CEMENT CONCRETE & AGGREGATES AUSTRALIA

SUPPLEMENTARY SUBMISSION

NOT CONFIDENTIAL

1 September 2025

[redacted]
Queensland Productivity Commission
[redacted]
Brisbane

Via: [redacted]
Enquiry@qpc.qld.gov.au

Subject: Supplementary Submission – Inquiry into Construction Sector Productivity

Dear [redacted]

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

In our first submission we outlined how delays and inefficiencies in Local Government Development Approvals for quarries were reducing investor confidence and putting the state's construction material supply capacity at risk. We acknowledge and appreciate that this issue was addressed in the QPC's interim report.

We also raised how Local Governments, via Development Authority's condition quarry operations, including their operating days and hours, and ultimately their supply capacity (tonnes of hardrock that can be extracted per annum for example). This is known as a quarry's authorised capacity, and is an artificial stipulation designed to mitigate environmental impacts on host communities.

Regrettably, these authorised capacities were negotiated with quarry operators decades ago and when demand for heavy construction materials was considerably lower than it is today – making them outdated and a considerable drag on the productivity of our industry and the construction sector.

To understand the supply risks of these authorised capacities, CCAA recently commissioned Macromonitors to survey hardrock quarry operators and sand quarry and dredging operators in South East QLD (SEQ).

A summary of the results is provided at **Table 1**. The full Macromonitors report is attached separately.

Table 1: Supply capacities of SEQ quarry hardrock and sand suppliers

	Hardrock and gravel	Sand and gravel
Production today (annual tonnes)	20,258,000 tonnes	4,422,000 tonnes
Cumulative annual authorised capacity (annual tonnes)	23,794,000 tonnes	6,448,000 tonnes
Forecast annual peak future demand in SEQ over the next 10 years	26,000,000 tonnes	5,500,000 tonnes
Sufficient annual authorised capacity to meet forecast demand over the next 10 years?	No	Yes
Current reserves (tonnes/years at current production rates)	865 million tonnes/43 years	25 million tonnes/9 years
Sufficient reserves to meet demand	No – more quarries closer to demand and to supplement current restricted supply capacities are required	No - Moreton Bay license renewal needed to firm up approved reserves

The Macromonitor analysis demonstrates that additional hardrock supply will be needed – both from increases in the authorised capacities of existing quarries, and changes to our planning and approvals systems to incentivise development of new quarries. There is also a need to renew licenses for the removal of natural sand from Moreton Bay to ensure sufficient supply.

Without reforms to quarry planning systems and authorised caps, Queensland faces serious risks:

- Housing availability and affordability crisis – there will be increasing costs and insufficient supply of heavy construction materials to meet the State Government's 1 million new housing target;
- Infrastructure delays and cost overruns – Olympics 2032, roads upgrades, hospital expansions, and other major projects will face escalating costs requiring budget re-allocations and lower community service levels and/or higher taxes;
- Reduced State productivity – restrictive quarry operating hours, duplicative approvals, and fragmented regulation will slow project delivery, and undermine Queensland's competitiveness; and
- Lost investment and jobs – prolonged uncertainty and costs will deter investment in new quarries, risking thousands of jobs and weakening local economic resilience.

We enclose the Macromonitor report for reference.

For clarification of any of the issues raised in this submission please contact [redacted] or via [redacted]

Yours sincerely

MICHAEL KILGARIFF
Chief Executive Officer

About CCAA

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

Assessment of Quarry Capacity in South East Queensland – FINAL

Report prepared for Cement, Concrete & Aggregates Australia

September 2025

macromonitor

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Summary

This report examines the capacity of the quarry industry in South East Queensland (SEQ) to meet expected demand over the next 10 years.

We have combined a survey-based measurement of the supply capacity of the industry, with well-researched forecasts of demand in SEQ over the next 10 years.

Production of hardrock, sand and gravel is crucial to the development of the SEQ's transport, utilities and social infrastructure, and in meeting its new housing needs. The ability to supply materials to Olympics projects over the next five years will also be critical to the success of the games in 2032.

This study was prompted by CCAA's concern that building and construction in the region will be constrained by inadequate industry capacity, leading to project delays, cost overruns, and potentially inadequate supply of housing and infrastructure.

Our measurement of quarry industry capacity is comprised of three components:

1. Maximum authorised annual production,
2. 'Actual' maximum annual production (taking into account operational factors), and
3. Current approved reserves of materials.

The QLD CCAA State Committee has conducted a survey of its members to gain information on current production levels and capacity. Macromonitor has used these survey data to estimate total industry values – by weighting-up the survey data in accordance with the proportion of total industry production represented by the survey.

Demand for hardrock, sand and gravel materials has been on an upward trend in SEQ since 2020. Based on our forecasting model, demand is estimated at 32 million tonnes in the year to June 2025, with a further increase to 36 million tonnes by 2027/28. The drivers of rising demand include:

- A phase of growth in road construction work, including major projects such as the Coomera Connector, Gateway Motorway - Bracken Ridge to Pine River, Logan Motorway Western Upgrade and Bruce Highway upgrades,
- A rise in non-residential building work, driven most notably in the short term by hospital projects, and thereafter by construction directly and indirectly related to the Brisbane Olympics, and
- An expected upturn in residential building, driven by strong demand (including high levels of migration) and interest rate cuts.

Our assessment of the capacity of the hardrock, sand and gravel industry to meet this future demand, is comprised of two questions:

1. How many years of future demand can be met by current approved reserves, and
2. Is the maximum authorised annual production (or 'actual' maximum production) high enough to satisfy expected levels of future demand.

With regard to hardrock quarry capacity – our analysis suggests that authorised annual capacity will become inadequate from either 2026/27 or 2027/28. According to our forecasts of

demand, the maximum authorised annual production level will be exceeded in 2027/28 and beyond. And the 'Actual' maximum production level will be exceeded from 2026/27 onwards.

With regard to sand & gravel capacity – our analysis suggests that current approved reserves will be exhausted in 2031/32, based on our projections of demand. The CCAA survey indicates there are currently 8 years of approved reserves, based on 2024 levels of production. Our forecasts indicate rising levels of demand for sand and gravel which means the current approved reserves are expected to last only seven years (2025/26 to 2031/32 inclusive).

The conclusion of this report is that there is likely to be inadequate capacity, in both hardrock quarries and sand & gravel operations, to meet expected demand over the next decade. The issues in each of these types of materials is different however:

- For hardrock, the current maximum authorised annual production is too low, and
- For sand & gravel, there are insufficient current approved reserves.

