CEMENT CONCRETE & AGGREGATES AUSTRALIA

RE-SUBMITTED SUBMISSION

NOT CONFIDENTIAL

3 July 2025

Queensland Productivity Commission
Inquiry Secretariat
Brisbane

Via: Construction productivity inquiry form

Subject: Preliminary Re-submitted Submission – Inquiry into Construction Sector Productivity

Dear Sir/Madam

On behalf of Cement Concrete & Aggregates Australia (CCAA), I am pleased to provide the attached re-submitted preliminary submission to the Queensland Productivity Commission's Inquiry into Productivity in the Construction Sector.

This submission differs from our original submission as it is no longer marked confidential and includes a recently completed Position Paper on the need for planning reforms (Attachment 1).

CCAA is the voice of Australia's heavy construction materials industry, an industry that generates over $15 billion annually and directly employs 30,000 Australians, with a further 80,000 employed indirectly. CCAA members produce most of Australia's cement, concrete, and aggregates, which are essential to the nation's building and construction sectors.

Our submission outlines several critical issues that are impacting productivity across the construction supply chain, including:

- Delays and inefficiencies in Local Government Development Approvals for quarry sites.
- The progressive reduction of quarry operating hours without robust impact assessment.
- Industrial relations constraints unique to materials production sites.
- Heavy vehicle access management constraints.
- Widespread workforce shortages impacting our ability to support the delivery of housing and infrastructure projects.

We appreciate that this is the preliminary phase of the Inquiry and we would welcome the opportunity to meet with the Inquiry team to discuss our sector's unique role and to explore how we can support the Commission's work. We intend to submit a more detailed contribution by early August.

Please do not hesitate to contact me on [redacted] or [redacted] should you wish to arrange a meeting or require additional information.

Thank you for the opportunity to contribute to this important inquiry. We look forward to ongoing engagement with the Commission.

Yours sincerely

[redacted]

David Rynne
Queensland State Director
Cement Concrete & Aggregates Australia

CCAA Preliminary Submission

Key Productivity Barriers

(a) Planning and Development Approvals

The **current quarry Development Approval (DA) framework**, managed at the Local Government level, is inconsistent, expensive, and slow. Many sites—even within State-designated **Key Resource Areas (KRAs)**—face:

- Approval timelines of **up to 10 years**.
- Costs ranging from **$800,000 to over $8 million**.
- **Conditions that do not reflect site-specific realities**.

This fragmented system reduces investor confidence and puts the state's **construction material supply capacity at risk**—with an additional **54 million tonnes of aggregate** needed by 2032 to meet demand.

CCAA supports reforms that **centralise quarry assessments within State Government processes**, while retaining local input and community consultation.

(b) Erosion of Operating Hours

Over the past two decades, DA conditions have **progressively curtailed quarry operating hours**. Many sites that once operated from **6:00am to 10:00pm** are now restricted to **7:00am to 4:30pm**, despite operating in industrial zones and using modern, low-noise equipment.

These restrictions are typically imposed:

- **Without impact assessments**.
- Without considering downstream implications for **project delivery, labour costs, or emissions**.
- And often due to **localised political pressures** rather than broader strategic planning objectives.

This reduction in operational flexibility has become a **drag on productivity**—compressing supply schedules, inflating logistics costs, and increasing road congestion through shorter dispatch windows.

(c) Workforce and Skills Shortages

Labour shortages—particularly in **plant operations, truck driving, and mobile equipment**—are a pressing constraint. Oxford Economics projects Queensland infrastructure spend will reach **$62 billion annually by 2032**, requiring a **2.5% annual growth** in construction materials workforce from today. However, labour forecasts show:

- Up to **20,000 machinery operator and driver shortfalls** in Queensland by 2032.
- **Shared labour pools** with mining and construction, where our sector is often outbid on wages.
- Weak pipelines for new entrants.

(d) Industrial Relations Complexity at Quarry Sites

While we value constructive engagement with unions, **certain behaviours at quarry sites are undermining productivity**. These include:

- **Protracted bargaining and inflexible rosters**, even when operational needs require early starts or seasonal shifts.
- **Opposition to multi-skilling**, limiting workforce utilisation and adaptability.
- **Disruption threats over minor disputes**, creating instability in continuous production environments.

(e) Freight and Access Constraints

Finally, **transport and logistics regulation** is limiting efficiency. Access restrictions on Performance-Based Standards (PBS) vehicles, constrained school-zone curfews, and inconsistent route approvals across jurisdictions are forcing operators to:

- Run **larger fleets during narrower windows**.
- Increase **fuel usage and emissions**.
- Reduce delivery reliability for time-sensitive infrastructure projects.

