

# THE CEMENT INDUSTRY ACTION AGENDA



## Final implementation report

June 2008



Australian Government  
Department of Resources  
Energy and Tourism



CEMENT INDUSTRY  
FEDERATION

The Hon Martin Ferguson AM MP  
Minister for Resources and Energy  
Parliament House  
Canberra ACT 2600

Dear Minister

We are pleased to present to you the Final Implementation Report of the Cement Industry Action Agenda. The report represents two successful years of joint government–industry effort in responding to the challenges posed by the action agenda.

The implementation phase of the agenda has proven to be very productive.

A paramount achievement is the engendering of a cooperative spirit between the three cement manufacturers to address issues of common concern. Such was the success of the industry-wide working group arrangements that the industry is committed to maintaining them following the cessation of the action agenda proper.

An equally important achievement is the demonstration of the value of government–industry dialogue, enabling both parties to appreciate each other’s perspectives and improve decision making.

Throughout the implementation phase, industry-wide approaches were employed to address the five key areas of energy, transport, workforce, sustainability and barrier protection. All are issues of common and deep concern to the industry. The agenda was instrumental in establishing productive alliances with allied industries, such as the formal alliance between the Energy Market Reform Working Group and the independent Major Energy Users Group, to address energy market issues. Less formal alliances developed with the Ash Development Association of Australia and the Australasian (Iron & Steel) Slag Association to address the common interest of ‘waste’ regulation and classification. Alliances assisted in creating a broader church of support for the agenda’s initiatives and generated a broader, more persuasive and more informed range of arguments to bring to the table in discussions with relevant government agencies.

Working with governments was a key component of the agenda across all working groups. Government agency representatives were members of all working groups. The biggest issues facing the industry are multi-jurisdictional. The agenda has highlighted the need for nationally consistent arrangements across a range of issues. Transport and waste regulations are two cases in point where the agenda made initial inroads but the task is long and, particularly in the case of waste (or material reuse) regulation, are steeped in legacy legislation and philosophies about waste that are perhaps less appropriate in today’s society. Close and on-going dialogue between the industry and governments is crucial to progress these matters.

The action agenda contained seven recommendations and 54 pathway actions and commitments. This report represents a large body of effort provided by our colleagues on the Implementation Group and the many industry and government contributors to the working groups. This is their report and we would like to congratulate all contributors for their professionalism and thoroughness in addressing the issues.

Since the agenda was initiated there has been an inevitable invigoration of the public policy debate about climate change and emissions trading. This is perhaps the key issue facing the industry in moving forward and one in which the strong networks developed through the action agenda will be instrumental in managing.

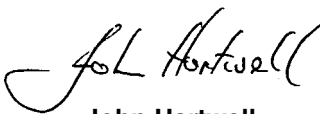
We commend this report to you.

Yours sincerely



**Phil Jobe**

Co-Chair Cement Industry Action Agenda  
Executive General Manager  
Blue Circle Cement



**John Hartwell**

Co-Chair Cement Industry Action Agenda  
Head of Division—Resources  
Department of Resources and Energy

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# Key achievements

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- Engagement of other industry associations including Cement, Concrete & Aggregates Australia (CCAA), the Australasian Slag Association (ASA), and the Ash Development Association of Australia (ADAA) to further increase the use of supplementary cementitious materials (SCMs) in concrete.
- 
- Participation in the Asia–Pacific Partnership on Clean Development and Climate (APP) program has enabled three innovative projects to be progressed.
- 
- Establishment of the Energy Market Reform Working Group.
- 
- Engagement of the Major Energy Users Groups as the vehicle for industry representation.
- 
- Ongoing engagement with the Australian Government in furthering training and skills initiatives at both the Industry and the individual company levels.
- 
- Refocus on diversity as part of the strategy to address skill shortages within the Industry.
- 
- Engagement with the Department of Infrastructure, Transport, Regional Development and Local Government and an industry tour for government representatives demonstrating transport issues on the ground.
- 
- Pilot driver training project developed in collaboration with Sustainability Victoria has achieved encouraging fuel saving results.
- 
- Industry input on updating the Australian Customs Manual.
- 
- The provision of up-to-date data on the import of clinker and cement product in support of the anti-dumping regime.

## Section 1: Overview

### Industry Background

#### vision

The agenda was announced by the Hon Ian Macfarlane MP, then Minister for Industry, Tourism and Resources, on 25 August 2004. A Strategic Industry Leaders Group, chaired by Mr Malcolm Irving AM, was established and presented its report ‘Punching above its weight’ to the Minister in May 2006.

“To maintain a

world class,

The purpose of the Cement Industry Action Agenda is to identify strategies and processes to realise the vision of the Australian cement industry in the face of challenging competitive, environmental, regulatory and social pressures.

internationally

The agenda is an industry product, driven by industry and developed by industry in conjunction with the Australian Government.

competitive

First and foremost, the agenda articulated the key forces shaping the industry’s development in the short and medium term and provided a strategic response to address the primary challenges, namely: ensuring sustainability in a carbon constrained future; having an appropriately skilled and motivated workforce; an efficient logistics system; and cost competitive production.

Australian

Secondly, the agenda demonstrated the willingness of participating companies to collectively address common concerns. The success of this approach was instrumental in the industry’s decision to continue multi-company working groups and the continued engagement of key allies from other industries following the completion of the action agenda itself. This view recognises the importance of working together as an industry with key stakeholders, including state and Australian Government agencies and private sector organisations, to resolve ongoing issues.

cement industry

positioned to

Thirdly, implementation of the agenda coincided with the launch of the Asia–Pacific Partnership on Clean Development and Climate (APP). Cement is represented as one of the eight task forces established to progress this international initiative.

take advantage of

emerging market

The action agenda provided the necessary cohesion between Australian cement companies and government to enable Australia to take a leading role in the direction and activities of the APP Cement Task Force.

opportunities,

Complementarities between the activities of the task force and the action agenda has been the hallmark of this successful arrangement and has informed the Australian cement industry about new technologies and approaches to address the challenges raised in the action agenda. It has also provided a forum for the Australian cement industry to showcase its skills and technology to our APP member nations.

endorsed by a

The report contained seven recommendations and fifty four pathways for their achievement. Implementing the recommendations fell to the Implementation Group.

community license

to operate.”

### Implementing the action agenda

The first meeting of the Implementation Group occurred concurrently with the launch of the agenda. The then Minister invited Mr Chris Leon of Cement Australia to co-chair the group along with Mr John Hartwell of the then Department of Industry, Tourism and Resources (ITR). Mr Leon later resigned as co-chair and was replaced by Mr Phil Jobe of Blue Circle Southern Cement.

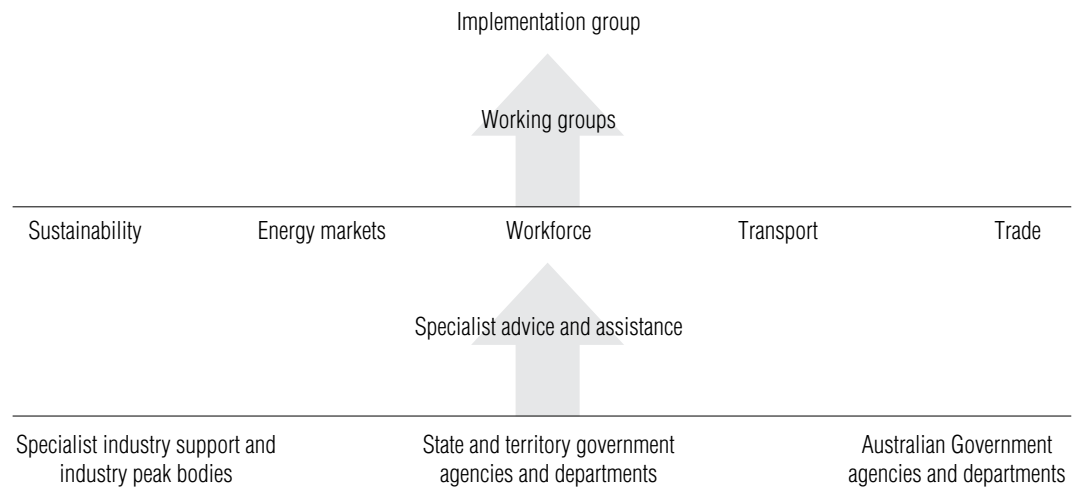
Five working groups focussing on sustainability, energy markets, workforce, transport and logistics and on barrier protection were established.