1. Introduction

1.1 OBJECTIVE AND CONTENTS

This report has been produced in conjunction with Cement, Concrete and Aggregates Australia (CCAA), and provides a well-researched examination of hardrock, sand & gravel industry capacity in South East Queensland (SEQ). We have combined a survey-based measurement of the supply capacity of the industry, with a well-researched projection of demand in SEQ over the next 10 years.

With regard to the measurement of supply, this report makes use of a survey of quarries which has been developed and implemented by the Queensland State Committee of CCAA. This report only provides aggregated data from this survey, in recognition of the commercial sensitivity of the individual responses, and the requirements of competition law.

Our forecasts of demand for hardrock, sand & gravel materials are derived from Macromonitor's existing service, titled *Australian Construction Materials Forecasts*. This service utilises our highly detailed and thoroughly researched model of construction materials demand. The service has been running for more than ten years, and is widely used throughout the Australian construction materials industry.

Section 2 below provides our estimates of current industry capacity in SEQ, based on the CCAA survey.

Section 3 provides detail on our forecasts of product demand.

Section 4 compares the supply estimates with the demand forecasts, and assesses the capacity of the industry to meet demand over the next decade.

1.2 INDUSTRY BACKGROUND

The geology of SEQ underpins the region's extractive industry, with hardrock resources primarily derived from basalt, granite, greywacke, and meta-sedimentary formations located in the hinterland and foothill zones. The hinterland areas include the Scenic Rim, Lockyer Valley, and Sunshine Coast hinterland where volcanic plugs, intrusive granites, and rhyolites provide high-quality aggregate sources. The foothill zones, such as those west of Brisbane and Ipswich through to Amberley, and south through Logan, Beaudesert, and the Gold Coast hinterland, act as transitional areas between the floodplains and the Great Dividing Range, and host greywacke and volcanic flows suited for quarrying.

These deposits supply durable, angular materials essential for road base, concrete, and infrastructure applications. Importantly, hardrock deposits in these hinterland and foothill areas remain geologically abundant, allowing quarries — such as those around Yatala and Beenleigh that strategically service the Gold Coast–Brisbane corridor — to also produce manufactured sands as substitutes for natural sand supplies.

In contrast, natural sand and gravel resources in SEQ are geologically tied to coastal and estuarine systems, with Moreton Bay being the primary historical source of dredged sand for concrete, asphalt, and drainage. These unconsolidated marine and estuarine deposits, formed through the long-term reworking of sediments eroded from the surrounding hinterland, yield rounded, workable materials for concrete production.

The adequate supply of these materials is crucial to the building and construction sectors in SEQ. These materials support the development of the region's transport and utilities infrastructure, its defence and social infrastructure, along with its new housing needs. The ability to supply materials to Olympic Games projects over the next five years will also be critical to the success of the games in 2032.

This study of industry capacity has been undertaken on behalf of CCAA, which is the voice of the heavy construction materials industry in Australia. CCAA members produce the majority of SEQ's hardrock, sand & gravel materials. This study was prompted by CCAA's concern that the region's future infrastructure, building and housing requirements will be constrained by inadequate industry capacity, leading to extensive project delays, cost overruns, and potentially inadequate supply of housing and infrastructure.

It is worth noting that, due to high transportation costs, suppliers from outside of the SEQ region are not cost-competitive in supplying into SEQ. This means that future demand must be able to be met by quarries locate in SEQ.

1.3 DEFINITIONS

In this report we define the quarry industry, and the SEQ region as outlined below.

1.3.1 Products Definitions

The report will present results for two separate categories of products, as described below:

1. **Natural Sand and Gravel:**
   - Naturally occurring granular materials extracted from riverbeds, beaches, or pits, typically used in concrete, asphalt, and drainage.
   - Uncrushed and rounded particles formed through natural weathering and erosion processes, requiring minimal processing.

2. **Hardrock quarry products:**
   - Mechanically crushed and screened rock-based materials such as basalt or granite, used in road bases, structural fill, and infrastructure.
   - Engineered aggregates with angular particles designed for strength and compaction in unbound construction applications.

1.3.2 South East Queensland Region Definition

The SEQ region is defined, for the purposes of this report, as including the following local government areas:

- Brisbane City Council
- Gold Coast City Council
- Ipswich City Council
- Lockyer Valley Regional Council
- Logan City Council
- Moreton Bay Regional Council
- Noosa Shire Council
- Redland City Council
- Scenic Rim Regional Council
- Somerset Regional Council
- Sunshine Coast Regional Council

1.4 MATERIALS DEMAND FORECASTING METHODOLOGY

Macromonitor has, for many years, published detailed estimates and forecasts of construction materials product demand. These data are derived from a highly detailed model, and from Macromonitor's thoroughly researched forecasts of building, construction and maintenance activity across Australia.

These data are produced every quarter by Macromonitor. The latest edition, used for this report, was published in the first week of August 2025. This edition includes the impact of 2025/26 State and Federal Government budgets, and the latest building and engineering construction activity data (which is for the March quarter 2025).

Macromonitor utilises the best available set of techniques and approaches to compile detailed models of construction materials demand. More detail can be provided regarding our modelling, but as a short summary, our model can be described as being composed of four main components:

1. A time series of activity indicators – that is, data measuring overall construction and maintenance activity, by segment and by geographic region, over an historical time period of around 10 years or more,

2. Forecasts of these activity indicators,

3. Parameters which translate these activity indicators into implied demand for construction materials, and

4. A database of major projects (projects which have a significant bearing on overall activity), both historical and future, including the value of work (or expected value of work) in each time period and the quantity of materials required.

The diagram on the next page provides a simplified illustration of how these components fit together.

The activity indicators measure total levels of work, which we split into major projects and other work. Major projects are accounted for directly, by estimating the amount of materials they will require. For other work, we estimate the amount of materials that will be required using a set of parameters. The parameters sometimes measure application rates (as illustrated) and sometimes usage factors.