Next Steps and Engagement Request

CCAA is committed to working with the QPC to improve construction sector productivity. We respectfully request an early engagement opportunity to:

- Discuss our preliminary concerns in greater detail.
- Share case studies and industry data in confidence.
- Shape a pathway for CCAA's **detailed submission** later in 2025.

CEMENT CONCRETE & AGGREGATES AUSTRALIA

POSITION PAPER (FINAL)

Addressing the Challenges of Quarry Development Approvals

A Cement Concrete & Aggregates Australia report into the problems of current Development Application (DA) processes for quarries and reform options with supporting arguments

DISCLAIMER

This position paper has been prepared by Cement Concrete & Aggregates Australia (CCAA) for informational purposes only. The views and recommendations expressed in this document reflect industry perspectives and do not necessarily represent the views of government authorities or regulatory agencies. While every effort has been made to ensure accuracy, CCAA does not guarantee the completeness or reliability of the information contained herein. Stakeholders are encouraged to conduct their own due diligence and consult with relevant experts before making any policy or investment decisions.

CONTACT INFORMATION

Cement Concrete & Aggregates Australia
David Rynne – CCAA QLD State Director
[redacted]
ccaa.com.au

Executive Summary

Queensland's current Development Application (DA) process for quarry approvals is inefficient, inconsistent, and costly.

The lack of protection for resources within Key Resource Areas (KRA's) and the lack of certainty, high costs and delays associated with certain past local government approvals processes and onerous conditions is now discouraging investment in new and expanded quarries.

Given the unprecedented demand for essential heavy construction materials in Queensland over the next 10 years and beyond, and the fact that quarries are already operating at their regulated supply capacity, this will inevitably lead to supply shortages, rising construction costs, and economic, environmental and social risks to Queensland.

This Position paper argues for State-led Quarry approvals processes with continued local government contributions.

Contents

1. Introduction
2. About CCAA
3. The QLD aggregates operating context
4. Background to the state and local government planning system
5. The problem statement
   - 5.1. Disconnected State and Local Govt planning frameworks
   - 5.2 KRA's do not protect quarry resources
   - 5.3 DA approvals and appeal processes are uncertain and costly for Applicants and Councils with long delays
   - 5.4 DA approvals and appeal processes do not meet industry requirements to invest
   - 5.5 DA conditions do not – at times - balance eco / env / social requirements of communities and industry
6. Reasons for reform
   - 6.1 Strong public policy rationale
   - 6.2 Significant costs of inaction
   - 6.3 Significant benefits of action
7. Recommended policy reforms

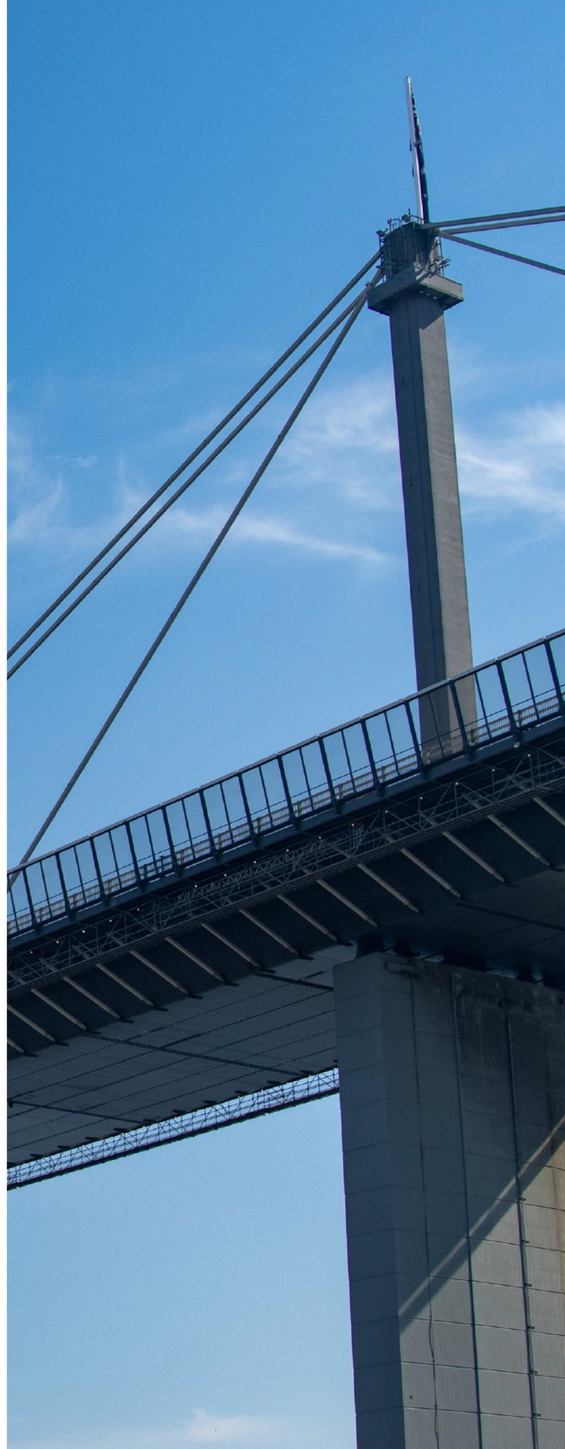
1 — Introduction

As Queensland experiences unprecedented population growth and rising demand for construction materials, the inefficiencies in the quarry DA approval process threaten new investment and the timely and least-cost development of essential infrastructure.

