

**Submission
No 161**

**INQUIRY INTO THE PROTECTIONS WITHIN THE VICTORIAN
PLANNING FRAMEWORK**

Organisation: Cement Concrete & Aggregates Australia

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The Secretary
Legislative Council Environment and Planning Committee
Parliament House, Spring Street
EAST MELBOURNE VIC 3002

Via Email: planninginquiry@parliament.vic.gov.au

SUBJECT: INQUIRY INTO THE PROTECTIONS WITHIN THE VICTORIAN PLANNING FRAMEWORK

Cement Concrete & Aggregates Australia (CCAA) welcomes the opportunity to provide a submission to the Environment and Planning Committee's Inquiry into The Protections Within the Victorian Planning Framework.

CCAA is the peak industry body for the heavy construction materials industry in Australia including the cement, pre-mixed concrete and extractive industries. Our members operate cement distribution facilities, concrete batching plants, hard rock quarries and sand and gravel extraction operations throughout Victoria. For your information, a list of CCAA Victoria's members is provided in Appendix 1.

CCAA members nationally account for 80% of total industry output, with the industry generating \$15 billion per annum in revenue, employing 30,000 Australians directly and supporting the employment of a further 80,000 people. CCAA members produce and supply the heavy construction materials that are used to construct Victoria's infrastructure. Providing both the raw material and finished product, heavy construction materials contribute to the construction of our homes, roads, railways, bridges, ports, airports, hospitals, and schools.

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 that recognise the importance of these materials to Victoria's sustainable future.

CCAA supports a planning system that enables a timely, cost-effective development approvals process that provides certainty of process as well as strategic recognition and protection of key extractive materials such as hard rock, sand and gravel as essential inputs to the building and construction sector.

1) Key Government Policy

Challenges facing the extractive industry in Victoria include supplying the materials required for the infrastructure needed for an increasing population, expanding urban development, land use conflicts, limitations to expansion and the complex, unsupportive current planning system operating under the *Planning & Environment Act 1987* (P&E Act).

In response to these issues, the Andrews Government released *Helping Victoria Grow: Extractive Resources Strategy* in June 2018 which outlines the Government's blueprint to secure Victoria's extractive resources now to ensure they are available for current and future generations. This was reinforced in the Ministers for Resources and Planning *Joint Ministerial Statement: Extractive Resources: Rock Solid Foundations for Victoria's Growth* of August 2018.

- **Extractive Resources Strategy**

The Victorian Government developed the [*Helping Victoria Grow: Extractive Resources Strategy*](#) in June 2018 to help ensure that high quality extractive resources continue to be available at a competitive price to support Victoria's growth and help facilitate affordable housing and infrastructure.

"Regulatory performance in the sector has not met community and industry expectations. The length and complexity of processes to obtain a work plan (of which the P&E Act is a key aspect) limits industry's ability to respond to market demand and could give rise to localised resource shortfalls and subsequent price spikes.¹"

Key actions from the Strategy include improving the work approvals processes, of which the P&E Act is a key aspect and informing the development and review of the Victorian Government's planning policies.

- **Joint Ministerial Statement**

The [Joint Ministerial Statement](#) of August 2018 reinforces the Government's commitment to streamline approval processes to expand quarry production.

"An immediate priority is to address pressing supply constraints by streamlining planning and works approvals for existing quarries. Many existing quarries have capacity to expand but need variations to their planning permits or works permits. Too often these have taken many months or years to process."²

The P&E Act is an integral part of this works approval process.

- **Strategic Extractive Resource Areas**

The Strategic Extractive Resource Area (SERAs) concept has been developed by Government to include defined areas that host a state significant resource that is accessible to market with manageable environmental and planning constraints. Their identification in the planning system aims to secure significant sand, clay and stone resources that are of strategic importance for the construction of public infrastructure, affordable housing, and private sector development now and in the future. SERAs also aim to reduce future land use conflict.

SERAs were gazetted on 19 Aug'21 as part of Amendment VC196 to the Victoria Planning Provisions and applied to all planning schemes in Victoria and introduced into South Gippsland and Wyndham local government areas.

¹¹ [*Helping Victoria Grow: Extractive Resources Strategy*](#), Department of Economic Development, Jobs, Transport & Resources, June 2018, page 25

² Joint Ministerial Statement on Extractive Resources, Rock Solid Foundations for Victoria's Growth, August 2018. Page 7

The introduction of the SERAs will provide better support for the quarry sector that is playing a key role in the state's post-COVID economic recovery effort. This is a very welcome advancement where demand for extractive resources in Victoria is expected to increase significantly into the future.