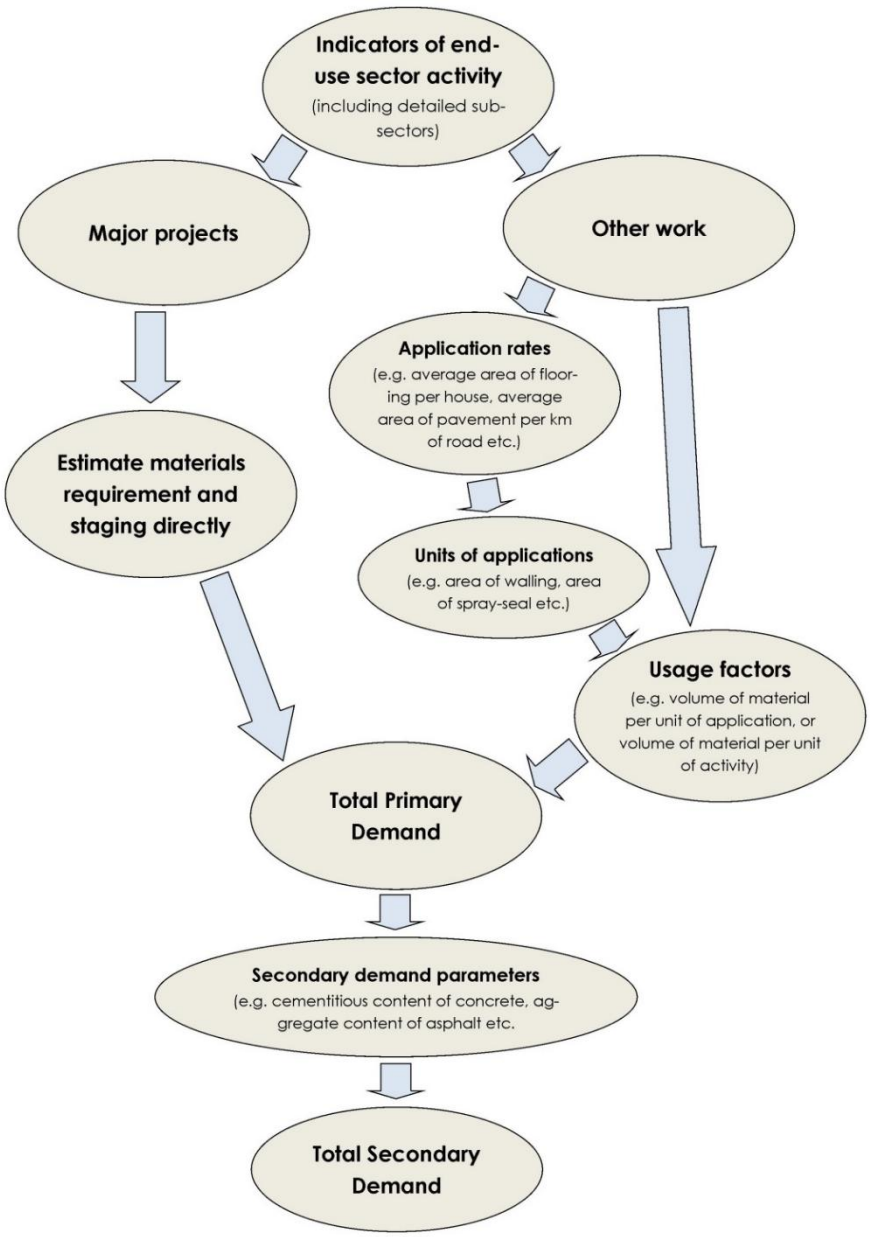
The information on major projects, including amounts and phasing of materials demand, is informed by regular consultation with the industry, including our clients in the construction materials sector.

In addition to sourcing the forecasts from our standard *Australian Construction Materials Forecasts* service, we have also made some adjustments to conform more closely to the definitions outlined in Section 1.4 above. Specifically, our standard forecasts do not exactly match the specified geographic region or the quarry product definitions. The specification of our standard forecasts are very close to these, but we have made some adjustments to improve the fit with these definitions.

In particular, it is worth noting that our standard forecast of demand include the demand for materials from all sources, including non-virgin materials (recycled materials, re-used overburden etc.). We have made an adjustment to reflect virgin demand only.

We note that accurate data covering the annual production of hardrock, sand & gravel products is available from the Queensland Government (from the Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development). The most recent data from this source is for the 2023/24 financial year.

We have used these Queensland Government data as a proxy for demand in the historical years. Our model produces results which are quite close to these actual historical data, which means it is valid to use this model to make projections of demand which we do for the next ten years (to 2033/34).



2. Measuring supply capacity

2.1 NOTE ON MAXIMUM AUTHORISED PRODUCTION VS. 'ACTUAL' MAXIMUM PRODUCTION

In this report we measure the annual maximum amount of production in two ways:

1. Maximum authorised annual production, and
2. 'Actual' maximum annual production.

The maximum authorised annual production is defined as:

> *The maximum annual operating hours, OR quantity of quarry material (in tonnes) that is imposed by government approvals, licences, permits, and other government authorisations.*

The 'Actual' maximum annual production is defined as:

> *The authorised allowable output net of all the operational factors (maintenance days, weather disruptions, public holidays and truck movement efficiencies) that reduce the authorised allowable output.*

It is important for our assessment of capacity to understand by how much the actual maximum production differs from the authorised allowable output.

Note that there can be further reasons, other than strictly operational, that can keep output below the maximum authorised level. For example, there can also be a need for quarries to be conservative with total contracted supply volumes because of uncertainty of timing of supply. Large projects, which require large amounts of materials, can at times face delays, and hence the exact timing of delivery of product can be uncertain. Hence, there will be times when quarries need to be conservative with total contracted supply volumes, so that they don't unexpectedly exceed authorised production levels.

2.2 SURVEY RESULTS

The QLD CCAA State Committee has conducted a survey of its members to gain information on current production levels and capacity. The survey captures the following data from quarries in SEQ:

1. Annual production in the most recent available year,
2. Current approved reserves of materials,
3. Maximum authorised annual production, and
4. 'Actual' maximum annual production taking into account operational factors (see Section 2.1 above for definitions).

CCAA provided to Macromonitor the responses from this survey. We have made some checks on the response data, have aggregated the responses and have used this data to estimate total industry values (by weighting-up the survey data, in accordance with the proportion of total industry production represented by the survey).

Data showing the total amount of production in SEQ is available from the Queensland Government – in the 'Extractive Industry Production Statistics' service. These data allow us to calculate the percentage share of total industry production represented by the survey. This then allows us to weight-up the results of the survey to arrive at total industry estimates.

The table below summarises the results of the survey, along with the calculations to scale up the survey responses to estimates for the total industry.