The current DA approvals system, fragmented across local governments, has led to costly delays and supply chain disruptions. CCAA and its members have identified five main problems with the quarry DA approvals process:

1. State and Local Government planning frameworks are disconnected and misaligned
2. Key Resource Areas do not protect quarry resources
3. Local Government assessment and appeals processes are highly uncertain and can be very costly with long delays
4. They do not meet industry requirements to invest
5. Conditions do not balance – at times - the economic / environmental / social requirements of communities and industry.

To meet the state's projected demand for 54 million additional tonnes of aggregate supply by 2032, the CCAA supports reforms that streamline DA approvals under state control with continued contributions from local governments to the process.



2 — About CCAA

Cement Concrete & Aggregates Australia is the voice of the heavy construction materials industry in Australia.

CCAA members produce the majority of Australia's cement, concrete, and aggregates, which are crucial to Australia's building and construction sectors. These materials support the development of our nation's transport, energy, water, housing, defence, and social infrastructure.

The industry generates approximately $15 Billion in annual revenues and employs approximately 30,000 Australians directly and a further 80,000 indirectly.

STRATEGIC PLAN 2024-2026

CCAA launched a new Strategic Plan in September 2024, as part of our ongoing commitment to our members and our industry/government stakeholders.

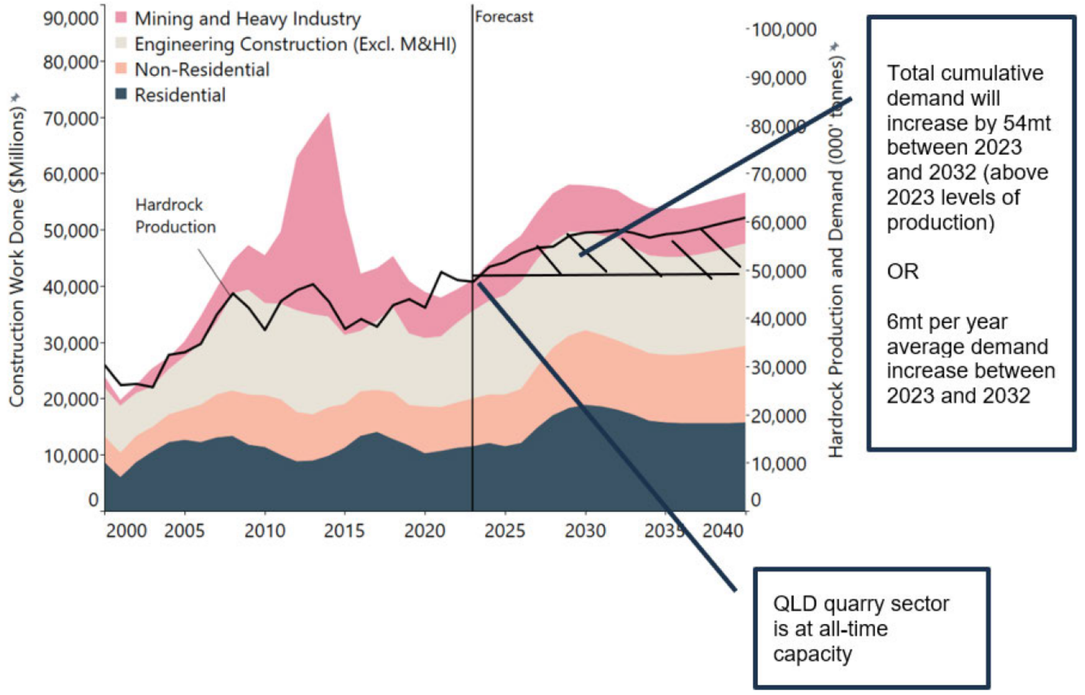
Strategic Summary

OUR VISION	We share a vision of a sustainable industry
OUR MISSION	Our mission is to create a sustainable operating environment in which the industry can succeed
OUR ROLE	Influencing the political, regulatory and market environment to ensure growth of the industry Supporting the industry's licence to operate Leading the understanding of our industry and its vital role in society
STRATEGIC PRIORITIES	Advocacy & Reputation Resource Access, Security & Efficient Logistics Sustainability & Decarbonisation
VALUES	Influential Leader Collaborative Partner Dedicated Advocate Sustainability Champion

3 — The QLD aggregates operating context

- Unprecedented demand for QLD heavy construction materials driven by population growth, ambitious housing targets, the proposed $9b Bruce Highway expansion and the $10b+ 2032 Olympic Games.
- Green and brownfield expansions that are proximate to construction activity are required to meet demand volumes and replenish depleting reserves AND to reduce construction and societal costs.
- 54 million tonnes of additional QLD aggregate supply is needed by 2032.
- The Industry is already at supply capacity as determined by local and state governments through development and environmental assessments (DA and EA) and other restrictions on truck movements.
- Additional quarries also needed to replace depleting reserves.
- Productivity gains at existing quarry sites will not satisfy new demand.