Representatives from the three main cement companies — Adelaide Brighton, Blue Circle Southern Cement and Cement Australia — participate in each of these working groups. Other sectors integral to the cement industry are also represented on the working groups.

The Implementation Group’s first year report was presented to the Hon Bob Baldwin MP, then Parliamentary Secretary to the Minister for Industry, Tourism and Resources in August 2007.

This is the group’s final report and represents the completion of the action agenda.

## Action agenda implementation structure



## Action agenda responsibilities

### Implementation Group

<b>Mr Phil Jobe</b> Co Chair	Executive General Manager Blue Circle Southern Cement
<b>Mr John Hartwell</b> Co Chair	Head of Division — Resources Department of Resources, Energy and Tourism
<b>Ms Ros DeGaris</b> (Chair Sustainability Working Group)	Group Sustainability Manager Adelaide Brighton Pty Ltd
<b>Mr Michael Williams</b> (Chair Energy Market Working Group)	General Manager — Commercial, Cement & Lime Division, Adelaide Brighton Pty Ltd
<b>Mr Wayne Beel</b> (Chair Work Force Working Group)	General Manager People & Performance, Cement Australia
<b>Mr Peter Klose</b> (Chair Transport Working Group)	Strategy Manager Major Projects Corporate Cement Australia
<b>Mrs Robyn Bain</b> (Chair Trade Working Group)	Chief Executive Officer Cement Industry Federation
<b>Ms Kelly Pearce</b>	Assistant Secretary, Environment Standards Branch Policy Coordination and Environment Protection Division Department of Environment, Water, Heritage and the Arts
<b>Mr Craig Heidrich</b>	Executive Director Australasian Slag Association and Ash Development Association of Australia
<b>Ms Margaret Sewell</b>	General Manager Projects & Taxation Branch, Resources Division Department of Resources, Energy and Tourism

## Sustainability Working Group

<b>Ms Ros DeGaris</b> Chair	Adelaide Brighton Pty Ltd
<b>Mr Grant Williams</b>	Blue Circle Southern Cement
<b>Mr Brian McGrath</b>	Blue Circle Southern Cement
<b>Ms Clare Richards</b>	Blue Circle Southern Cement
<b>Mr Andrew Farlow</b>	Cement Industry Federation
<b>Mr Michael Jones</b>	Adelaide Brighton Pty Ltd
<b>Mr Stuart Ritchie</b>	Cement Australia
Representatives as required	Department of Environment, Water, Heritage and the Arts

## Energy Market Reform Working Group

<b>Mr Michael Williams</b> Chair	Adelaide Brighton Pty Ltd
<b>Mr Dan Taylor</b>	Cement Australia
<b>Mr Phillip Watts</b>	Blue Circle Southern Cement
<b>Mr David Headbury/</b>	Major Energy Users Group
<b>Mr Bob Lim</b>	
<b>Ms Naomi Brown</b>	Cement Industry Federation
Representatives as required	Energy and Environment Division / Department of Resources, Energy and Tourism

## Workforce Working Group

<b>Mr Wayne Beel</b> Chair	Cement Australia
<b>Ms Cate Hathaway</b>	Blue Circle Southern Cement
<b>Ms Sam Toppenberg</b>	Adelaide Brighton Pty Ltd
<b>Ms Naomi Brown</b>	Cement Industry Federation
<b>Mr Paul Beerworth</b>	Department of Education, Employment and Workplace Relations
<b>Mr Alan Neate</b>	Department of Transport and Regional Services (Area Consultative Committees)
Representatives as required	Department of Employment and Workplace Relations

## Transport Working Group

<b>Mr Peter Klose</b> Chair	Cement Australia
<b>Ms Naomi Brown</b>	Cement Industry Federation
<b>Mr Ian Duncan</b>	Blue Circle Southern Cement
<b>Mr Michael Harper</b>	Adelaide Brighton Pty Ltd
<b>Mr Duncan Loydell</b>	Australian Trucking Association
<b>Mr Geoff Johnston</b>	Department of Transport and Regional Services

## Trade Working Group

<b>Mrs Robyn Bain</b> Chair	Cement Industry Federation
Representatives as required	Australian Customs Service/ Department of Foreign Affairs and Trade



## Recommendations

The action agenda made seven key recommendations which reflected the issues which emerged during the development phase of the agenda. These are:

- 1 The Australian Government supports industry collaboration on R&D, and ensure current and new assistance programs are accessible by, and relevant to, the industry.
- 2 Future emissions management measures continue to acknowledge the impacts on energy intensive industry.
- 3 The Australian Government, in consultation with industry, state and territory governments consider the scope to enhance the uptake of alternatives to fossil fuels, secondary materials and supplementary cementitious materials.
- 4 The cement industry work with the Australian Government to address the skills shortages that threaten the sustainability of the industry.
- 5 The Cement Industry Federation (CIF) support workplace relations reform and work closely with the Australian Government to explore opportunities to increase workplace productivity, flexibility and efficiencies, appropriate to its business model.
- 6 The Australian Government work with the National Transport Commission and state, territory and local governments to promote policy and transport infrastructure solutions aimed at delivering a more integrated and efficient transport network.
- 7 The Australian Government provide effective access to, and timely decisions under, the anti-dumping and countervailing regime.

## Implementation plan

The Cement Industry Action Agenda comprises 54 pathways for ensuring the implementation of its seven recommendations. Of these, thirty pathways were identified as top implementation priorities. These focus on:

- Government and industry working to increase the uptake of alternative fuels and materials including ensuring that government assistance programs address this issue.
- Government and industry working on a nationally consistent waste policy, including: waste stream utilisation; and encouraging government to establish a single, national emissions reporting system.
- Delivering the industry technology pathway consistent with business as usual models and reducing greenhouse gas (GHG) emissions using strategies outlined in the action agenda.
- Industry forming an Energy Market Reform Working Group to ensure that industry becomes more aware and participatory in the energy reform process.
- Government and industry participating in the APP and collaborating on appropriate initiatives.
- Government and industry working to ensure that workplace efficiency measures are maximised and that internal company human resource management strategies are effective.
- Government and industry working to ensure that road, rail and shipping efficiencies are maximised.

## Achievements

A prime initial focus of the working groups has been to re-engage with government — Australian and state, to progress the recommendations of the action agenda. This has included organising a number of tours of cement industry infrastructure to demonstrate to government representatives the real issues ‘on the ground’ that are facing the industry.

A positive experience of the two years for the working groups has been gaining a greater understanding of the importance (and occasional difficulty) of the interconnectedness of government and the differences in responsibility and operational approaches between the Australian, states, territories and Local governments. This will assist in moving elements of the action agenda forward through engaging with the right areas of government, with the right issues at the right forums.

It is noteworthy that the action agenda process is seen as a model of cooperation between government and industry. The Cement Industry Action Agenda is accessed and downloaded more than 100 times per week from the Cement Industry Federation website with additional downloads from the Department of Resources, Energy and Tourism (RET) website.

