confusion for industry and can add significant costs and delays.	Review Vegetation Management requirements for quarries . This would include reviewing: • Requirements for remnant and regrowth vegetation management, particularly for small pockets of vegetation on quarry sites that are currently sterilised from extraction due to connectivity issues. • Biodiversity offset requirements, including allowing regrowth areas on quarry sites to be counted towards offsets. The current policy framework is highly complex. Offset policy should provide flexibility, certainty, and strong and measurable environmental outcomes. In addition, rehabilitation on quarries should be considered as offsets. • Review currency requirements for the extractive industry which makes it difficult for operators to undertake staged clearing.
Planning issues **Planning issues**	Planning issues for quarries are governed by provisions of the *Sustainable Planning Act 2009*, and local authorities have significant difficulties in approving new quarries or extensions to existing ones. **Concurrence agency** processes could be improved significantly – for example, when an extractive industry application gets considered by a local authority through processes of the *Sustainable Planning Act 2009* – various State Agencies have either a concurrence or referral agency role, to ensure certain state interests are appropriately protected through the development assessment process (e.g. the Department of Environment and Heritage Protection). However, extractive state interests are not afforded the same	To address this concern, we propose that a state agency, such as the Major Projects Office, takes on a greater focus in relation to applications for extractive and other construction materials. We believe that other state interests (such as economic development) should also formally be taken into account, through concurrence agencies which consider the state's interest in relation to infrastructure or economic development. This would ensure all State interests are fully scrutinised in the decision making process.

(continued)	representation and there is therefore no mechanism for balancing various competing state interests. The result of which is often that state extractive interests are compromised.	
	In 2007 the Queensland Government introduced **State Planning Policy (2/07)** aimed at protecting key extractive resources from encroaching urban development. SPP 2/07 identifies 100 extractive resource sites of State or regional significance as KRAs the majority of which have existing extractive industry development approvals. Although the SPP is acknowledged by CCAA as a good first step, the reality is that these resources may never be fully utilised. This is because the intent of the SPP is compromised and contradicted by other State legislation and policies on vegetation clearing, biodiversity and nature conservation which, with limited exceptions, have a retrospective application. Furthermore, more than half of all extractive sites are not located in Key Resource Areas, which means these sites are not afforded the same protections that exist for quarries in KRAs.	Better utilisation of State Planning Policy 2/07 (Protection of Extractive Resources) and consideration of reviewing the number and scope of KRAs.
	On **development approval conditions**, the process of applying conditions to development approvals varies between the individual responsible for review and approving the DA resulting in a great diversity of conditions, unworkable and inequitable outcomes	Consideration should be given to standard condition packages for development that demonstrates through Environment Impact Assessment that it can comply with relevant criteria. Conditions should be performance based. The EIA should be validated through operation compliance assessment and certification.
	IDAS forms require the completion of a generic property details form and then a specific form relating to type of application. Often proponents have to submit multiple forms (up to 4 for some applications) that contain duplicate information.	All information required for a particular application should be contained on the one form. In having one form, unreasonable requests for information that are time consuming and unrelated will be less commonplace.
	Finally, **policies can be changed halfway** through an application (such as imposing noise limits and variable limits), which is extremely frustrating for industry.	Ensure a Standard Assessment Method Environmental Impact Assessment (EIA)

DTMR requirements - specification and testing requirements for quarry materials	Quarry materials are subject to a number of specifications and testing requirements for DTMR projects. These specifications and requirements are put in place to ensure that DTMR has confidence that a high standard of materials are supplied to state projects. Whilst our industry recognises the importance of these requirements, our industry believes that significant improvements could be made that would provide confidence to DTMR that the materials are of a high standard, whilst alleviating some of the burden for industry and allowing cost savings for DTMR.	Establish a more streamlined testing frequency and specification regime that would reduce the regulatory burden for industry, provide comfort for DTMR on materials quality and consistency, and produce savings in DTMR's procurement activities.
Environmental licensing	Quarrying operations are currently required to hold a number of environmental licenses (called ERAs) that are ancillary to their activities.	The new Green Tape reforms recently passed by State Parliament should address many of these concerns, subject to implementation.
Freight efficiency – performance based standards	For reasons such as the long term protection of the road and transport network, and road safety, there are limits on the amount of quarry material that can be carried in a single load by a quarry truck. However, through COAG processes, States and Territory road authorities have agreed that these limits could be increased through "Performance Based Standards" which would allow trucks to be reconfigured to allow a higher cartage on certain routes. The result is a huge potential win-win. Operators can increase productivity and freight efficiency, the road network is protected, and there are fewer trucks on the road. Unfortunately, the roll-out and assessment of PBS routes in Queensland has not produced the benefits originally hoped for and been complicated by a number of factors, such as: • Local Government/State Government interaction and	Identify and address the barriers which prevent the implementation of PBS routes and configurations in Queensland, in consultation with industry, truck manufacturers, local governments and state government agencies.

