

Cement Industry — Adjournment Debate

HON NIGEL HALLETT (South West) [10.10 pm]: I want to speak tonight about the importance of the cement industry in Western Australia. One of the most significant challenges facing the Western Australian cement industry is balancing the needs of the cement industry against the increasing concern about the environment, specifically the impact of the pending environmental legislation.

I will give members a bit of the history of the cement industry in Western Australia. From the year 1920, when the production of cement in this state began at the WA Portland Cement Company's production facility in the Perth suburb of Rivervale, the state of Western Australia has been able to retain a domestic production capacity for cement, with the product being instrumental in the growth of Western Australia and the quality of life of its citizens as we know it today. Indeed, perhaps no other industry has been as instrumental in the growth of our state as the cement industry, with its end product providing almost 90 years of investment in our communities, and lasting value in the form of the state's vast infrastructure projects. The production of cement began with the search for the state's natural deposits of lime. The company then began to invest in new communities and infrastructure to ensure cement production. The locality of Lake Clifton, in the state's Peel region, was one of the first communities to be created and to benefit from the domestic Western Australian cement industry, with both a town site and a railway installed to support the mining of shell lime to be used in the Rivervale production facility.

By the mid-1950s, in addition to the production facility in Rivervale, the cement industry in Western Australia established new production facilities south of Perth along the burgeoning coastal strip. Although production at the Rivervale facility ceased for redevelopment purposes in the mid-1980s, by this time the facilities south of Perth had been established and had positioned Western Australia as one of the nation's most important production centres of cement.

Much of the cement produced in Western Australia has gone into building the state's infrastructure projects. We all know of many projects in this state that have been made possible because of the domestic production of cement. It is difficult not to find a project in this state that has not been built using Western Australian cement. Two companies, Cockburn Cement and BGC, are currently providing the backbone of the state's domestic cement supplies, with facilities located in Munster, Kwinana, Naval Base and Canning Vale. Combined, these facilities have the capacity to produce over 1.5 million tonnes of cement per annum for Western Australia's domestic requirements, a production that ensures that this state has continued access to locally produced cement product, thus avoiding the extra and burdensome costs of importing cement from interstate or overseas.

Despite the vitality and long-term success of the Western Australian cement industry, a number of factors in the short term are providing the industry with mounting challenges going forward. These challenges affect not only the industry, but also the many people and companies throughout Western Australia that directly benefit from the success of this industry. As we know, cement production is an energy intensive activity. It relies on a reliable and low cost supply of energy to, in simple terms, heat a mixture of lime and bauxite flux to make the cement product. The majority of the energy comes from the burning of gas or coal. It is this process, along with the calcination process, that creates the greenhouse gas emissions that are produced during the manufacture of cement. In noting the emissions associated with the manufacture of cement, and in addressing the concerns about the environment, the Australian cement industry as a whole has concentrated on efficiency, the result being emission levels that compare favourably with those for imported cement. One example is that, nationwide, the total emissions intensity per tonne of cement is 0.74 tonnes of carbon dioxide, whereas imported cement from overseas competitors measures in the vicinity of 1.02 tonnes of carbon dioxide per tonne of cement. That figure will only rise with associated transport costs and the extra handling costs. Clearly the industry's efficiency endeavours have not only been good for business but also have improved the environmental outcomes.

Unfortunately, while the cement industry and others like it concentrate on efficiency to improve business and environmental outcomes, the current federal Labor government has ignored this proven path and has rolled out its legislative framework for an emissions trading scheme. That scheme provides little, if any, incentive for improving efficiency and thus environmental outcomes. The federal government's scheme provides no environmental guarantees. This fact is borne out by the government's rather confusing handout of permits to supposedly offset the negative effects of the emissions trading scheme. It should be apparent, then, that the federal government's emissions trading scheme is a white elephant parading around as a green one.

This industry has shown that it is responsible and is well managed environmentally, from the dredging of shell sands, to the broad use of industrial waste products such as spent catalyst and blast furnace slag in the manufacture of its cement, to its tough emissions practices, which are monitored and controlled by the state government. The cement industry in Western Australia has continued to provide this state with the building blocks for growth, while being aware of and acting on its environmental responsibilities. It is incumbent on all of us in this place to recognise the importance of the cement industry to this state in the past, the present and the

future, and to act in a way that will assist the industry to continue to grow, while also improving efficiency and environmental outcomes. I acknowledge that the federal government has now put its emissions trading scheme back to 2010 —

Hon Ken Travers: They heard your speech was coming!

Hon NIGEL HALLETT: That is good! The federal government needs to recognise that the changes that the scheme will put in place —

Hon Bruce Donaldson: It is 2011.

Hon NIGEL HALLETT: That is even better.

Hon Kate Doust: You could have just sent them a copy of your speech!

Hon NIGEL HALLETT: Some threats are facing the cement industry, and there are certainly a lot of concerns. It is up to us in this house to continue to support the Western Australian cement industry. It is a large industry, and it has had a huge impact on this state. We certainly need to have commonsense prevail, and support this important industry.

Question put and passed.

House adjourned at 10.18 pm