The main achievements flowing from each of the working groups under the action agenda in the two years of implementation include the following:

## Sustainability

### COMMENTS FROM THE CHAIR:

**MS ROS DEGARIS, GROUP SUSTAINABILITY MANAGER, ADELAIDE BRIGHTON**

*“The Sustainability Working Group has a broad set of recommendations. In 2004, the CIF undertook a forward looking assessment of technology from now to 2012 — one of the tasks of our group is to find ways to encourage the adoption of technologies that provide sustainability benefits for the industry. Through the CIF we are participating in the APP program with three sustainability initiatives being progressed and a potential fourth project at the proposal stage.*

*“We are focused on energy and greenhouse efficiency projects including streamlined greenhouse reporting; the uptake of alternative fuels and raw materials — exploring ways to lower GHG intensity in our products; and the facilitation of supplementary cementitious materials (SCM) usage which can have a significant impact on GHG emissions and energy efficiency.*

*“We’re keen to work with governments to improve regulatory approaches to our industry particularly in the areas of resource recovery, technical improvements, and to see the inclusion of full life-cycle assessments in building efficiency codes.”*

### Key outcomes:

- Access to APP funding
- Extension of alternative fuels and raw materials (AFR) programs by members
- Review of progress Technology Pathway 2005–2012
- National GHG and Energy Reporting tool to be introduced July 2008 (OSCAR)
- Adoption of World Business Council for Sustainable Development (WBCSD) Cement Sustainability Initiative (CSI) protocol for GHG by APP and Greenhouse Challenge Plus reporting
- Registration of all CIF members to Energy Efficiency Opportunities and roll out of assessment process



- Engagement of other industry associations (CCAA, ASA, ADAA) to further increase the use of SCMs in concrete
- Submissions to Productivity Commission on Waste and the participation in the Product Stewardship Program for Used Tyres
- Member company promotion of alternative fuels and raw materials program through awards, magazine articles and presentations
- Member participation in Industry Sustainability Awards for all categories of the WBCSD CSI program
- Upgrade of the industry database to collect data for sustainability measures
- Development of cement industry resource recovery principles to harmonise state approaches to AFR
- Development of a methodology to engage with RET to find suitable funding programs

The goals of the Sustainability Working Group are to maximise the uptake of world's best practice technology by 2012, having regard to local and global environmental and economic factors, to increase fuel efficiency and reduce GHG emissions by 2012 in line with the goals identified in the Technology Pathway Report<sup>1</sup> and to increase the uptake of alternative fuels to fossil fuels, secondary materials and supplementary cementitious materials by 2012 to meet or exceed the quantities identified in the Technology Pathway Report.

Participation in the APP program has enabled three innovative projects to be progressed. Co-generation of power using process waste heat, development of solvent-based fuels for cement kilns from industrial waste streams and the development of biomass fuel from sewage sludge. A fourth project investigating the use of micro-algae as a means of reducing CO<sub>2</sub> emissions and producing biofuel is being considered. Other non APP projects include the extension of biomass fuel and use of low GHG raw materials.

The CIF is working with companies to complete the 2007 industry survey with the GHG inventory calculated using the WBCSD protocols. Data from this survey demonstrates industry progress in meeting its commitments to reduce GHG emissions and improve overall energy efficiency which are explicit goals of the action agenda.

The former ITR Department provided sponsorship to the Australasian Slag (Iron and Steel) Association—Sustainability & Slag Conference 2007 to directly support the implementation of the action agenda. The particular aim of the sponsorship was to run a workshop to identify regulatory and legislative barriers to the use of co-products such as slag in cement, and to promote the potential life-cycle and GHG benefits of utilising alternative materials. The workshop noted the divergences in approaches to waste/co-product management from state governments and is flagging the opportunity of a multi-industry approach to state and Australian governments to achieve reform in this area.

**Future focus:**

- Increase the use of biomass as a low GHG emission fuel
- Seek alternative raw materials with low emission properties
- Introduce technologies with greater energy efficiency operations

<sup>1</sup> Cementing Our Future 2005–30—The Technology Pathway for the Australian Cement Industry, Cement Industry Federation 2005.

- Develop cements with higher SCM content
- Monitor the progress of emerging technologies and participate in development for use in the cement industry
- Work with government to develop funding programs that address the opportunities to make the cement industry more sustainable
  - Enhance access to funding schemes
  - Focus funding schemes to support opportunities in the CSI agenda
  - Encourage innovative changes in traditional manufacturing
- Develop government policy to align with the cement industry's sustainability program
  - Work with government on single, national GHG and energy reporting system
  - Work with Department of Climate Change (DCC) to develop GHG factors for alternative materials.
  - Support regulations that encourage sustainable changes to manufacturing
  - Promote the actions of the CIF members towards a sustainable industry to all levels of government and the public
- Progress the Cement Industry Best Practice program in new technology
  - Review Technology Pathway and report the industry's progress
  - Encourage APP projects
- Support resource recovery programs that utilise the capability of cement manufacturing
  - Progress the recommendations of the Productivity Commission on Waste to enhance the use of co-products
  - Extend the use of alternative fuels and materials
  - Work with state governments on waste policy that embraces resource recovery principles
- Encourage use of concrete for sustainable construction
  - Support CCAA, ASA and ADAA actions to increase SCM use and mineral addition
  - Promote the Life Cycle Analysis (LCA) of concrete
  - Support changes to construction materials and practice that achieve more sustainable buildings.

The industry will utilise the CIF Industry Survey and the Technology Pathway information to monitor and progress opportunities for technology advancement and the development of the further use of alternative materials.

The progress of the APP program will establish demonstration technology in Australia, and involvement will assist in developing government and industry partnership to encourage innovation.

Developing common specific issues around policy and regulation of waste is a further step towards promoting alternative materials use and encouraging responsible utilisation of these resources. While national harmony is recognised as a challenging objective, there is understanding about principles of resource recovery and that each state has a different approach to the issue. There is much to be done to change the traditional way to a sustainable approach.

## Energy Market Reform

COMMENTS FROM THE CHAIR: MICHAEL WILLIAMS, GENERAL MANAGER – COMMERCIAL, CEMENT & LIME DIVISION, ADELAIDE BRIGHTON LIMITED

*“The scope of the Energy Market Reform Working Group is to ensure that the industry’s specific issues are understood in the forums considering energy market rules and regulation, by monitoring the energy market rule-making process, making the industry aware of opportunities to comment on regulatory rule-making processes and ensuring that market rules are conducive to investment of cogeneration at cement plants.*”

*“The working group chose the Major Energy Users Incorporated (MEU) as the organisation through which the industry was made aware of opportunities to participate with the energy market rule-making processes. In 2007, the MEU made twenty four formal submissions regarding electricity and gas on behalf of the CIF and other bodies which were often supported by personal contact with policy makers and regulators.*”

*“The cement industry supports market reforms that promote efficient gas and electricity markets as they will, in turn, underpin the long term sustainability of energy intensive industry in Australia through economic growth and cost competitiveness. However, the industry has experienced many examples of inefficient or absent markets that the CIF will continue to raise with policy makers.”*

The working group generated a list of specific industry issues in regards to energy supply and developed an action plan to attempt to address these issues. These issues included:

- Disproportional input into the reform process from the end user side compared to the supply side
- Energy market reform focusing on eastern states and little on WA and the NT
- Lack of real retail competition for both gas and electricity
- Generators ability to exert market power over sustained periods pushing up both spot and long term contract prices
- The gas market failure in Western Australia and potential for failure in the eastern states
- Long term security and stability of electricity supply
- Lack of infrastructure development constraining fuel energy (gas/coal) supplies and pushing costs up
- Lack of interconnectivity between regions constraining efficient supply and pushing up costs
- Network costs increasing as a proportion of total electricity costs
- Substantial increases in energy costs (electricity and fuel) will have an inflationary impact on the Australian economy and is weakening Australian manufacturing competitiveness
- Lack of incentives for the installation of cogeneration at cement plants

### Key outcomes

- Establishment of the working group
- Tour of the cement industry for government representatives to allow them to better understand the nature of the industry
- Engagement of the Major Energy Users Groups as the vehicle for industry representation
- CIF/MEU/Energy Intensive Industries Alliance discussions with RET regarding observed market failures and concerns (power and gas) with supporting examples and data
- Formation of a NT Major Energy Users group

The Energy Market Reform Working Group has significantly increased the industry's understanding and awareness of the reform processes and through the MEU, has developed the mechanisms for commenting on those processes. Consistent with addressing industry issues, formal submissions were made by the MEU on behalf of the CIF to policy makers, rule makers, the regulator and the Owen Inquiries on the following issues:

- Sustained exercise of market power by generators (2007—NSW, 2008—SA)
- The Regulatory Test version 3 and Guidelines
- Transmission Guidelines and proposed Pricing Guidelines
- National Transmission Planning Arrangements
- Network Planning and Connection Arrangements
- Congestion Management Review
- Rules for electricity distribution networks
- Proposed NSW Demand Management Incentive Scheme and Alternative Control Services and Pass Through Events
- Australian Energy Regulator (AER) proposals for performance incentives for distribution network service providers
- Interim Distribution Guidelines for ACT/NSW DNSPs
- AER Guidelines, models and schemes for electricity distribution network service providers
- The Owen Inquiry into Electricity Supply in NSW
- Business and Data Requirements for a Gas Bulletin Board
- Comprehensive Reliability Review
- Transmission resets (SP Ausnet, VENCORP, ElectraNet and GasNet)

The MEU also has representation on the Gas Bulletin Board and gas Short Term Trading Market working groups which the CIF is supportive of.