Freight efficiency *(continued)*	issues about "first and last mile" road access issues. • Infrastructure issues on road and bridge structures • Resourcing constraints which slow down the assessment of vehicle configurations and transport routes.	
Compliance enforcement (inspections and audits)	Some government agencies (such as the Department of Environment and Heritage Protection) have been prone to provide limited notification (sometimes a day or few hours) prior to site visits for audits, inspections or occasional pro-active visits. Sometimes there may be 3 staff coming from a single agency – this makes coordinating and managing visits difficult and disruptive. The intent of inspections, particularly in the case of occasional visits, is not always transparent. Most extractive sites are subject to the *Mining and Quarrying Safety and Health Act 2001*, which means officers must be escorted whilst on site. Businesses often need to: organise additional personnel and vehicles to accompany officers Similarly, EHP at times ask for responses to 'general' community concerns or complaints about no specific incident, or items that compliance officers may perceive as an issue, environmental risk, or that they have a query about. These take time, resources and sometimes expense to resolve where no non-compliance or issue was actually evident.	Develop a set of protocols or a "business relationship charter" for state government agencies when interacting the businesses. This could include a standard notification procedure and form advising of proposed visit detailing notification period, intent and scope of visit, number, names and roles of officers who will be attending. This will establish clear guidelines as to what must be satisfied before requesting information. It will benefit companies and the regulator by reducing the number of issues to respond to and being able to better direct resources to those issues that may actually be a concern. Furthermore, greater efforts should be undertaken (by Government and industry bodies) to increase the industry "know-how" of compliance officers. If a compliance officer has a greater level of understanding and expertise in how an industry operates, then their activities and judgements are likely to be better informed, which should result in better regulatory outcomes, and more sensible determinations on specific matters affecting industry.
Health and safety	Workplace health and safety issues on quarries are regulated through the *Mining and Quarrying Safety and Health Act 2001* and regulated through the Mines Inspectorate.	Generally, our industry has a good relationship with the Mines Inspectorate and strongly supports measures to improve worker health and safety. It is important that the Mines Inspectorate continues to maintain

Health and safety *(continued)*		its positive relationship with the quarrying industry in being proactive, proportionate and supportive in how it deals with the industry. It is also vital to ensure that the specific characteristics of the quarrying industry needs to be taken into account when prescribing any changes to health and safety laws, in particular, the fact that quarries are usually much smaller than many mines. Most quarries in Queensland (about 60%) have less than 15 people employed at their site. Just over 40% of quarries have 10 employees or less and almost 2/3 has 15 employees or less.
Allocations (Water and Sand)	To secure a State Resource, multiple approvals are required across a number of different bodies with differing expiry dates, feeds and conditions.	To maximise efficiency, and returns from State Resources, streamline allocation of state resources under the water and forestry acts.
Operating Hours for Quarries	Current restrictions on quarry operating hours reduce the time period in which freight can be transported, therefore causing network congestion in peak hours.	Increased hours of operation (to allow for sales and deliveries) would provide for improved load planning, and improved coordination of spare freight capacity, and allow a more efficient supply chain to work with concrete batch plant operating hours.

CEMENT CONCRETE & AGGREGATES AUSTRALIA

MEMBERSHIP (QLD)

FOUNDATION MEMBERS

Adelaide Brighton Ltd	**Boral Construction Materials**	**Boral Cement Limited**
Cement Australia Pty Ltd	**Hanson Australia Pty Ltd**	**Holcim (Australia) Pty Ltd**

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