QLD Quarry Hardrock Demand Drivers and Forecast

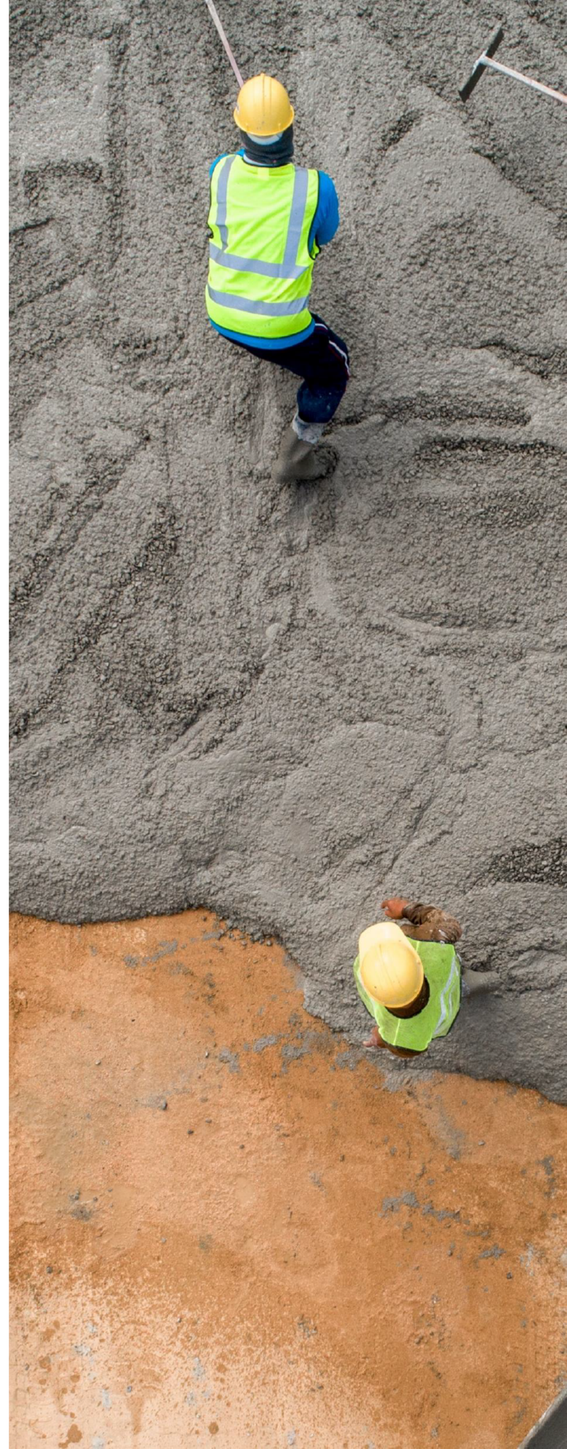


4 — Background to the state and local government planning system

The State Planning Framework aims to protect extractive resources of state or regional significance via Key Resource Areas (KRA’s).

KRA’s are identified through geological surveys and assessments by the Department of Resources and other planning bodies and are recognized as containing valuable resources that are important for the construction industry and other sectors, such as building materials (gravel, sand, and rock). These areas are essential for supporting infrastructure projects like roads, bridges, and urban development.

Local governments are required to align their planning schemes with State Planning Policy (SPP), which sets out the state's interests in land use planning. This includes protecting KRA’s.



5.1 — The problem statement

DISCONNECTED PLANNING FRAMEWORKS

- The regulatory framework around quarries in Queensland is governed by a combination of Local, State and Federal Government regulatory requirements.
- In relation to planning, quarry operators must obtain a Development Assessment (DA) approval from Local Councils.
- Despite requirements to do so, Local Government DA assessment processes and outcomes do not - at times - align with State Planning Policy requirements (State Interests).