#### **Future focus**

- Further utilise the services of MEU to promote an efficient **electricity** market that ensures:
  - Internationally competitive prices to encourage economic development in Australia
  - Safe returns for generators, transmission, distribution and retailers to encourage investment in supply infrastructure and ensure long term stable supply
  - Quality of supply (minimal interruptions)
  - Reduction in carbon footprint
- Work closely with government to initiate change to electricity rules to prevent **sustained** exercise of market power
- Investigate the potential exercise of market power
- Provide submissions to the AER on pricing resets to ensure effective investment in infrastructure
- Again utilise the services of MEU to promote an efficient **gas** market that ensures:
  - Internationally competitive prices to encourage economic development in Australia
  - Economic returns for suppliers, pipeline owners and shippers to encourage investment in supply infrastructure and ensure long term stable supply
  - Adequate gas reserves to be set aside for domestic use to maintain international competitive advantage in manufacturing and carbon emissions and ensure long term supply

- Engage and encourage government investment in pipeline infrastructure and/or incentives for private sector investment
- Demonstrate to government the benefits of domestic gas allocation at competitive prices (support competitive domestic supply)
- Engage government regarding the benefits of co-generation and the government incentives required for private investment in co-generation

## Workforce

### COMMENTS FROM THE CHAIR: WAYNE BEEL, GENERAL MANAGER – PEOPLE AND PERFORMANCE, CEMENT AUSTRALIA

*“The Workforce Working Group has continued to work with the Australian Government to address skills shortages that threaten the sustainability of the cement industry. With the change in the Australian Government, the CIF is monitoring closely the development of the Australian Government’s Industrial Relations plan, Forward with Fairness, and the amendments to the Workplace Relations legislation.*

*“All of the three companies have continued to pursue the implementation of HR and workplace relations initiatives as part of their workforce attraction and retention strategies and continued to engage positively with the communities in which the industry operates.*

*“The working group approach has enabled the individual companies to share solutions and insights to addressing the skill shortage and workplace productivity issues. The collaboration achieved through this process further facilitates the progress that the industry is making in securing its workforce in the future.”*

### Key outcomes

- Ongoing engagement with the Australian Government in furthering training and skills initiatives at both the Industry and the individual company levels.
- Refocus on diversity as part of the strategy to address skill shortages within the Industry.
- Continued improvements on industry work practices.

As reflected in the action agenda, the cement industry recognises that securing the future workforce is a key issue. The goals of the working group are to assist the industry to prepare now for future skill needs and to continue to work closely with government to maximise opportunities stemming from workplace relations reforms, with special emphasis on those elements which support capital-intensive operations that operate a continuous production cycle. The Workforce Working Group has worked on a number of key strategies to meet the recommendation of the action agenda.

One of the strategies that the industry has continued to promote is the fostering of its working relationship with the government to skill up the cement industry workforce. Together with bodies such as the Local Government Managers Australia and the Industry Skills Councils, the industry is actively involved in the initiatives to both attract potential employees to the industry and retain the existing workforce. A positive outcome from this strategy can be seen through the increasing number of apprentices/trainees across the three major cement companies, with 22 additional places offered in December 2007 as compared to June 2005.

The industry continues to pursue the establishment of a more diverse workforce in order to tap into bigger pool of potential employees, including:

- **Women.** More than 110 women have joined the cement industry over the last 2.5 years. The increase in women's interest to enter the industry is an exciting outcome as cement is typically considered as a male-dominated industry with non-traditional roles for women.
- **Older employees.** It is a well-known fact that Australia's aging population is one of the contributing factors to the skill shortages across the industries. Companies, including the three cement companies, are putting strategies in place to retain its older workforce as long as possible. This is aimed to assist in easing the pressure from the tightening labour market, as well as to enable transfer of skills to the younger workforce.

The outcome of the Industry's strategies is shown in the age profile graph below whereby the percentage of employees over 61 years old has increased by more than 25%, from 4.8% of total industry workforce in June 2005 to 6.1% in July 2008.

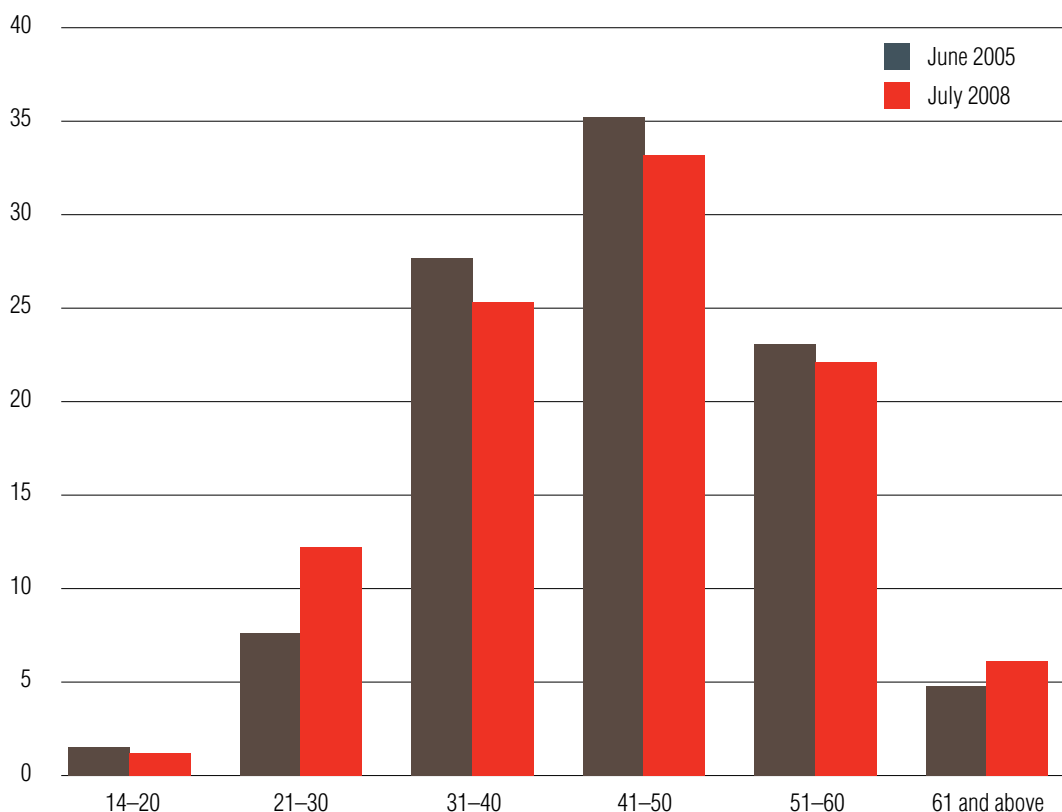
The graph below also shows an increase in the 21–30 years old age bracket, which is in line with the Industry's strategy to attract potential employees into the workforce through the apprenticeship /traineeship programs.

- **People with Indigenous and other ethnic background.** Since June 2005, there was a marginal increase in the number of employees with Indigenous background across the three companies. Though small, this outcome is still an encouraging result from the Industry's Indigenous program.