These SERA pilot areas have been developed after extensive community consultation and help provide certainty for the community and industry by clearly identifying state significant quarry resources. These resources being close to appropriate transport routes and located in areas where a potential quarry will have limited impact on the environment and surrounding land uses.

The increasing demand for quarry materials due to the Government's Big Build infrastructure program and housing financial stimulus packages is driving depletion of existing resources and reinforces the critical need to replace depleted resources with new supply.

More detail on SERAs is available [here](#).

Additional SERAs should be identified and gazetted under the funded DJPR [*Strategic Extractive Resources Roadmap*](#), as launched by Minister for Resources, Hon. Jaala Pulford in Dec'21.

This strategy was developed by DJPR in consultation with the Government/industry Extractive Resources Taskforce which outlines a work program for 2021-23 that includes refreshing Extractive Industry Interest Areas (EIAs) and establishing new SERAs in priority LGAs to future proof remaining available extractive resources. EIAs remain an important and current evidence-base for informing planning decisions in relation to extractive industries and other land uses³.

- **Demand/Supply Scenarios**

In 2016 the Victorian Government released the [*Extractive Resources in Victoria, Demand and Supply Study 2015-2050*](#), which showed that the demand for extractive resources is expected to nearly double by 2050, from 47 million tonnes in 2016 to 88 million tonnes in 2050.

This study is in the process of being updated by the Department of Jobs, Precincts & Regions (DJPR) and preliminary figures indicate that the extractive resource supply position has further decreased since 2015. This is at a time when the latest DJPR estimates indicate a **TRIPLING**, not doubling as previously forecast, of demand by 2050 due to Government's continuing infrastructure program and residential housing stimulus measures.

This further reinforces the need for an efficient quarry works approval process to readily enable additional supply to be available to market to satisfy this increasing demand.

2) Inquiry's Terms of Reference

CCA provides comments on the following aspects of the Inquiry's terms of reference:

³ Helping Victoria Grow: Extractive Resources Strategy, Department of Economic Development, Jobs, Transport & Resources, June 2018, page 27

1. High Cost of Housing

The Government's *Extractive Resources Strategy* recognizes the need for a strategic approach to help to secure access to critical quarry materials to build our future homes affordably.

"Victoria's high demand for extractive resources and emerging supply shortfalls are creating an urgent need for the Government to take immediate action to secure the high-quality resources needed to meet Victoria's current and futureaffordable housing requirements."⁴

With residential development, including suburban houses and inner-city apartments currently accounting for more than 50 per cent of Victoria's demand for extractive resources, any action by Government in helping the delivery of affordable extractive materials will assist in the delivery of affordable housing.

Whilst many actions in the *Extractive Resources Strategy* and *Joint Ministerial Statement* have been completed, there is still more to do to enable the delivery of affordable extractive materials that will assist in the delivery of affordable housing.

CCA recommends the following key priority areas are delivered:

- The *Minerals Resources (Sustainable Development) Act 1990* is amended as proposed by DJPR in this term of Parliament. Under the proposal, operations will be primarily regulated through a statutory duty, supported by a risk-based tiered regime with the aim to streamline the works approval process. This will require subsequent amendments to the P&E Act so that the two pieces of legislation are more fully compatible.
- The outcomes of the *Better Approvals for Regulators Review* of the quarry works approval process, commissioned by the Commissioner for Better Regulation in Aug'21, are implemented as soon as possible, including any required amendments to the P&E Act.
- The DJPR *Strategic Extractive Resources Roadmap*, as launched by Minister for Resources, Hon. Jaala Pulford in Dec'21 is implemented.

2. Environmental Sustainability and Vegetation Protection

Currently, a planning permit is not required to remove, destroy or lop vegetation to the minimum extent necessary to enable the carrying out of extractive industry in accordance with a work plan approved under the MRSD Act and authorised by a work authority.

The *Memorandum of Understanding for Earth Resources Industries Approvals* between the Department of Environment, Land, Water and Planning (DELWP) and DJPR requires work plans to be referred to DELWP for assessment in accordance with the Guidelines for the removal, destruction or lopping of native vegetation as part of the works approval process. This includes, where applicable, the provision of native vegetation offsets.⁵

⁴ Helping Victoria Grow: Extractive Resources Strategy, Department of Economic Development, Jobs, Transport & Resources, June 2018, page 5

⁵ Extractive industry and resources Planning Practice Note 89, Department of Environment, Land, Water and Planning February 2020

CCAA **recommends** the native vegetation offset approvals are continued within the quarry works approval process. This process helps to streamline the approvals compared to a separate planning permit required for native vegetation offset approvals.

