



4 December 2015
Scheduled Premises Regulations Review
Policy & Regulation Unit
EPA Victoria
PO Box 4395
Melbourne
VIC 3001

Via email: scheduled.premises@epa.vic.gov.au

SUBJECT: SCHEDULED PREMISES REGULATIONS REVIEW

Cement Concrete & Aggregates Australia (CCA) welcomes the opportunity to provide a submission to EPA Victoria on the Scheduled Premises Regulations Review.

Introduction

CCA is the peak industry body for the heavy construction materials industry in Australia including the cement, pre-mixed concrete and extractive industries. For your information, a list of CCA Victoria's members is provided in Appendix 1.

CCA 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.

CCA members operate rock quarries, sand and gravel extraction sites, cement production and distribution facilities and concrete batching plants throughout Australia.

There are approximately 540 operating quarries across Victoria that produced some 47.4 million tonnes of stone, limestone, gypsum, sand and gravel in 2012/13 which was used to produce building and construction materials such as cement, bricks, concrete, tiles, pavers and road paving. The value of production from these quarries is estimated to be \$737.4 million.

The Victorian premixed concrete industry produced 6.5 million m³ of premixed concrete in 2012/13 worth around \$1.4 billion. This is enough to build around 100,000 new homes, 100 Eureka Towers or 44 Bolte Bridges. Further value is added through the manufacture of concrete products and delivering concrete services.

CCA'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 CCA's aim to promote policies and planning frameworks that recognise the importance of these materials to Australia's sustainable future.

CCA welcomes efforts to simplify the regulation and enforcement of environmental policy that provides increased certainty, reduced costs and reduced time to industry and results in better outcomes for all stakeholders.



CCAA makes the following comments regarding the Scheduled Premises Regulations:

- CCAA **supports** EPA to be a modern, **risk based regulator** with a risk based assessment of scheduled premises. This aligns with modern regulatory practices, focusing on environmental outcomes rather than on prescriptive measures that just add regulatory burden to the operator. Risk based assessment will also allow EPA to focus their rare resources on where they will provide the greatest benefit.

A risk based assessment of scheduled premises aligns with the other regulators of extractive industry such as the Department of Economic Development, Jobs, Training & Resources and WorkSafe that are increasingly focused on risk based regulation. Such a regulatory regime is combining so that the risk of extractive industry operations breaching operating conditions, including environmental performance, is moving toward being as low as reasonably practicable. This is demonstrated by the strong compliance in the industry's Annual Performance Statements submitted to the EPA.

- CCAA **supports** the concept of EPA **rewarding good environmental performers** via tiered license conditions, with those operations with a history of strong environmental performance facing lower regulatory costs and broader recognition for their environmental performance. Such a scheme would incentivize industry to embrace best practice performance and innovation. CCAA looks forward to the outcomes of the *Earned Autonomy Pilot Program* that is currently underway to inform the detailed development of such a scheme.
- **Strategic land use management** is a key area for EPA involvement. With record population growth and continued expansion of residential areas, there is an increasing need for planning powers to limit encroachment and maintain buffers around certain industries. Such strategic land use planning helps to prevent land use conflict issues from occurring in the first place, rather than attempting to address the issue after the event. Such land use planning helps to protect liveability and reduce costs for agencies involved in such conflict, including the EPA.
 - CCAA **RECOMMENDS** that state planning powers adopt the '**agent of change**' principle as outlined in *EPA Publication 1518 Recommended Separation Distances for Industrial Residual Air Emissions*.
 - It should be the responsibility of the 'agent of change', i.e. the proponent who is seeking to reduce the separation distance, to provide evidence to the planning authority to the satisfaction of the EPA that a variation from the recommended separation distance is appropriate. For an expansion of an existing quarry or the development of a new quarry, the agent of change would be the quarry proponent. For the development of new residential housing in a quarry buffer, the agent of change would be the property developer. The proposed development should not proceed if the required environmental thresholds cannot be met.
 - There should be no statutory obligation on an industry to supply information to third parties in respect to separation distance issues.
- EPA should have an increased focus on **timeliness of decision making**. Slow decision making by the EPA, either in the approvals or compliance area reduces certainty for industry and increases investment risk. Public annual reporting against agreed KPIs will increase transparency in this area.
- CCAA **does not support** the expansion of financial assurance beyond the current scope of industry categories. Extractive industries already provide significant financial assurance on operations under the *Mineral Resources (Sustainable Development) Act 1990* (MRSDA). This

together with appropriate regulatory tools and significant legislative powers under s110 of the MRSDA and the *Environment Protection Act 1970* delivers a high level of compliance across the industry.

- CCAA **does not support** an increase in fees. Any adjustment of fees proposed by EPA to reflect the regulatory effort at each site must lead to an overall decrease in fees for the industry to be acceptable. Any increase in costs to industry will ultimately be passed onto to the customer decreasing the affordability of infrastructure.
- In response to “Question 2: What currently scheduled categories or industrial activities might no longer warrant EPA works approval, licensing, and/or financial assurance requirements? If so, please tell us which risks have reduced and how.”

CCAA **recommends** that government regulation be streamlined so that environmental legislative requirements normally considered by the EPA are regulated under the approved Work Plan issued by DEDJTR rather than an additional regulatory instrument such as an EPA license.

EPA as a Referral Authority can impose conditions and reporting requirements into the Work Plans so that there is one instrument for regulation. EPA Licensing does not change the industries requirement to comply with environmental legislation but it does impose additional administration requirements on a relatively low risk industry.

The Earth Resources Regulation unit of DEDJTR is developing into a robust, risk based regulator, aiming to provide a consistent regulatory experience for the extractive industry. This together with appropriate regulatory tools and significant legislative powers under s110 of the MRSDA ensures that the extractive industry is a responsible operator meeting all key legislative and regulatory requirements. This is supported by the industry’s strong compliance record.

The industry’s strong compliance record is demonstrated in their Annual Performance Statements submitted to the EPA. For 2015, CCAA members demonstrated a 99% compliance with EPA license conditions.

In addition, the new MoU between EPA and DEDJTR will streamline process, reduce duplication of effort by regulators and industry and improve consistency between the regulators, further reducing risks.

Victorian environmental policy and enforcement needs to be internationally competitive to continue to attract capital to invest in 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.

CCAA looks forward to working with Government to achieve these key objectives.

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

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

VICTORIA

ORDINARY MEMBERS

<p>Aidan J Graham Pty Ltd Alsafe Pre-Mix Concrete Pty Ltd Axedale Sands & Gravel Barossa Quarries Pty Ltd Barro Group</p>	<p>Baxters Concrete Broadway & Frame Premix Concrete Pty Ltd Fulton Hogan Construction Pty Ltd Hillview Quarries Pty Ltd Hymix Australia Pty Ltd</p>	<p>Independent Cement & Lime Pty Ltd Mentone Pre-Mix Premier Resources T/A Hy-Tec Industries Pty Ltd Rocla Pty Ltd</p>
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ASSOCIATE MEMBERS

<p>Agi-Kleen Pty Ltd BASF Construction Chemicals Australia Pty Ltd Concrete Colour Systems</p>	<p>Concrete Waterproofing Manufacturing Pty Ltd T/a Xypex Australia Grace Construction Products</p>	<p>Sika Australia Pty Ltd WAM Australia</p>
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