State Planning Framework	Local Government Development Assessment Process
THESE PROCESSES ARE DISCONNECTED • *Planning Act 2016* • State Planning Policy and Key Resource Areas • Regional Plans • *Environmental Protection Act 1994* • Development Application for Environmentally Relevant Matters • Code assessable extractive industry land uses	• Local government Planning Schemes • Material Change of Use • Impact Assessable Development • Public Notification
Environmental Approvals and Permits	**Other Legislative and Regulatory Requirements**
• Environmental Authority (EA) *(Environmental Protection Act 1994)* • Erosion and Sediment Control Plan • *Environmental Offsets Act 2014* *Environment Protection and Biodiversity Conservation Act 1999* (Cth)	• Mines and Energy Legislation (*Mineral Resources Act 1989 and Resource Planning Act 2015)* • *Work Health and Safety Act 2011* • Aboriginal Cultural Heritage Act 2003 • Duty of Care Guidelines *Queensland Heritage Act 1992*
Rehabilitation and Closure	**Conditions of Approval**
• *Environmental Protection Act 1994* • Financial assurance obligations	• Environmental management plans • Traffic management plans • Noise and dust control measures • Rehabilitation obligations (requiring the site to be restored to a safe and usable condition post-operation) • Ongoing monitoring and reporting obligations

5.2 — The problem statement

KRA'S DO NOT PROTECT QUARRY RESOURCES

- The quarrying industry has experienced a long history of problematic Local Government DA approvals – both within and outside of KRA's.
- Table 1 summarises notable cases where quarry approvals have been delayed or denied in KRA's over the past period. Of note is that Local Governments remain susceptible to grass-root, minority community campaigns opposing quarry developments.
- In summary, over the recent period, six million tonnes of quarry production within KRA's has been denied with DA assessment processes extending beyond five years and costing Applicants and Councils many millions of dollars (see full costs estimates at Table 2, slide 14).
- This has resulted in a reduction in confidence from the quarrying industry to invest in new and expanded quarries in Queensland.

5.2 — The problem statement

KRA'S DO NOT PROTECT QUARRY RESOURCES (CONT.)

Table 1: Summary of notable cases where quarry approval was either delayed or denied in KRAs

Quarry Proposal	Local Govt	New or existing quarry	Assessment Outcome and Context	Why	Total years	Final outcome	Million tonnes impacted (pa)
Example 1	Far North QLD	Existing	In 2015, the State Planning Minister deleted this KRA sighting other state interests (such as cultural heritage) were a priority in this area. This Council maintained that extractive industry on the site had not been approved on three occasions and therefore was not feasible. The Council would not accept the inclusion of the KRA in the planning scheme, resulting in the Planning Minister having to adopt the planning scheme with the KRA deleted.	Neighbouring landowner led a popular social media campaign evoking environmental protection as a rallying theme. The Council had opposed the KRA before the protest began.	4	Denied	2
Example 2	South East QLD	New	This project was declared as a Coordinated Project under the State Development and Public Works Organisation Act 1971. The only quarry project to be declared as state significance by the Co-ordinator General. The submitted Environmental Impact Statement was approved by the Co-ordinator General in 2014. The proposal also received approval under the EPBC Act. Post the Co-ordinator General approval, an impact assessable application for Extractive Industry was subsequently made to the Council, which was refused by the Council in 2017, despite receiving a recommendation for approval by the Council Officers. The Council's refusal was upheld by the Planning & Environment Court as the Judge determined in an appeal there were not sufficient grounds to overcome the identified conflicts with the Planning Scheme.	The local government responded to significant community opposition to this project which was driven by perceived impacts to their amenity, safety and environment.	7.5	Denied	2

5.2 — The problem statement

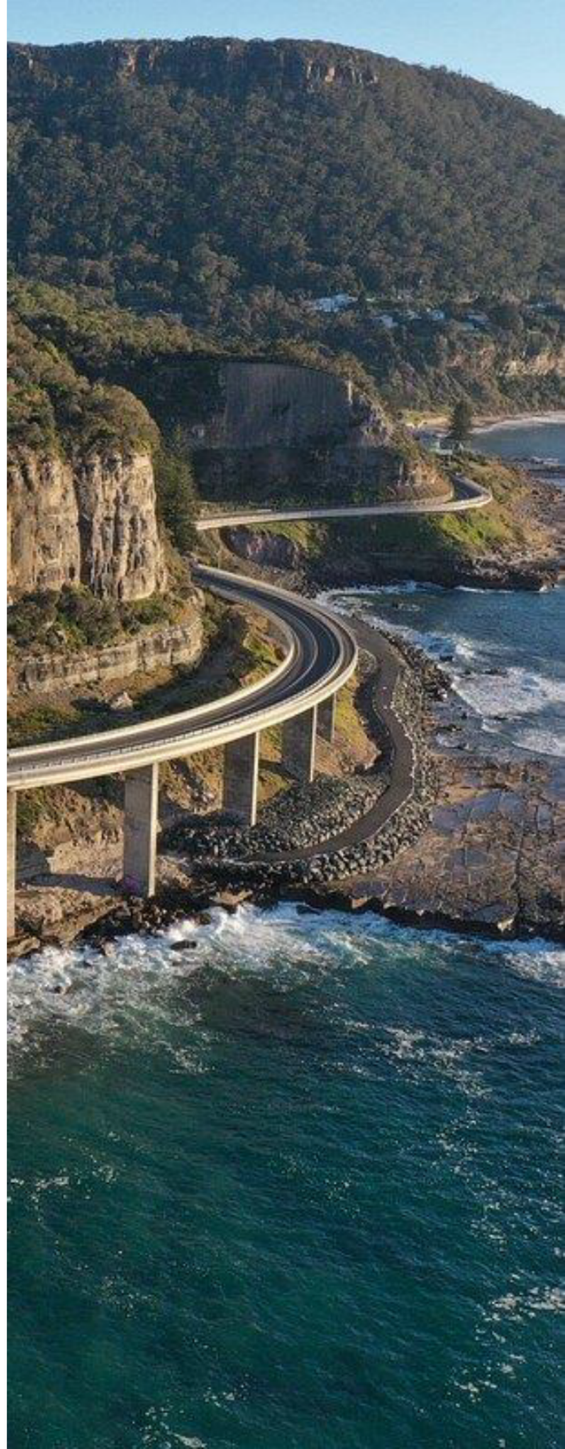
KRA'S DO NOT PROTECT QUARRY RESOURCES (CONT.)