But there is certainly more that could be done to improve the native vegetation management regime and provision of offsets. At the request of the government/industry Extractive Strategy Taskforce, DELWP are currently conducting the Strategic Offsets Project which aims to develop a strategic approach for industry to reduce time and financial costs of meeting native vegetation offset obligations without compromising biodiversity outcomes.

Key issues identified to date include:

- a) Upfront financial costs of securing offsets
- b) Administrative efficiency of approval processes
- c) Lack of understanding/knowledge from some operators about the offset process
- d) Lack of whole of government approach to approvals
- e) Issues relating to the native vegetation removal regulations
- f) Sourcing of offsets.

Additional work is ongoing to identify solutions to these common issues but outcomes from this work may have wider applications as to how native vegetation is managed through the P&E Act.

3 (b) Protecting Green Wedges and the Urban Growth Boundary

CCAA recognises the many land uses that are supported by Green Wedges and **supports** the continued operation of extractive industry within Green Wedges as outlined in Plan Melbourne. This includes to “Protect sand and stone resources for future extraction to ensure a continuous supply of construction material”.

CCAA **supports** the continued recognition of the complimentary use of land for agriculture and quarries, especially in quarry buffer areas.

CCAA **supports** strengthening legislative protection of green wedges, including extractive industry, to ensure the sustainability of extractive resources in the long term.

CCAA **supports** limiting housing growth in the Green Wedges

More detail is provided in the CCAA submission to DELWP on *Planning for Melbourne’s Green Wedges and Agricultural Land Consultation Paper*, dated 5 Feb’21 and available [here](#).

3 (e) The Role Of Ministerial Call-Ins

Following the release of the Joint Ministerial Statement, the [*Extractive Industry Priority Project List*](#) was developed to identify quarries that will be given priority planning consideration.



Being on the Priority List helps ensure a quarry expansion project is monitored and prioritised by the lead agencies involved in the assessment and approval process so that it can be progressed through the approval process.

Once a project is added to the Priority List, the lead agencies, Earth Resources Regulation, DJPR and DEWLP are supposed to proactively monitor progress of applications through the approval process. If appropriate or there is unreasonable delay in a decision on a planning permit application, the Minister for Planning may 'call in' and decide the application.

This Priority List process has been useful in enabling 15 quarry works approvals to be granted in the last 3 years. Given the many other issues facing the extractive industry in progressing through the works approval process, development approvals are still not keeping pace with the ever-diminishing licensed industry reserves due to increasing demand. The Priority List, including the option for a Ministerial call in is an important circuit breaker that allows resolution of issues for key projects that meet the strict eligibility criteria.

CCAA recommends that the Extractive Industry Priority Project List and option for Ministerial call in continue.

Victoria's regulatory and planning environment needs to be internationally competitive to continue to attract capital to invest into Victoria to ensure a sustainable and competitive heavy construction materials industry. This in turn facilitates Victoria's improved productivity, housing affordability and lower infrastructure costs.

The provision of affordable heavy construction materials through an efficient supply chain helps to facilitate the delivery of affordable housing and infrastructure, contributing to the completion of Victoria's Big Build within budget.

There is no more important time than now for the construction sector, supported by an efficient heavy construction materials supply chain, to provide the engine to rebuild Victoria's post COVID economy and create jobs.

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

Yours sincerely



BRIAN HAUSER
State Director Vic/Tas



APPENDIX 1

CEMENT CONCRETE & AGGREGATES AUSTRALIA

MEMBERSHIP

FOUNDATION MEMBERS

 ADBRI Adbri Limited	 Boral Australia	 CEM Australia Cement Australia Pty Ltd
	 Hanson HEIDELBERGCEMENTGroup Hanson Australia Pty Ltd	 Holcim Holcim (Australia) Pty Ltd

VICTORIA

ORDINARY MEMBERS

Alsafe Pre-Mix Concrete Pty Ltd Barossa Quarries Pty Ltd Barro Group Pty Ltd Baxters Concrete Pty Ltd Broadway & Frame Premix Concrete Pty Ltd	Fulton Hogan Industries Hillview Quarries Pty Ltd Hymix Australia Pty Ltd Independent Cement & Lime Pty Ltd Kennedy Haulage Pty Ltd	Mentone Pre Mix Metro Quarry Group Pty Ltd Premier Resources T/A Hy-Tec Industries Pty Ltd Volumetric Concrete Australia Pty Ltd
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ASSOCIATE MEMBERS

Agi-Kleen Pty Ltd BASF Australia Pty Ltd BHS-Sonthofen (Aust) Pty Ltd Concrete Colour Systems	Concrete Waterproofing Manufacturing Pty Ltd T/a Xypex Australia GCP Applied Technologies	Sika Australia Pty Ltd WAM Australia
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