#### Future focus

- Continue the implementation of the Industry's initiatives to tap into non-traditional pool of talents, with the immediate focus on people with Indigenous background and with disability.
- Continue to monitor and influence where possible the emerging Industrial Relations legislation as we transition from WorkChoices to Fair Work Australia.
- Continue to engage the communities in which we operate in order to secure our ongoing commitment to 'licence to operate'.

#### Comparison of age profile



## Transport

### COMMENTS FROM THE CHAIR: PETER KLOSE, STRATEGY MANAGER — MAJOR PROJECTS CORPORATE, CEMENT AUSTRALIA

*“Cement plants are primarily a regionally based industry relying heavily on road transport to deliver product to and from facilities, often over long distances. The action agenda identified a clear objective to reduce reliance on, and increase the efficiency of, road transport and to actively encourage increased use of rail and shipping to transport product.”*

*“Identified issues include a national approach to heavy mass limits; increased costs but lower investment in road, rail and shipping infrastructure; and rail and shipping reliability and timetabling.”*

*“The Transport Working Group includes representatives from the Australian Trucking Association, the CCAA, the Australian Government and the cement industry. Achievements to date have included the separation of ownership of rail track and rail rolling stock in Tasmania; and undertaking an industry tour to better inform members of the issues. We are continuing to develop relationships with governments, and to establish improved processes and lines of communications with all stakeholders.”*

#### Key outcomes

- Engagement with the Department of Infrastructure, Transport, Regional Development and Local Government (then Department of Transport and Regional Services) and an industry tour for government representatives demonstrating transport issues on the ground.
- Engagement with the Australian Trucking Association and the CCAA.
- Pilot driver training project developed in collaboration with Sustainability Victoria has achieved encouraging results.
- Participation in the House of Representatives Inquiry into Australia’s Coastal Shipping.
- Engagement with relevant state government infrastructure and transport departments to increase understanding and flow of information

The goal of the Transport Working Group is to reduce the use of road vehicles to transport product by transferring greater freight loads to bulk rail and sea transport where it is efficient to do so. The Working Group is also contributing to improving the environmental efficiency of the industry.

The working group initially focussed on identifying specific concerns for the individual companies and then engaging with all levels of government — Australian, state and local — to gain action on those issues. Engaging with the Australian Transport Council is a priority for the Group. An effective strategy is to present these issues ‘on the ground’ to vividly demonstrate how issues around inconsistent heavy mass limits, ‘gaps’ in the road network, rail service unpredictability and the duplication within the marine voyage permit system affect the industry.

The Transport Working Group, Sustainability Victoria and Monash University collaborated to develop a field trial aimed to qualify the impact of a driver training program for heavy vehicle drivers. Blue Circle Southern Cements Somerton depot provided the vehicles and drivers to undertake the pilot scheme. The aim of the program was to change driver behaviour to realise lower fuel usage commensurate greenhouse gas emission savings along with a range of other benefits including lower maintenance costs, improved logistics management and improved driver awareness. Although the final report has not yet been completed, the results have been encouraging and suggest that the training program skills have been retained by those drivers who received the full training course three months after the initial training.

The new Australian Government claims coastal shipping in Australia has been in decline in recent years, while the volume of freight needing transport around the country is growing. The working group provided a submission to the Australian Coastal Shipping inquiry outlining that Australian shipping is critical to the Australian Cement Industry and to the long term prosperity of Australia.

#### Future focus

- Continue to support the creation of standard consistent Heavy Mass Limits (HML) network for Australia.
- Submission to the National Transport Commission on Heavy Vehicle Charges
- Engage with state rail authorities to progress improvements in rail service and infrastructure.
- Engage with relevant state government transport departments and port authorities to address industry concerns on berthing and infrastructure issues.
- Roll out the driver training program to the cement industry and the wider heavy vehicle sector.
- Continue to take an active role in the Australian Coastal Shipping inquiry and monitor the inquiry process.

The working group will continue to pursue issues surrounding heavy vehicle charges; rail, port and coastal shipping; and the roll out of the driver training program.

The Group prepared a submission to the National Transport Commission (NTC) on the draft Heavy Vehicle Charges Determination for 2007 highlighting industry concerns on increasing charges on a class of transport (B Doubles) which is delivering substantial benefits in terms of productivity improvements, safety and environmental benefits. This also links in with highlighting continuing gaps in the B Double network and the resulting cost and operational imposts on industry.

The Transport Working Group continues to pursue the rail and port issues identified to-date with the relevant state, territory and local government areas and with port authorities. The aim is to assist these levels of government to address the specific issues relevant to the industry around rail, road and shipping and to inform and influence decisions of the Australian Council on Transport and the AusLink process where appropriate.

The magnitude of the reductions in fuel consumption and the retention of the training skills by the drivers suggest this form of training could have a valuable role to play in reducing vehicle fuel consumption and related emissions. The driver training pilot field trial has laid important foundations for understanding the potential of driver training programs under Australian conditions. The industry will continue to roll out this training program in the cement industry and the wider heavy vehicle sector.

To continue to sustain a competitive Australian shipping industry, it is important to ensure competitive labour reform is supported which in turn will support increased competition in the Australian shipping industry and the source of skilled and trained workers is promoted. The working group will continue to take an active role in the Australian Coastal Shipping inquiry and monitor the inquiry process.





## Trade

### COMMENTS FROM THE CHAIR:

**ROBYN BAIN, CHIEF EXECUTIVE OFFICER, CEMENT INDUSTRY FEDERATION**

*“Having been intimately involved with the action agenda from inception to implementation, the key issue has been engaging creatively and effectively with government. The Trade Working Group has found involvement in the Trade Remedies Task Force a particularly effective mechanism for gaining a voice for the cement industry in progressing the trade-related pathways of the action agenda.*

*“In meeting the challenges of a globalised economy has been to ensure that the Australian cement industry is on a level playing field with imports of cement and clinker. Working with the Australian Customs Service on reforms to the anti-dumping regime is an important component of ensuring our industry remains competitive.”*

### Key outcomes

- Input on updating the Australian Customs Manual.
- The provision of up-to-date data on the import of clinker and cement product in support of the anti-dumping regime.

The action agenda issues related to trade and in particular the provisions around anti-dumping are being managed through the Cement Industry Federation. CIF is fully engaged with the Australian Customs Service through the Trade Remedies Task Force and participated in the joint study into the administration of Australia’s anti-dumping system. The industry is particularly concerned that there is transparency both in terms of the decision making and assessment process once an application has been made and in obtaining relevant data and information on which to base applications.

The Industry also believes that it is vital that the Australian Customs Service ensures that it has the expertise and experience required to enable it to reach informed decisions on anti-dumping applications which are often complex, ambiguous and difficult to clearly define.

It is pleasing to note that Customs is actioning most of the recommendations of the Joint Study including improving industry liaison functions and the out posting of Customs Officers in key Australian trading partner economies.

### Future focus

- Participate in review of Material Injury Guidelines
- Participate in review of Customs manuals
- Continue to be active members of the Trade Remedies Task Force and to provide accurate data to facilitate necessary trade actions.

## Section 2: Pathway progress

### Progress on recommendations

As already outlined in this report, five working groups have been established to progress each pathway. The success of this approach has been instrumental in the industry decision to continue multi-company working groups and the continued engagement of key allies from other industries to further progress the work commenced under the action agenda.

The following elements provide detail on progress for each of the pathways included in the action agenda to date and an indication of further work which will be undertaken by the industry.

#### Sustainability Working Group

##### Pathway 1

Work with industry to promote R&D partnerships across industries to increase uptake of alternative fuels and materials.

**Actions** Industry is preparing examples of best and poor practice in R&D partnerships as part of the consultation with government.

As noted—projects within the APP will directly assist in achieving the goal related to this pathway.

**Status** Ongoing

##### Pathway 2

In developing relevant programs or in reviews of existing programs consider whether criteria should include waste management and substitution by recycled materials.

**Actions** Details of funding programs and grants assistance have been provided to CIF. The CIF has met with the Australian Government (RET and DEWHA) and with Sustainability Victoria to discuss what programs are suitable for industry to access with feedback being supplied on the application process and other requirements.