Quarry Proposal (KRA)	Local govt	New or existing quarry	Assessment Outcome and Context	Why	Total years	Final outcome	Million tonnes impacted (pa)
Example 3	South East QLD	New	The State Planning Minister decided not to adopt this proposed KRA. This Council initially supported the proposal for sand extraction but later refused approval.	The local government changed its position after strong public opposition.	6	Denied	1
Example 4	Central QLD	Existing	The development application for hardrock quarrying was called-in (the decision was taken away from local government) by the State Planning Minister. Later, the Planning Minister refused approval for quarrying and approved the competing residential development. The Minister also deleted the KRA.	The State Planning Minister acted on a perceived conflict between quarrying and nearby residential area.	6	Denied	1
Example 5	South East QLD	Existing	The development approval was delayed by 11 years, despite planning officers recommending the development and the proposal receiving the EPBC Act approval.	The local government acted on community opposition to the quarry.	7	Delayed then approved	1.5
Example 6	South East QLD	Existing	The development approval was significantly delayed. This Council initially refused the application in 2010, and final approval in 2017, followed a successful court appeal.	The local government acted on perceived community opposition to quarries.	6	Delayed then approved	1
Example 7	South East QLD	Existing	This Council refused the initial application; the P&E Court also refused the appeal. Later, the application was called-in and approved by the State Planning Minister.	The local government refused approval on environmental grounds.	5	Delayed then approved	1

5.2 — The problem statement

KRA'S DO NOT PROTECT QUARRY RESOURCES (CONT.)

Quarry Proposal (KRA)	Local govt	New or existing quarry	Assessment Outcome and Context	Why	Total years	Final outcome	Million tonnes impacted (pa)
Example 8	South East QLD	Existing	This Council refused the application based on road safety, amenity and environmental grounds. The P&E Court was not satisfied there was a public interest in developing the resource.	The local government refused approval due to sustained public pressure.	5	Delayed then approved	1.5
Example 9	South East QLD	Existing	This Council refused the application based primarily on environmental grounds. The Appeal is ongoing.	The local government refused approval due to sustained public pressure.	6	Ongoing	1



5.3 — The problem statement

DA APPROVALS PROCESSES ARE COSTLY WITH LONG DELAYS

Table 2: Estimated Applicant and Council transactional costs of DA processs

Steps		Applicant requirements	Applicant direct regulatory costs (est.)*	Council requirements	Council direct regulatory costs (est.)*	Time period
1	**Prepare DA and lodge with Council**	Understand planning requirements and demonstrate compliance / prepare DA and EIS / undertake community consultation. Pay Council DA and SARA EA fees.	$750,000 - $2,000,000	Engage with Applicant on proposal and hold pre-lodgment meetings	$10,000	6 months - 5 years
2	**Council assessment**	Respond to multiple formal and informal requests for more information	$50,000- $1,000,000	Council assesses the DA, including commissioning peer reviews of Applicant information materials; making an internal recommendation; facilitating a Council vote; and conveying the decision with conditions to Applicant.	$50,000- $250,000	6 months - 5 years
3a	**DA approved**	Implementation of conditions and begin operations	N/A - operational compliance costs** not considered but can cost millions	Commence compliance and enforcement activities	N/A	N/A
		TOTAL COSTS (1,2,3a)	**$800,000- $3,000,000**		**$60,000- $350,000**	**1-10 years**
OR						
3b	**DA refused and appealed**	Appeal to the Planning & Environment Court and provide evidence	$500,000- $5,000,000	Provide evidence	$500,000- $3,500,000	2-4 years
		TOTAL COSTS (1,2,3b)	**$1,300,000- $8,000,000**		**$560,000- $3,850,000**	**3-14 years**