Table 1
Survey Results and Estimates of Total Industry

	Sand and Gravel '000t	Hardrock & Gravel '000t	Total '000t
Total Annual Production			
CCAA Survey	2,934	15,370	18,304
Actual Total Industry Production (QLD Govt.)	4,422	20,258	24,681
Survey proportion of total industry	66%	76%	74%
Maximum Authorised Annual Production			
CCAA Survey	5,044	18,867	23,911
Annual production as % of Cap	58%	81%	77%
Estimated total Industry	7,602	24,867	32,469
Actual Maximum Annual Production			
CCAA Survey	4,278	18,052	22,331
Annual production as % of 'Actual' Cap	69%	85%	82%
Estimated total Industry	6,448	23,794	30,241
Current Reserves			
CCAA Survey	25,474	656,712	682,185
Years of current annual production	9	43	37
Estimated total Industry	38,391	865,562	903,953

3. The outlook for product demand

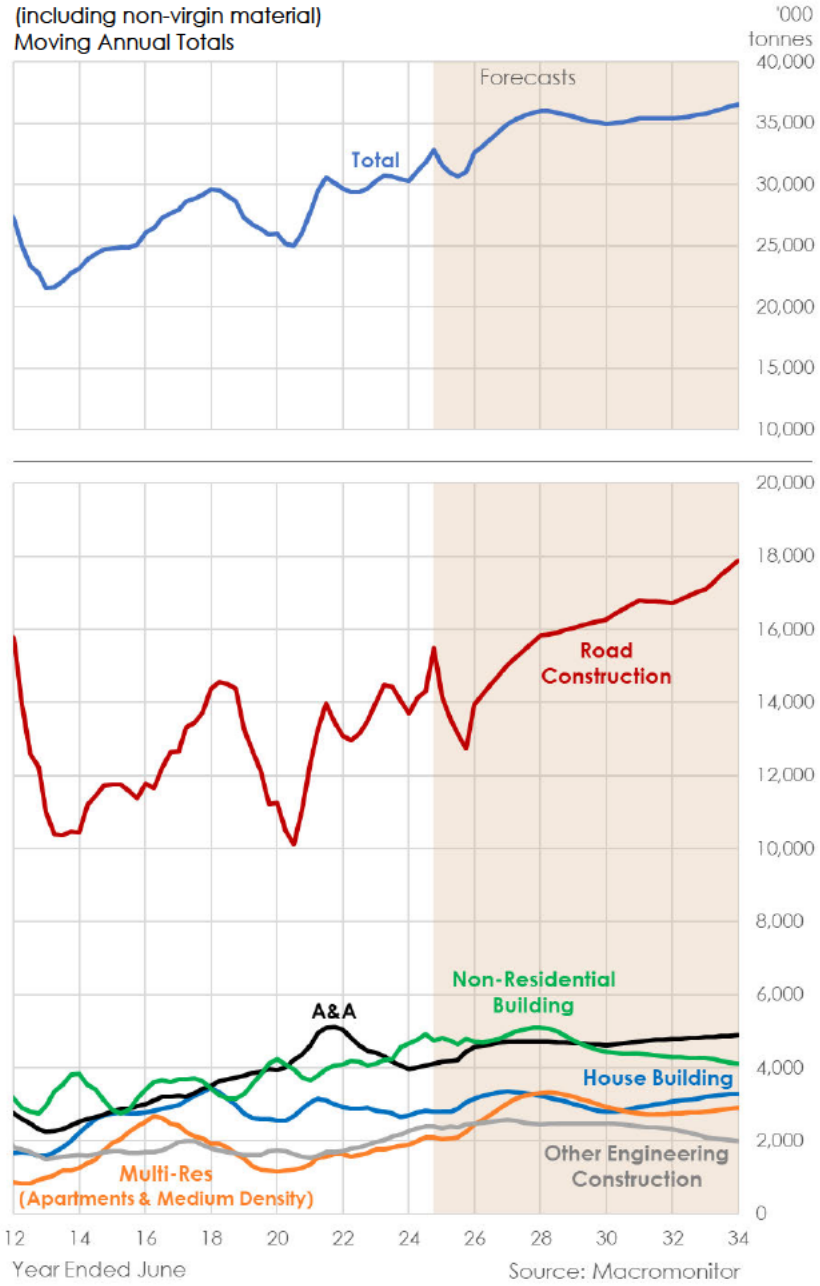
Hardrock, sand & gravel demand in South East Queensland has been on an upward trend since 2020, largely due to strength in road construction. Based on our model, quarries demand is estimated at 32 million tonnes in the year to June 2025. We forecast further growth from here to a peak of 36 million tonnes in 2027/28. (Note that these volumes include demand satisfied by non-virgin materials)

Quarries demand is dominated by road construction. Demand from road construction has been strong since 2021, due to a wave of major road projects. We estimate an increase in quarries demand of 3.4% in the year to June 2025, to 14 million tonnes.

On our forecasts, quarries demand will dip briefly, by 1.5% over the year to June 2026, before a renewed upturn begins in late 2026. We project strong growth of 7.7% over the year to June 2027, followed by 5.3% over the year to June 2028. We forecast a prolonged upturn, to almost 18,000 tonnes in annual materials demand by 2033/34. This strength from road construction will support the high level of overall demand in the region throughout the forecast period.

Key projects in the pipeline include: the Coomera Connector, Gateway Motorway - Bracken Ridge to Pine River, Logan Motorway Western Upgrade, Bruce Highway upgrades and Pacific Motorway works.

Chart 1
South East Queensland
Hardrock, Sand & Gravel Demand
(including non-virgin material)
Moving Annual Totals



Non-residential building quarries demand has also been on a long upwards trend over the last decade. We estimate a new peak in demand of 4.8 million tonnes in the year to June 2025. On

our forecasts, non-residential building demand will sustain this high level for the next few years. Major investment in health is the major source of strength due to numerous large hospital projects.

Later, upturns in entertainment and recreation and short term accommodation, relating to the Brisbane Olympics, will be the main drivers in the sector. We forecast an uptick in 2027/28, reaching a new peak of 5.1 million tonnes in the year to June 2028. Looking further ahead we expect demand to trend steadily downwards in the later half of the forecast period, towards 4 million tonnes annually, due to broad based declines.

House building in South East Queensland has been in a downturn since 2022, weighing on quarries demand. On our estimates demand has commenced a recovery in 2025. From here, we project an upturn in house building to 2027, driven by falls in interest rates and the need to meet occupant demand, mainly due to high levels of migration. Quarries demand from house building is forecast to fluctuate around 3 million tonnes over the forecast period.

We forecast a strong upturn in in high density and medium density dwellings. Occupant demand in Queensland is rising to an unprecedented amount, following a surge in net interstate migration to Queensland during the pandemic. This is expected to provide solid support to quarries demand in the region. We forecast quarries demand from other dwellings to increase from an estimated 2 million tonnes in the year to June 2025 to 3.3 million tonnes in the year to June 2028.

We also forecast an uptick in demand from alterations and additions in 2025/26 and 2026/27. From that point on, we expect annual demand to plateau at 4.7 million tonnes.