**Status** Ongoing

##### Pathway 3

Ensure that eligibility criteria for assistance programs stimulate innovation that delivers environmental and social benefits and positive spill-overs for the economy.)

**Actions** The former government announced in May 2007 in the industry statement an extension of tax concessions for R&D which may be of assistance to the industry.

RET met with industry representatives to discuss and explain criteria around government funding programs. Industry is preparing a number of potential projects for submission in appropriate grant categories.

**Status** Ongoing

#### Pathway 4

Continuing to seek out and implement incremental technological advances consistent with Business As Usual (BAU) developments.

**Actions** The industry is actively monitoring the impacts of changing technology and processes on such factors as GHG emissions utilising the industry tool 'GEMSCALC' and the annual survey of industry.

**Status** Ongoing

#### Pathway 5

Driving the industry towards World Best Practice technologies by developing a technology strategy that encourages further investment in R&D and new technologies. The strategy will map out how the industry can:

- Maintain an innovative outlook by promoting the benefits of R&D
- Identify demonstration sites to drive the testing and commercialisation of new product and process technologies for potential industry-wide benefit
- Seek opportunities to facilitate collaborative R&D to develop and apply 'frontier technologies' such as geosequestration and cogeneration

**Actions** Under the APP banner, industry and government in partnership have identified best available technology projects to promote the use of frontier technology and to demonstrate flagship projects. Projects include:

- Cement kiln cogeneration
- Biosolids in cement production
- Co-processing solvent-based fuels

A proposal for funding of a demonstration plant for carbon recycling from cement manufacture to algal biomass is being considered.

The Technology Pathway for the industry has been updated to include identification of barriers to the adoption of new technologies.

**Status** Ongoing

## Pathway 6

Australian and state governments to work cooperatively to establish a single, national, emissions reporting system.

**Actions** The Garnaut Climate Change Review, by Professor Ross Garnaut, has been commissioned by the Australian, state and territory governments to examine the impacts, challenges and opportunities of climate change for Australia. The draft report was publicly released on 4 July 2008 and the final report will be delivered to Australian governments by 30 September 2008. In addition, the Australian Government is establishing an emissions trading scheme (ETS) as part of an effective framework for meeting the climate change challenge. Work should progress on developing a national emissions trading scheme starting no later than 2010 with the detailed design finalised by the end of 2008.

The cement industry continues to support the introduction of a cap-and-trade scheme and notes that one of the Australian Government's five tests for an ETS is that an effective ETS must be a cap and trade scheme to be internationally consistent. The industry recognises that the introduction of such a scheme is on a global basis to prevent the phenomena of CO<sub>2</sub> 'leakage' to non-trading countries. The industry is working with relevant Australian Government departments on the background modelling required to build a national emissions trading scheme which recognises the vulnerabilities of emissions-intensive trade-exposed (EITE) industries such as cement.

In September 2007, the Australian Government introduced legislation into parliament the *National Greenhouse and Energy Reporting Act 2007*. The National Greenhouse and Energy Reporting System (NGERS) aims to provide a comprehensive, robust and streamlined national mandatory emissions and energy reporting scheme. NGERS will be used to underpin the introduction of an Australian emissions trading scheme, inform the Australian public, meet Australia's international reporting obligations and avoid duplication of similar reporting requirements across jurisdictions. The Sustainability Working Group has provided several submissions on the development of the policy regulations.

**Status** Ongoing

## Pathway 7

The Australian Government to work with industry to explore the development of national greenhouse intensity factors for alternative fuels.

**Actions** In December 2007, DCC released a discussion paper on the Technical Guidelines for the estimation of greenhouse emissions and energy. In its submission, the working group recommended a methodology developed in the US to calculate emissions factors for mixed waste streams. DCC is expected to adopt the methodology prior to the commencement of the NGERS Act on 1 July 2008.

**Status** Ongoing

### Pathway 8

The Australian Government to work in partnership with the industry on a driver education initiative to improve fuel efficiency and reduce greenhouse gas emissions.

**Actions** Being undertaken by the Transport Working Group — see Pathway 13.

**Status** Ongoing

### Pathway 9

Continue to reduce energy use and GHG emissions through the following strategies:

- switching to biomass as a carbon neutral alternative fuel
- substituting calcined materials such as iron and steel slag and coal combustion products for natural raw materials such as limestone, clay and shales in the raw material mix
- introducing more energy efficient equipment and practices
- increasing the use of fuels with lower CO<sub>2</sub> emission intensities
- extending the use and promotion of SCM in cement and concrete manufacture

**Actions** The industry is monitoring progress in reducing energy use and GHG emissions through the GEMSCALC tool and the annual survey. The level of use of alternative fuels and raw materials for 2007 has been disappointing. Rather than seeing an increase in the area of resource efficiency, we have seen a slight reduction from 2006. There are a number of barriers that the industry has experienced in this area, and the CIF fully supports the recommendations of the Productivity Commission Inquiry into waste generation and resource efficiency. The working group will continue to lobby all state EPA's to introduce a consistent national approach to waste regulation through the Environment Protection and Heritage Council (EPHC) Waste Working Group. Additionally the reduction in flyash supply (particularly in Queensland) due to the drought conditions has decreased the total number of extenders sold directly to the market

The industry is looking to work with CCAA on strategies to further progress this pathway.

**Status** Ongoing



## Energy Market Reform Working Group

### Pathway 10

Form an Energy Market Group to ensure that the industry's specific issues are understood in the forums considering energy market rules and regulation by:

- monitoring the energy market rule-making process conducted by the Australian Energy Market Commission to make the industry aware of opportunities to comment on regulatory rule-making processes
- informing industry participants about opportunities to participate in specific regulatory determinations made by the AER, where the determination relates to the energy transmission distributor operating in their geographic area
- participating in consultation processes through the Ministerial Council on Energy to ensure that cement plants have the ability to sell electricity into the network under an efficient pricing and access regime, thereby increasing the scope for installation of cogeneration at cement plants

**Actions** The Energy Market Reform Working Group was established to make the industry aware of opportunities to monitor, comment on and participate in energy regulatory rule making processes in order to ensure that the energy issues that affect the sustainability of the industry are favourably addressed. The major issues are:

- Price—long-term movement and volatility
- Supply—reliability and quality
- Long-term supply assurance/sustainability
- Access and ability to sell electricity to grid

The working group recommended to the CIF board that the CIF become a member of the MEU who represent large users in the market reform process and monitor the market operation on behalf of large users. The MEU have been reporting back on a regular basis to the working group on the progress of reform and the submissions made. The MEU are also fully aware of the specific issues and opportunities of the cement industry. RET representatives have provided background on the reform process to the working group and have participated in cement plant familiarisation visits.

The Energy Market Reform Working Group has significantly increased the industry's understanding and awareness of the reform processes and through the MEU has developed the mechanisms for commenting on those reforms.

**Status** Ongoing

## Sustainability Working Group (cont)

### Pathway 11

Maintain the integrity of the greenhouse inventory through ongoing review of the industry's mechanisms for reporting on national and international developments. This will ensure alignment with recognised international reporting systems including the updating of factors, boundary definitions and data verification methods.

**Actions** The CIF has further refined reporting tools to ensure their validity and usefulness to the industry.

**Status** Ongoing

**Pathway 12**

Work through the APP to cooperate on best practice environmental management and GHG reduction systems in the Australian cement industry.

**Actions** There is a strong industry commitment to participating in APP with three Australian managed projects receiving funding allocations.

**Status** Ongoing

**Pathway 13**

Provide driver training to promote energy efficient driving practices.

**Actions** This action is being undertaken by the Transport Working Group. An eco-efficient driver training program developed by Monash University and the Strategix Training Group is being trialled at Blue Circle Southern Cements Somerton depot. The pilot program is funded by Sustainability Victoria and the CIF. Early results indicate fuel savings can be achieved with this program. If the project is deemed successful, the DCC has agreed to contribute to the national rollout of the program.