- Taking between 1-10 years, the current cost of a DA approval is estimated to be between $800,000 and $3 million for an Applicant when the DA is approved.
- Taking between 3-14 years, the current cost of a DA approval is estimated to be between $1.3 million and $8 million for an Applicant when the DA is refused and appealed.
- Councils assessing DA's also encounter very high costs, estimated to be between $60,000 - $350,000 when a DA is approved and between $560,000 - $3,850,000 when the DA is refused and appealed.

* Transactional costs refer to the application, consultants and professional fees and does not include wages and salaries of internal staff or compliance costs.
** Whilst the operational compliance costs are different for each Applicant they typically include:
- Infrastructure Charges,
- Additional financial contributions for works / improvements that are required due to the proposed development i.e. road works and pavement impacts (this could be in the millions)
- Financial contributions for environmental offsets (could also be in the millions)
- Ongoing royalties per tonne produced.

Inevitably there is always additional applications that need to be lodged for further approval by Council. (Source: CCAA)

5.4 — The problem statement

DA APPROVALS PROCESSES DO NOT MEET INDUSTRY REQUIREMENTS TO INVEST

Our requirements	Progress to date	
Long-term resource protection from incompatible development with KRA's BETTER reflected in state and local government planning policies	✗	Quarries in Key Resource Areas continue to be refused (despite being declared after considering competing state interests and the quality of the resource) The environmental constraints associated with these identified KRAs should NOT be the prevailing policy when deciding to unlock KRAs
Strategic, accountable, consistent and predictable governing processes with proportionate and risk-based approvals	✗	Local governments continue to make decisions in response to community activism and not in the long-term interests of the region and state Conditions placed on applicants are at times neither proportionate or risk-based
Least-cost for applicant and regulatory bodies	✗	Processes can take 5+ years and cost many millions of dollars (5 years of detailed preparation, lodging the DA, responding to Council requests, time delays in getting responses and meeting costly compliance conditions) Local Councils relying on consultants to assist with assessments at significant expense and incur significant legal expenses when decisions are inevitably appealed
Pathways for resolution (Courts and Ministerial call-ins)	?	Applicants can access the Courts however processes are time consuming and costly State Ministers can also call-in projects
Coordinated decision making (a one-stop-shop for dealing with approvals)	✗	State assesses EA's and local govt assesses DA's State provides a workable legislative and policy planning framework that local govt's and at time the State doesn't adhere to

5.5 — The problem statement

DA CONDITIONS DO NOT BALANCE – AT TIMES - THE ECO / ENV / SOCIAL REQUIREMENTS OF COMMUNITIES AND INDUSTRY

- DA and EA conditions impose restrictions on environmental and pollution controls, operating hours and traffic management, land use and buffer zones, rehabilitation and closure plans, and community and stakeholder engagement.
- Operating hours and traffic management controls can be unnecessarily restrictive, for example:
  - Cannot pour concrete before 7am (despite being on a vacant greenfield housing development site).
  - PBS heavy vehicle movement restrictions during School Zone hours (despite non-PBS vehicles being allowed).
  - Operating hours of 7am -4:30pm for quarries (was 6am-10pm) despite use of noise suppressed Euro 5 heavy vehicles.
  - No flexibility for Daylight Saving and 3 hours of lost operating daylight in the AM.

6.1 — The reasons for reform

STRONG PUBLIC POLICY RATIONALE

- Local governments only occasionally assess quarry DA's and are typically not familiar or resourced to do so, resulting in high compliance costs for Applicants and the Council (see Table 2, slide 14).
- Local politics can often take precedent over sound process and proper strategic decision making.
- Quarrying material is a State Interest in State Planning policy.
- Quarries and the related construction benefit the community outside of local government regions.
- The state can take a more balanced approach and ensure a level playing field.