The outlook for other (non-roads) engineering construction is largely flat.

As can be seen on the chart to the right, the vast majority of demand in South East Queensland is in Brisbane. Forecast growth in demand is also predominantly driven by Brisbane, with demand in other regions relatively flat overall.

Chart 2
South East Queensland, by Sub-Region
Hardrock, Sand & Gravel Demand
(including non-virgin material)
Moving Annual Totals

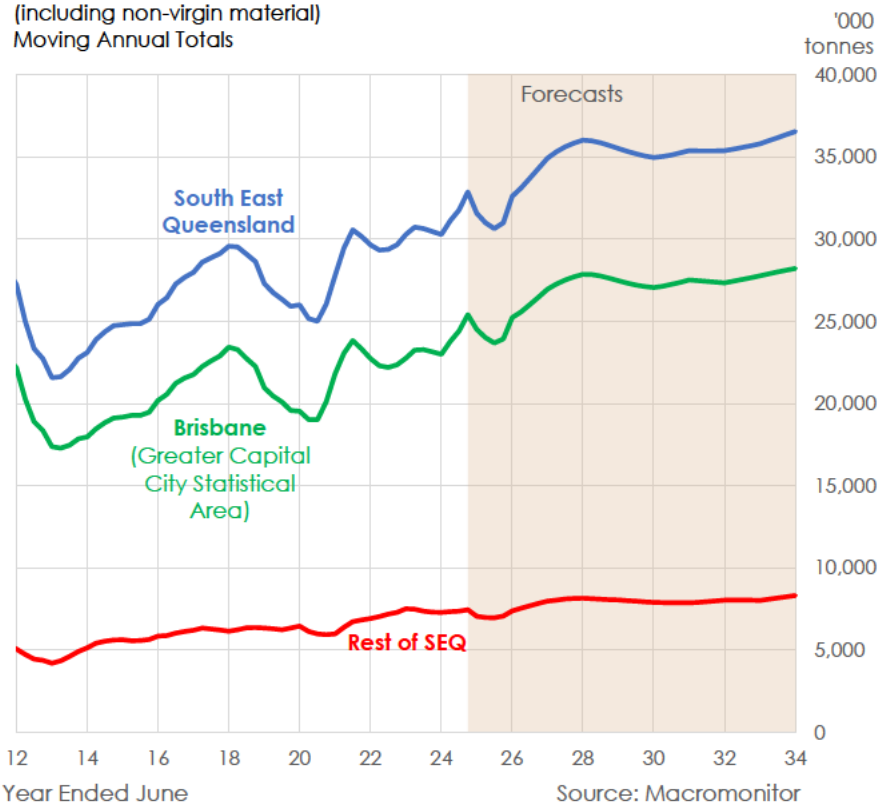


Table 9
Major Projects – South East Queensland

Industry	Region	Project	Cost ($M) 2025-2034
Rail	Brisbane South	Logan and Gold Coast Faster Rail (Kuraby to Beenleigh) upgrade	5,375
Rail	Sunshine Coast	The Wave (Stage 1)	4,100
Building	Brisbane North	Olympic Project - New Brisbane Stadium	2,839
Roads	Gold Coast	Coomera Connector (Stage 1)	2,609
Building	Brisbane South	Olympic Project - New Gabba Arena	1,789
Rail	Brisbane North	Cross River Rail (72% of Total Project)	1,624
Roads	Sunshine Coast	Bruce Highway Upgrades - North Coast	1,535
Building	Gold Coast	New Coomera Hospital	1,300
Building	Brisbane South	Olympic Project - QLD Sport & Athletics Centre Upgrade	1,200
Building	Brisbane North	Redcliffe Hospital Expansion	1,060
Water	Brisbane West	Somerset Dam Improvement project	1,000
Rail	Gold Coast	Gold Coast Light Rail (Stage 3), Broadbeach South to Burleigh Heads	896
Rail	Sunshine Coast	Beerburrum to Nambour - Upgrade	838
Roads	Brisbane North	Bruce Highway (Brisbane - Gympie), Gateway Motorway to Dohles Rocks Rd	760
Roads	Brisbane North	Gateway Motorway - Bracken Ridge to Pine River	715
Building	Brisbane West	Ipswich Hospital expansion Stage 2	710
Roads	Brisbane	Logan Motoryway Western Upgrade	700
Roads	Brisbane South	Pacific Motorway	685
Roads	Brisbane North	Bruce Highway (Brisbane - Gympie)	650
Building	Brisbane North	Brisbane Airport Upgrades and Terminal 3	650
Rail	Brisbane South	Cross River Rail (28% of Total Project)	631
Building	Brisbane West	Princess Alexandra Hospital Expansion	571
Building	Brisbane South	Logan Hospital expansion Stage 2	563
Water	Brisbane North	North Pine Dam Improvements	550
Building	Brisbane North	New QLD Cancer Centre (at Royal Brisbane & Women's Hospital)	525
Building	Brisbane North	Woodford Youth Detention Centre	502
Water	Gold Coast	Gold Coast Desalination Plant Expansion	500
Water	Brisbane West	Wivenhoe Dam Improvement	500
Electricity	Brisbane West	Blackstone Battery	500
Building	Gold Coast	The Landmark, Mermaid Beach, Gold Coast - Mixed use precinct	500
Water	Sunshine Coast	Lake MacDonald Dam Upgrade	484
Building	Brisbane South	QEII Hospital Expansion	465
Building	Brisbane North	Prince Charles Hospital Expansion	360
Roads	Brisbane South	Boundary Road (Coopers Plains), rail level crossing	332
Rail	Gold Coast	New Gold Coast Stations, design and construction	285
Roads	Brisbane North	Bruce Highway (Brisbane - Gympie), Dohles Rocks Rd to Anzac Ave	260
Roads	Brisbane South	Eastern Busway - next stages	250
Roads	Sunshine Coast	Coast Connect	250
Roads	Gold Coast	Pacific Motorway	249
Roads	Brisbane West	Warrego Highway (Ipswich - Toowoomba)	249
Bridges	Brisbane North	Caboolture–Bribie Island Road, Bribie Island bridge	240
Building	Brisbane North	Brisbane Airport Industrial Estate	225
Building	Brisbane South	New secondary school in Logan Reserve	212
Roads	Brisbane North	Northern Busway	200
Roads	Brisbane North	Beams Road Level Crossing Upgrade	197
Bridges	Brisbane West	Centenary Bridge Upgrade	183
Roads	Gold Coast	Pacific Motorway	166
Building	Sunshine Coast	Olympic Project - Sunshine Coast Stadium, Kawana	155
Roads	Brisbane North	Linkfield Road overpass (2.23 - 2.75km)	154
Building	Brisbane North	Olympic Project - Moreton Bay Indoor Sports Centre, Petrie	154

For more detail, please see the excel file:
'Macromonitor Project List - August 2025 - South East Queensland'

4. Capacity of the industry to meet future demand

4.1 METHOD OF ASSESSING CAPACITY TO MEET DEMAND

In order to assess the current capacity of the quarry industry to meet future demand, we need to compare the estimates of industry capacity from Section 2 above, with the projections of demand in Section 3.