**Status** Ongoing

**Pathway 14**

Develop and implement a nationally consistent approach to waste policy, addressing such issues as eco-efficiency, recycling and product stewardship.

**Actions** The Productivity Commission handed down a report on Waste Management to which the CIF provided comments in its submission. The CIF will continue to work with relevant departments to understand and influence the impacts of any government policy outcomes relevant to the report.

It is important for Australia to develop a national approach to product stewardship that ensures measurable environmental improvement within the Australian context while maintaining consistency with approaches and outcomes internationally.

In April 2008, Environment Protection and Heritage Council (EPHC) agreed to release a consultation package on tyres for public comment. The package outlines a joint industry/government approach to whole-of-life management of tyres.

Industry and governments expect the proposed approach to drive innovation, decrease environmental impacts and build end-of-life management costs into product prices. The CIF has attended many roundtable consultations in the development of the tyres National Environment Protection Measure (NEPM).

**Status** Ongoing

**Pathway 15**

Remove regulatory impediments to resource recovery and reuse.

**Actions** In September 2006, EPHC agreed to adopt the 'Guidance for Assessing the Beneficial Reuse of Industrial Residues to Land Management Applications'. The guidance represents a national approach and includes references to reuse as an input to cement and concrete products and to provide energy recovery.

Industry is working with the EPHC and government agencies to ensure that the industry views are known and considered as part of the policy development process around waste management. The industry has also met with a number of state governments and is collating a list of regulatory impediments which may be presented to the Waste Working Group of Australian, state and territory governments.

**Status** Ongoing

**Pathway 16**

Australian Government to work with industry and other governments to promote the life cycle benefits of using alternative fuels and materials to the community.

**Actions** The Australian Government provided sponsorship of the 2007 Australasian Slag Association conference and the Waste Management Association of Australia 'Waste to Energy' conference.

**Status** Ongoing

**Pathway 17**

Pursue a collaborative and strategic approach to encourage the harmonisation of environmental legislation and regulations impacting the industry, including to:

- contribute submissions to the Australian, state and local governments
- coordinate a submission from relevant industry associations to the Australian Government on the need for a national inventory of alternative fuels and raw materials
- work with governments to develop product stewardship schemes
- develop commercial recycling schemes to:
  - encourage energy recovery from secondary materials or their reuse as raw materials
  - contribute to the elimination of unnecessary environmental impacts associated with current waste management practices

**Actions** Refer to actions within pathways 14, 15 & 16

**Status** Ongoing

**Pathway 18**

In relation to SCM, to:

- work with relevant industry associations to identify and overcome barriers to increased uptake of SCM and, through joint representation, work to have any regulatory barriers addressed; and
- seek to increase the use of SCM in cement and concrete to at least 29% by volume by 2012.

**Actions** Refer to actions within pathways 14, 15 & 16

**Status** Ongoing



**Pathway 19**

Work collaboratively with relevant industry associations and the Australian, state and territory governments to demonstrate the environmental and community benefits of the use of alternative fuels and materials by the industry to the community.

**Actions** Refer to actions within pathways 14, 15 & 16.

**Status** Ongoing

## Workforce Working Group

**Pathway 20**

Support industry initiatives to promote careers in the industry and increase student interest in the science, engineering and technology disciplines.

**Actions** The Department of Education, Employment and Workplace Relations (DEEWR) is working with industry to promote science, technology and engineering disciplines commencing in primary education through to university and advanced education. This includes initiatives for teachers to increase the attractiveness of the profession and to address shortages in the profession under the Australia's Teachers, Australia's Future: Agenda for Action.

DEEWR is also working directly with industry through the action agenda to ensure support for the industry initiatives in this area.

**Status** Ongoing

**Pathway 21**

Implement, as agreed by the Council of Australian Governments (COAG), an outcomes-based model for auditing Registered Training Organisations (RTOs) in Australia and provide for mutual recognition of skills qualifications across Australia.

**Action** As a result of the COAG agreement, DEEWR has been working with industry, RTOs and state and territory governments to ensure the implementation of outcomes-based auditing and mutual skill qualification recognition.

**Status** Almost complete

**Pathway 22**

Work with state and local governments and industry to address deficiencies in soft infrastructure identified through engagement with Area Consultative Committees (ACCs).

**Action** The Department of Infrastructure, Transport, Regional Development and Local Government has provided insight into the operation of ACCs and how the industry can tap the local knowledge and enthusiasm that resides within these local organisations.

Industry is commencing initial work in building linkages with ACCs to address soft infrastructure issues. This is in addition to industry involvement with local communities and schools that has traditionally been an important component of regional cement plants engagement and support of local communities.

**Status** Ongoing

**Pathway 23**

Continue to maximise the competitiveness of Australia's taxation system to encourage urban Australian and foreign skilled personnel to take up positions in regional locations.

**Actions** The CIF is continuing to liaise with government on this issue. Similar approaches are being made to government on this issue by the Australian Petroleum Production & Exploration Association and the minerals industry.

**Status** Ongoing

**Pathway 24**

Consider proposals, from the cement and other relevant industries, for concessions or exemptions from fringe benefits tax for education and health costs of employees and their families when the business pays these costs to overcome regional disadvantages affecting its capacity to recruit staff to remote areas.

**Action** The CIF is continuing to liaise with government on this issue.

**Status** Ongoing

**Pathway 25**

Develop and implement long-term succession plans to ensure that skilled personnel are available to fill key positions.

**Action** The industry has overhauled many human resource management policies and practices over the past year and the three companies have implemented succession planning strategies to address this issue.

**Status** Complete

**Pathway 26**

Develop a strategy to promote the benefits of a career in the cement industry; including a career and industry information package for use by the National Industry Career Specialists Network and the Regional Industry Career Advisers Network, as part of the Australian Government's Career Advice Australia initiative.

**Action** This action has been signed off as a priority initiative with industry. The Industry is working closely with DEEWR as part of the Strategic National Initiatives to address extant and looming skill shortages across a number of industries.

**Status** Ongoing

**Pathway 26**

Dispel negative perceptions of the regional lifestyles and communities in which it operates and promote the many positive features of regional life. Each cement plant will tailor an individual strategy to inform potential and existing employees about the information and services available in their regions.

**Action** Refer to actions within pathway 22

**Status** Ongoing

### Pathway 28

Work with ACCs to:

- promote the cement industry's pivotal role in the community
- identify inadequate education, health and lifestyle services and develop strategies to access government and community funds to address them
- develop options for community development assistance, particularly in such areas as the provision of social and soft infrastructure and options to mitigate the threat of urban encroachment

**Actions** Refer to actions within pathway 22.

**Status** Ongoing

### Pathway 29

Work with government to develop and implement a strategy for sustaining workplace flexibility, by increasing and maintaining industry awareness of high performance workplace models which guarantee flexible and competitive terms of employment.

**Action** The CIF is continuing to liaise with government on this issue.

**Status** Ongoing

### Pathway 30

Identify instances where poorly constructed workplace agreements create unnecessary skills and qualifications demarcations, with the goal of addressing these demarcations in future workplace agreements.

**Action** Continue to monitor and influence where possible the emerging industrial relations legislation as we transition from WorkChoices to Fair Work Australia.

**Status** Ongoing

### Pathway 31

Support the WorkChoices legislation and measures to ensure that right of entry provisions are exercised only to investigate occupational health and safety matters.

**Action** Refer to actions within pathway 30.

**Status** Ongoing

### Pathway 32

Review any state-based or contractual employment agreements to ensure that they are compliant with the code and the Australian Government Implementation Guidelines (the Guidelines), in consultation with the DEEWR.

**Action** Refer to actions within pathway 30.

**Status** Almost complete

## Transport Working Group

### Pathway 33

Roads—work toward a national approach to certification of Higher Mass Limits (HML) accreditation.

**Actions** In accordance with the COAG February 2006 actions, individual jurisdictions are assessing the extent to which they can offer up more HML network in accordance with the already agreed HML policy. Many states and the NT already have extensive HML networks. ATC has established a working group to assess HML including the possibility to further expand HML routes.

