

29 June 2018

Air Quality Coordinator
Department of Environment, Land, Water & Planning
PO Box 500
Melbourne VIC 8002

Via email: air.quality@delwp.vic.gov.au

SUBJECT: VICTORIA'S AIR QUALITY STRATEGY

Cement Concrete & Aggregates Australia (CCAA) welcomes the opportunity to provide a submission to the Department of Environment, Land, Water & Planning to inform the development of Victoria's Air Quality Strategy.

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 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 Australia's sustainable future.

CCAA supports the development of an Air Quality Strategy that delivers measures to improve air quality where it is proven to have a positive effect on people's health, the environment and the economy.

CCAA also supports a Strategy that provides a consistent and proportionate framework for air quality that delivers management responses that are:

- Consistent;
- Proportionate to the scale, risk and cause of air quality issues;
- Based on scientific evidence; and
- Do not result in undue or increased regulatory burden and cost to industry.

This view is supported by the Productivity Commission which has called for efficient and effective regulation of our industry to facilitate the development of Australia's infrastructure requirements¹.

There is an existing framework for managing emissions from the heavy construction materials industry covering the potential sources such as road transport, mobile plant and equipment and dust emissions from quarries and concrete batch plants.

Road Transport

Supplying heavy construction materials to meet the growing demand requires a significant transport and logistics effort, contributing to 10 per cent of Victoria's freight task.

The relatively low cost, high bulk nature of aggregates also means that transportation costs are a significant component of the total supplied cost and as such quarries must be located as close as possible to market to minimize cost impacts. The Government's recent Demand and Supply Study found that between now and 2050, Victoria will incur an additional \$2 billion in costs for every additional 25 kilometers that extractive resources will need to travel to reach their destination².

The Government's recently released *Helping Victoria Grow: Extractive Resources Strategy*³ recognises the importance of local materials supplying local projects and commits Government to identify and protect Strategic Extractive Resource Areas (SERAs) in priority areas. These SERAs will help prioritise extraction and effectively prevent encroachment upon these strategic resources, helping to maintain resources close to market and minimizing transport costs and impacts. Reduced travel distances results in lower diesel emissions and fewer greenhouse gas emissions.

CCAA **recommends** that the Air Quality Strategy supports strategic land use and transport planning mechanisms that reduce freight transport travel distances such as the implementation of SERAs.

Given the potential significant cost of transport for heavy construction materials, any measures applied to our industry must consider the impact it has on our industry's capacity to deliver affordable materials to support Victoria's vital infrastructure projects.

CCAA **recommends** that road transportation emissions should be administered through the Australian Government's emission standards and upgrading of vehicles must be considered under a responsible and affordable investment cycle.

Mobile Plant and Equipment

Mobile plant and equipment is a source of off-road diesel fuel emissions. Fixed plant is largely operated off mains electricity and does not directly contribute to air quality issues. The main mechanism for improving the exhaust signatures for mobile plant is to either invest in new vehicles or upgrade existing machines that meet any newer, more stringent standards.

¹ *Public Infrastructure: Inquiry Report*, Volume 2, pp 615-7, Productivity Commission, 2014.

² *Extractive Resources in Victoria Demand and Supply Study 2015 – 2050*. Department of Economic Development, Jobs, Training & Resources, 2016.

³ *Helping Victoria Grow: Extractive Resources Strategy*, Department of Economic Development, Jobs, Training & Resources, 2018.

CCAA **recommends** that the pace of upgrading mobile plant and equipment must adhere to an economically viable investment cycle.

Concrete Batch Plants

Dust emissions from concrete batch plants are currently effectively managed by the industry under existing EPA and planning guidelines together with EPA regulatory and compliance oversight. Concrete batching typically occurs undercover which contains emissions with storage silos having filters installed to capture and store any dust emissions.

CCAA contends that dust from these operations is not a significant contributor to regional air quality and **recommends** that any additional regulatory action is not warranted.

Quarry Operations

Dust emissions from quarries are currently effectively managed by the industry under existing work plan conditions, EPA and planning guidelines together with EPA and Earth Resources Regulation (ERR), DEDJTR regulatory and compliance oversight. CCAA contends that standard controls and monitoring regime developed under the ERR Standard Risk Based Framework can effectively manage this issue and **recommends** that any additional regulatory action is not warranted.

In addition, CCAA **supports**:

- the increase in the regional air quality monitoring network with this additional data used to improve the regional air quality modelling;
- regional air quality monitoring being used to better define regional air quality issues such as agricultural activities, wood fire heaters, bush fires and local roads so that these sources can be differentiated from potential single point source emissions such as quarries and concrete batch plants;
- air quality standards that are consistent with national standards; and
- site specific monitoring requirements that are introduced over a reasonable time frame in an industry cost neutral basis.

Victoria's regulatory 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 helps to facilitate the delivery of affordable infrastructure, contributing to the completion of Victoria's Big Build within budget.

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

 <i>Adelaide Brighton Ltd</i>	 Boral Construction Materials	 Boral Cement Limited
 Cement Australia Pty Ltd	 Hanson Australia Pty Ltd	 Holcim (Australia) Pty Ltd

VICTORIA

ORDINARY MEMBERS

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

ASSOCIATE MEMBERS

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