The question of industry capacity has two components:

1. How many years of future demand can be met by current approved reserves, and
2. Is the maximum authorised annual production (or 'actual' maximum production) high enough to satisfy expected levels of future demand.

The CCAA survey of quarries captured 74% of total hardrock, sand & gravel production in SEQ. We have assumed that the remaining quarries not surveyed have the same proportion of reserves relative to current production, and the same spare capacity under their maximum authorised production, as the surveyed quarries.

The charts on the following pages (Charts 3 and 4) show the relationship between capacity and future demand.

The top panel in each chart shows total annual production over time. The historical data is sourced from the Queensland Government 'Extractive Industries Production Data', and the forecasts (from 2024/25 onwards) are sourced from Macromonitor's demand modelling (which is outlined in Section 3 above), with an adjustment made to include only virgin material.

Also in the top panel, we show the total maximum authorised annual production, along with the 'Actual' maximum annual production, which takes into account operational factors, as outlined above.

If forecast future production rises above the maximum authorised production, or the 'Actual' maximum production, then this implies inadequate annual production levels to meet demand.

The bottom panel in the charts shows the current approved reserves as of June 2025, and then the erosion of those reserves from future demand each year. If the reserve number turns negative, then this implies current approved reserves are not adequate to meet future demand.

4.2 CHARTS OF FUTURE DEMAND AND CAPACITY

4.2.1 Total Industry Charts

The following two charts show estimated data for the total quarries industry in SEQ, using the CCAA survey data, weighted up to the total industry.

Chart 3
Hardrock Production – South East Queensland
Estimated Total Industry

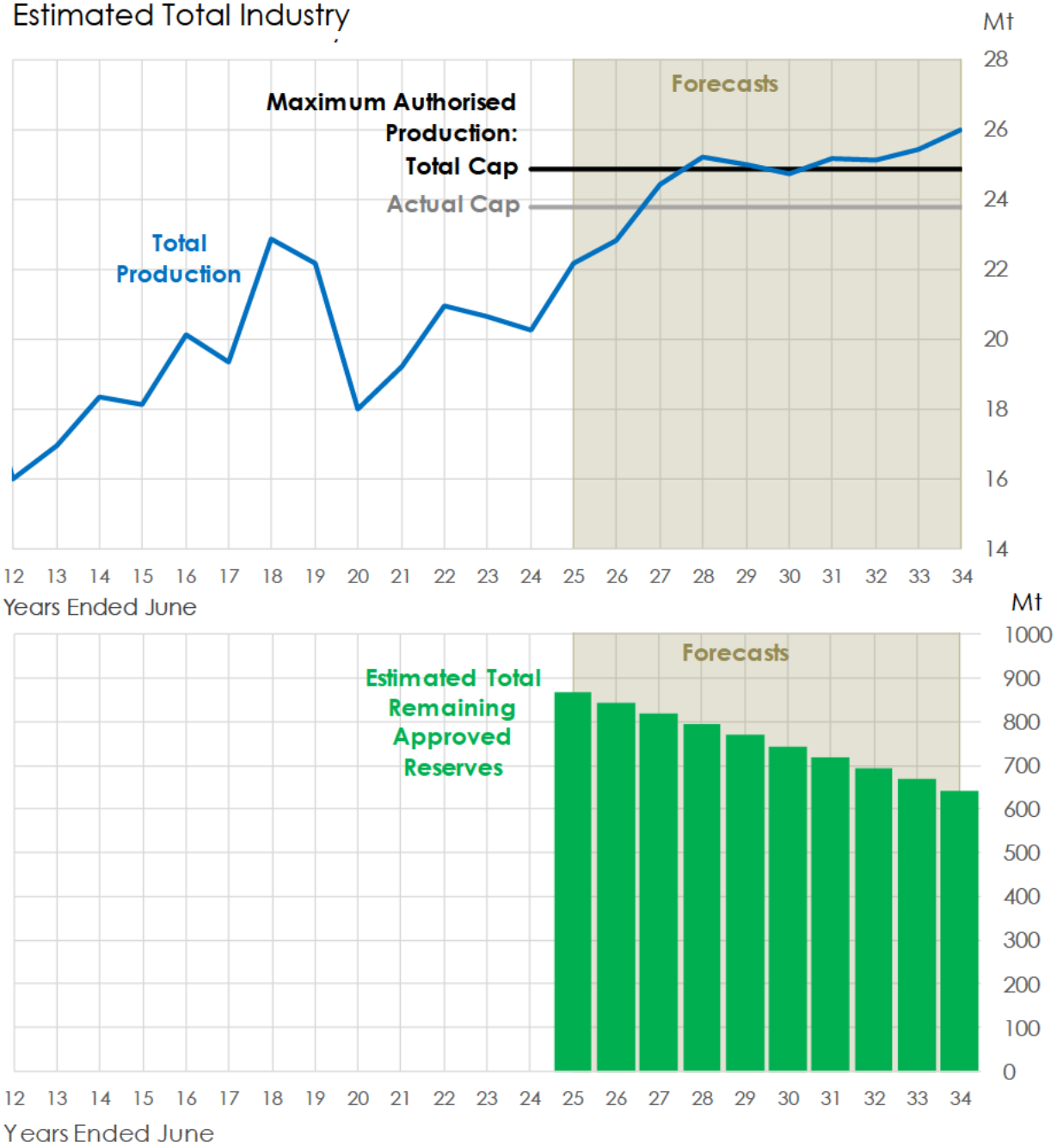
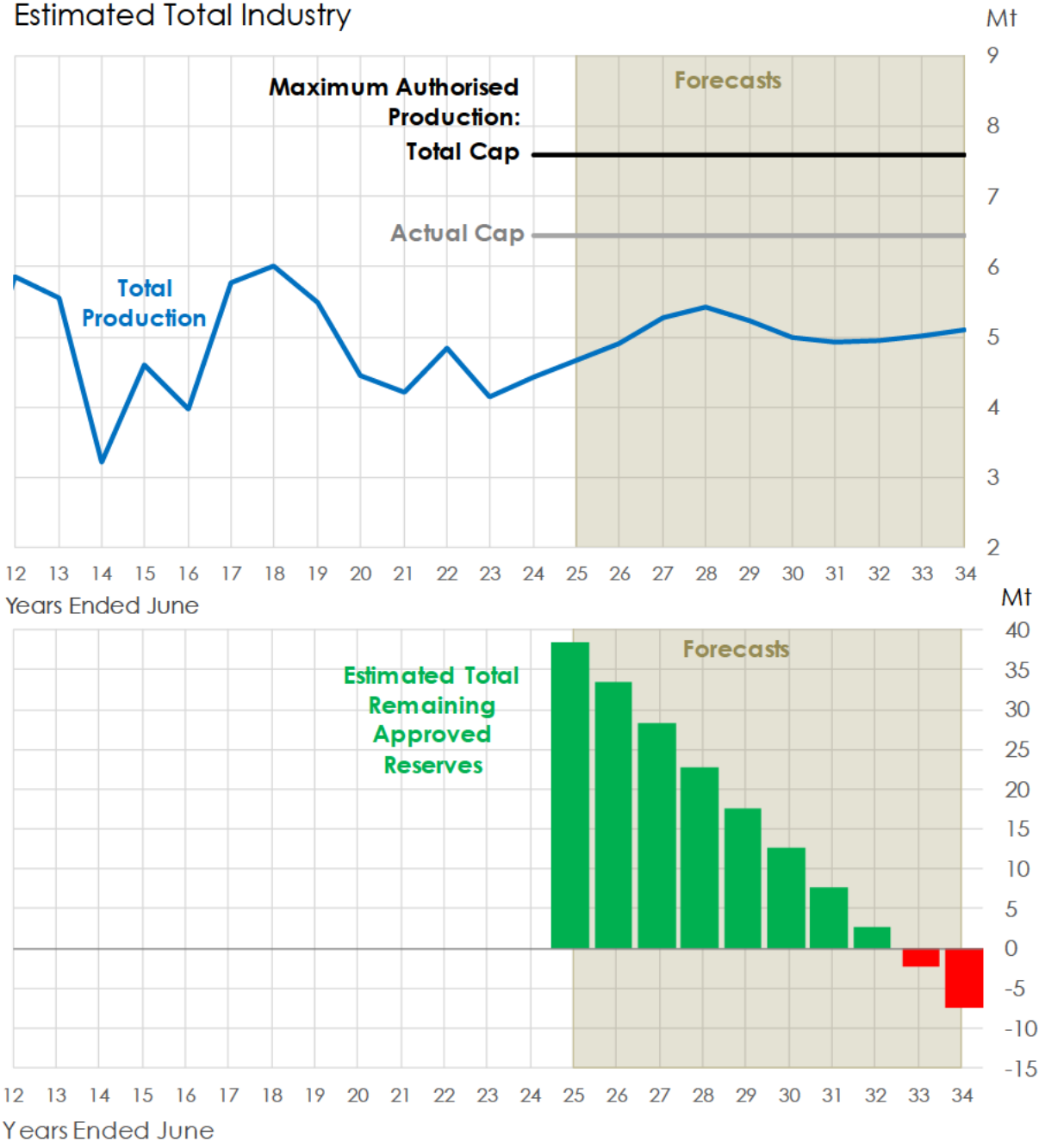