**Status** Ongoing

### Pathway 34

Roads—remove anomalies in the HML network to deliver a national approach.

**Action** Queensland and NSW have, as a result of the AusLink bilateral agreement, significantly increased the HML routes in late 2006. The Australian Transport Council (ATC) in May 2007 agreed to the establishment of a working group comprising officials from NSW, Qld, Victoria and the Australian Government to examine opening up further networks to HML in NSW, Qld and Victoria.

**Status** Ongoing

### Pathway 35

Roads—Address specific areas of concern to the cement industry, as identified in this report in the network of routes for heavy vehicles.

**Action** The AusLink National Network is the focus of Australian Government funding as it represents our major freight routes. Projects on the network will be negotiated with state and territory jurisdictions in the context of the corridor strategies and the government's election commitments under AusLink 2.

**Status** Ongoing

### Pathway 35

Roads—ensure that road user charges take account of whole of government policy in the areas of energy efficiency, productivity improvements and greenhouse gas reduction rather than being based solely on tare weight.

**Action** Operators of heavy diesel vehicles must comply with certain environmental criteria before they are eligible to receive the fuel tax credit. For Further information please refer to: [www.infrastructure.gov.au/roads/environment/fuel\\_tax\\_credit/index](http://www.infrastructure.gov.au/roads/environment/fuel_tax_credit/index)

**Status** Ongoing

**Pathway 37**

Rail— help allocate adequate space for rail terminals adjacent to rail lines by including the spill-over benefits of this use, when making decisions on the allocation of suitable surplus Government land.

**Actions** Decisions on land-use planning, preservation and zoning are a matter for state governments.

**Status** Ongoing

**Pathway 38**

Rail— deliver a higher level of access to the freight rail system and, where critical, establish dedicated freight lines.

**Action** The Australasian Rail Track Corporation (ARTC), owned by the Australian Government, operates an open access regime on its interstate track. In December 2007 the ARTC lodged an amended version of its access undertaking with the Australian Competition and Consumer Commission (ACCC). The ACCC's draft decision on the undertaking was delivered in early May 2008. A final decision is expected at the end of June 2008.

The Australian Government, through AusLink, and the ARTC are investing over \$2.4 billion in rail infrastructure including the construction of the Southern Sydney Freight line, a dedicated 30 km freight track between Macarthur and Sefton. The government has also committed to an additional over \$1 billion in rail and intermodal freight projects in Sydney including on the main northern line between Sydney and Newcastle.

These commitments will help to overcome one of the major impediments to efficient and reliable rail freight movements between Melbourne, Sydney and Brisbane.

**Status** Almost complete

**Pathway 39**

Rail— deliver an open access regime for terminals (for example: by making access to land by rail track owners conditional on the construction of common access terminals).

**Action** State access and planning regimes for terminals, which are generally run by the private sector, are a matter for the relevant state governments.

**Status** Ongoing

**Pathway 40**

Rail— in Tasmania, separate ownership of track and rolling-stock.

**Action** The Tasmanian Government is implementing an agreed \$78 million rescue package provided by the Australian Government.

The Tasmanian Government has resumed ownership of the track, separate from the provision of above rail services.

**Status** Ongoing

**Pathway 41**

Shipping—provide secure access to port berthing for small to medium sized industry.

**Actions** Ports are the responsibility of the states/ Northern Territory. The industry has been advised to seek commercial resolution of issues between relevant port authority and the ship operator/shipper. The CIF has provided a submission to the House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government review of coastal shipping. The committee is due to release its report in October 2008.

**Status** Ongoing

**Pathway 42**

Shipping—seek to have the states and the Northern Territory agree to the coastal trade permits issued under the *Navigation Act 1912* becoming the single national system for the regulation of inter- and intra-state voyages and elimination of the Queensland permit system (Restricted Flag Use).

**Action** Elimination of state/territory regulation is a matter for state/ territory jurisdictions; however the Cement Industry Federation raised this issue in its submission to the HOR Standing Committee on Infrastructure, Transport, Regional Development and Local Government review of coastal shipping. The committee is due to release its report in October 2008.

**Status** Ongoing

**Pathway 43**

Reduce the road transport of product through greater use of bulk rail and sea transport (provided that transport infrastructure and availability issues are addressed).

**Action** The timeframes for issues to be addressed through the Australian Transport Council and other forums will dictate the achievement of this action.

**Status** Ongoing

**Pathway 44**

Nominate a representative from each member of the Cement Industry Federation to work jointly with the Australian Government Department of Transport and Regional Services and state, territory and local governments, to develop a transport strategy to pursue reforms in appropriate forums.

**Action** Appropriate members have been sourced from all companies to be included in the Working Group. Specialist advice is being sourced from the Australian Trucking Association and joint approaches to relevant issues being pursued with CCAA.

**Status** Ongoing

**Pathway 45**

Report annually on the industry's progress in achieving these goals.

**Actions** This report represents the final instalment on progress.

**Status** Ongoing

## Trade Working Group

**Pathway 46**

Australian Customs Service to enhance its information about the identification and verification of pricing and provision of free-on-board pricing, during dumping investigations.

**Actions** The Australian Customs Service and the Department of Resources, Energy and Tourism completed a joint study of the administration of Australia's anti-dumping system. The study addressed the key issues raised in the action agenda with Customs currently reviewing progress on implementing the 22 recommendations. Customs has substantially upgraded its industry liaison function as a result of this report.

Customs is following up this study with a more detailed review of their functions and relationships with industry and are consulting on the terms of reference for this review.

The Cement Industry Federation is represented on the Trade Remedies Task Force which ensures that the industry is appraised of any changes taking place in Australia's anti-dumping regime.

**Status** Ongoing

**Pathway 47**

Aim to take anti-dumping decisions in a timely fashion.

**Action** Refer to actions within pathway 46.

**Status** Ongoing

**Pathway 48**

Aim to take decisions on provisional anti-dumping measures as soon as possible after day 60 of an investigation.

**Action** Refer to actions within pathway 52.

**Status** Ongoing

**Pathway 49**

Australia Customs Service to work with Australian industry to address 'country hopping', when it is considered to be occurring.

**Action** Refer to actions within pathway 46.

**Status** Ongoing

**Pathway 50**

Consider clarifying the ministerial guidance on material injury, including the assessment of injury in an expanding market where market share is being lost.

**Actions** Refer to actions within pathway 46.

**Status** Ongoing

**Pathway 51**

The Department of Foreign Affairs and Trade to conduct outreach activities with the cement industry, to increase the industry's understanding of safeguard procedures and the WTO rules relating thereto.

**Action** Refer to actions within pathway 46.

**Status** Ongoing

**Pathway 52**

The CIF will ensure that all data needed for future anti-dumping cases is kept up-to-date on a six monthly basis, to expedite future anti-dumping processes.

**Action** The CIF is ensuring that all data is up-to-date with six-monthly revisions of relevant data.

**Status** Completed

**Pathway 53**

Closely monitor normal values for cement produced in competing countries.

**Action** Refer to actions within pathway 52.

**Status** Ongoing

**Pathway 54**

The CIF will work with Customs to ensure its officials are familiar with the cement industry.

**Action** The Cement Industry Federation works closely with Customs and participates in the Trade Remedies Task Force which ensures that Customs is kept apprised of issues relevant to the cement industry.

**Status** Ongoing



## Section 3: **Conclusion**

The action agenda's implementation phase has been running for two years and in that time the five working groups have successfully taken action on all 54 pathways.

While action has been taken on all the pathways, work is still ongoing. In May 2008, the Australian cement industry agreed to maintain on an ongoing basis four working groups—energy market reform, workforce, trade and transport. These working groups would continue to drive progress on the issues identified through the action agenda and considered to be ongoing. The work of the Sustainability Working Group is also being pursued through the Cement Industry Federation's Sustainability Task Force.

The action agenda has been a success and has seen improved cooperation between governments and industry. It has also highlighted both the importance of industry working with its key stakeholders, and the necessity to maintain these relationships when actioning existing and emerging issues for the industry.