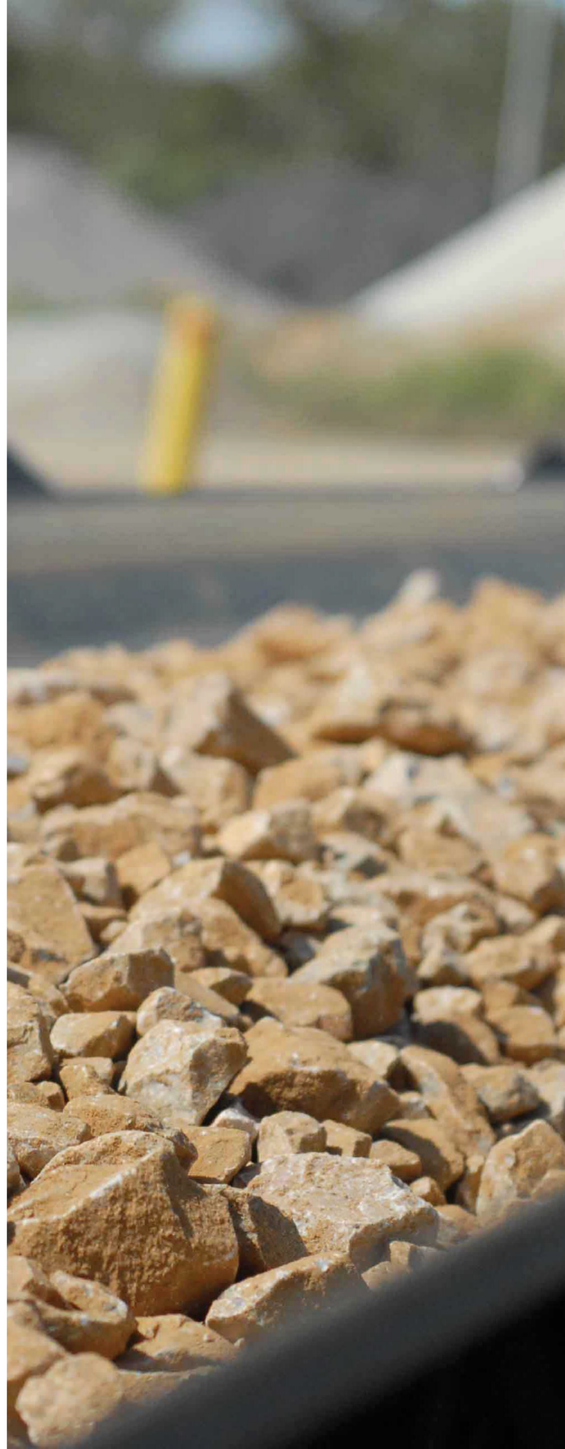
6.2 — The rationale for reform

SIGNIFICANT COSTS OF INACTION

- Aggregate supply that is not proximate to demand will cause significant cost escalation for public and private infrastructure works (with high attendant opportunity costs), for example:
  - Concrete costs increase 26% for every additional 100km aggregate inputs are sourced*
  - 1km of asphalt road increases 11% for every additional 100km aggregate inputs are sourced.*

* CCAA calculations

- Social dislocation from lack of affordable housing.
- Increased community exposure to trucking movements (road congestion and safety, noise, dust and greenhouse gases).
- Foregone local economic stimulus as resources not utilized.
- Continued very high costs for Applicants and Councils and increasing threats to investment (refer Table 2, slide 14).



6.3 — The rationale for reform

SIGNIFICANT BENEFITS OF ACTION

- Considerable cost savings to Councils (no need for third-party peer reviews and legal costs with appeals etc). Efforts can be focused on compliance.
- Higher volume, consistent decision-making processes, and development of specialised knowledge and technical capacity within the State generates economies of scale and cost savings.
- Combining EA and DA processes together as a one-stop-shop is more efficient resulting in reductions in time and cost for regulators and industry .
- Taking a coordinated state development perspective allows for improved strategic decision making and allocation of resources.
- Greater investment certainty will encourage greater aggregates supply therefore reducing infrastructure costs for taxpayers and consumers.
- Higher spend on infrastructure improves quality of life – for example, reduces traffic congestion, improves housing affordability and creates employment opportunities.

7 — Policy recommendations for reform

The CCAA supports the following primary and supporting reforms to improve investment confidence in new quarry investment in Queensland.

Primary reforms

- Quarries within KRA's are assessed by the State via:
  (i) As a State Development Area, OR
  (ii) As an Assessable Development with the Chief Executive (SARA) as the Assessable Manager under the Planning Act (via an inclusion of KRA's as an Extractive Industry under Schedule 8), OR
  (iii) A Priority Development Area under the Planning Act.
- Local government maintains approvals for smaller quarries outside of KRA's
- For more complex large quarry approvals (economically, socially and environmentally), consider adoption of an NSW like approach where an Independent Planning Panel makes decisions (this could have local government participation for transparency).

Supporting reforms that would assist the State under this approach:

- Design and implement a more efficient and transparent process to add, amend or delete KRAs agreed by Resources and Planning Ministers (ahead of significant planning and market trends)
- Legislate in the Planning Act and amend the State Planning Policy for additional planning protection of KRA's
- Consistent and ongoing consultation and information sharing / distribution by state government with communities about KRAs
- Industry and state and local governments agree on assessment benchmarks.

(Note - the State already assesses EA's and these reforms are consistent with, and build upon, the State Governments existing intent to protect and facilitate extractive industry approvals)