Chart 4
Sand & Gravel Production – South East Queensland
Estimated Total Industry



4.2.3 Charts with survey data only

Chart 5 and 6 below present data that relates only to the surveyed quarries. To forecasts the future demand for production from just these quarries, we have assumed that demand will increase at the same rate as total demand for all production in SEQ.

Chart 5
Hardrock Production – South East Queensland
Total of Survey Responses

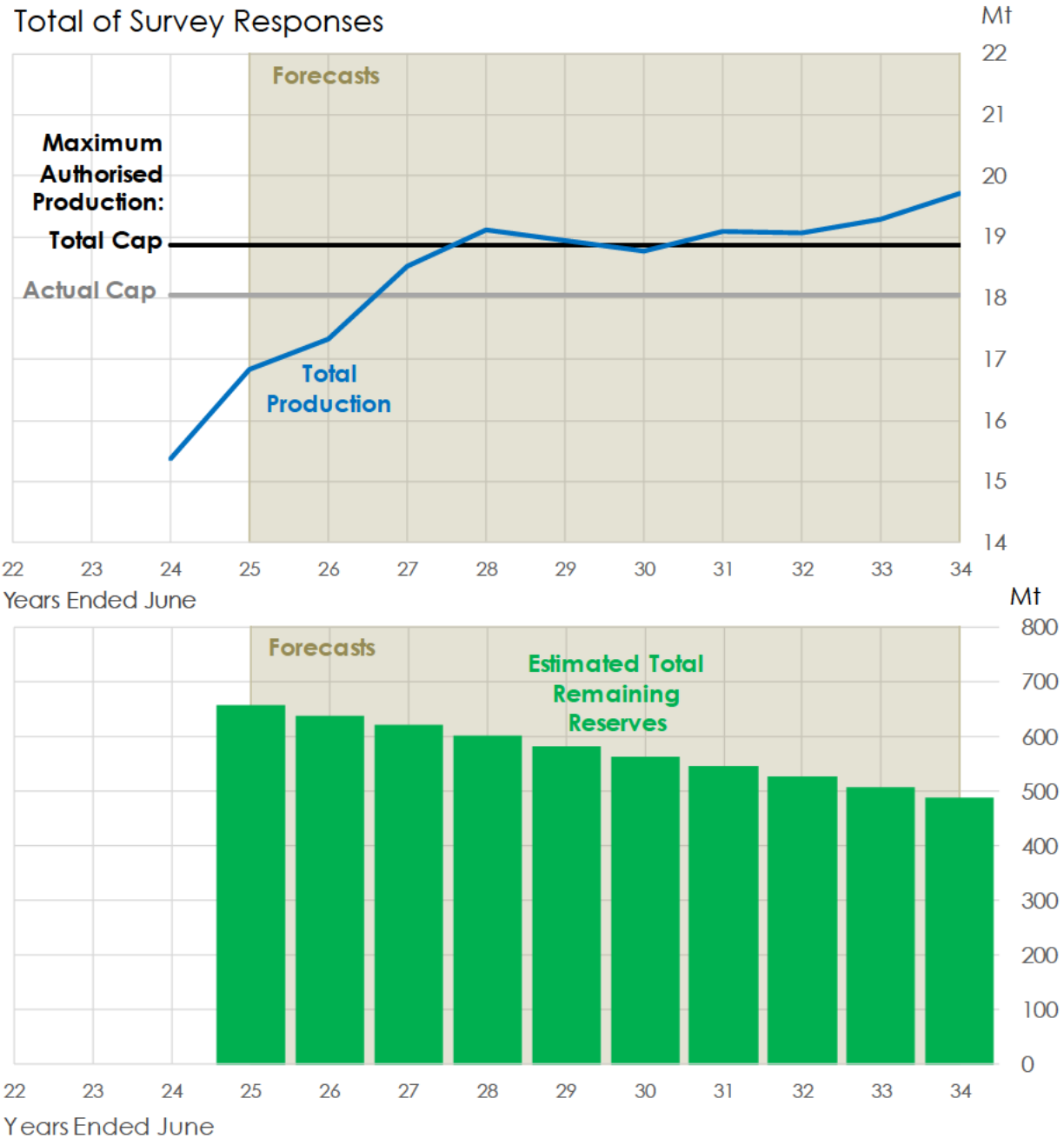
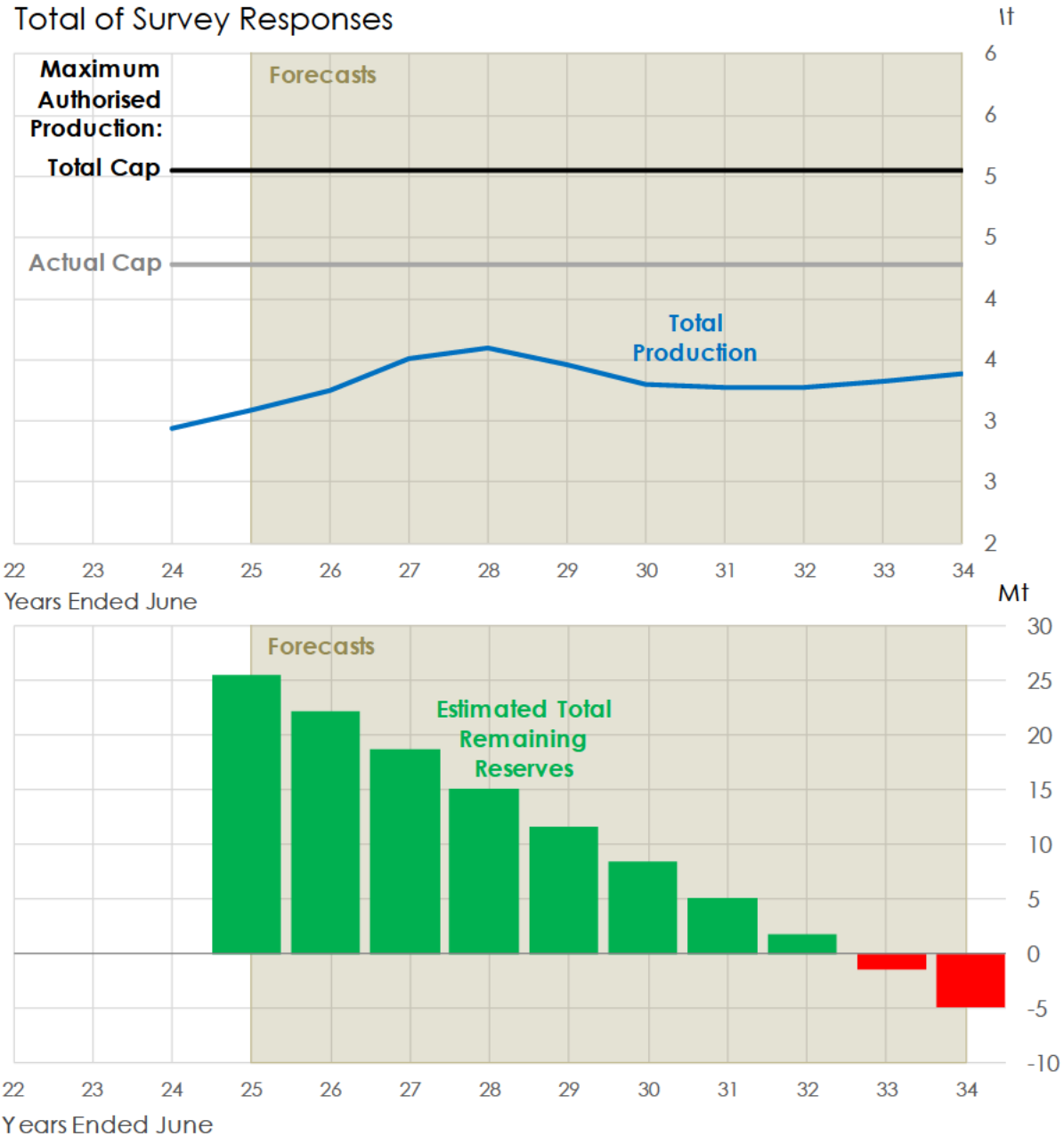


Chart 6
Sand & Gravel Production – South East Queensland
Total of Survey Responses



4.3 RESULT OF THE ANALYSIS

The results shown in the charts above indicate problems of inadequate capacity in both hardrock and sand & gravel quarries.

4.3.1 Hardrock quarries

As shown in Charts 3 and 5 above, our analysis suggests that authorised annual hardrock capacity will become inadequate from either 2026/27 or 2027/28. According to our forecasts of demand, the maximum authorised annual production level will be exceeded in 2027/28 and beyond.

The 'Actual' maximum production level will be exceeded from 2026/27 onwards.

Approved reserves of hardrock quarry materials are adequate to meet demand over the next decade.

4.3.2 Sand and Gravel operations

As shown in Charts 4 and 6 above, our analysis suggests that current sand and gravel approved reserves will be exhausted in 2031/32, based on our projections of demand.

The CCAA survey indicates there are currently 9 years of approved reserves, based on 2024 levels of production. Our forecasts indicate rising levels of demand for sand and gravel, which means the current reserves will only last 7 years (2025/26 to 2031/32 inclusive).

For sand and gravel quarries, the maximum authorised annual production, and the actual maximum annual production, are both adequate to cater for expected levels of annual demand over the next decade.

4.3.3 Conclusion

The conclusion of this report is that there is likely to be inadequate capacity, in both hardrock quarries and sand & gravel quarries, to meet expected demand over the next decade. The issues in each of these types of materials is different however:

- For hardrock quarries, the current maximum authorised annual production is too low, and
- For sand & gravel quarries, there are insufficient current approved reserves.