CEMENT CONCRETE & AGGREGATES AUSTRALIA

# SUBMISSION: CEMENT CONCRETE & AGGREGATES AUSTRALIA

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CCAA is the peak body for the heavy construction materials industry in Australia. Our members operate cement manufacturing and distribution facilities, concrete batching plants, hard rock quarries and sand and gravel extraction operations throughout the nation. CCAA membership is made up of the majority of material producers and suppliers, and ranges from large global companies to SMEs and family operated businesses.

Nationally the industry generates approximately $15 billion in annual revenues and employs approximately 30,000 Australians directly and a further 80,000 indirectly. We represent our members' interests through advocacy to government and the wider community; assistance to building and construction industry professionals; development of market applications; and a source of technical and reference information.

## 1. SUPPORT FOR TRANSPORT PLAN

CCAA broadly supports the approach taken by Renewable, Climate and Future Industries Tasmania (ReCFIT) in developing the Consultation draft: Emissions Reduction and Resilience Plan: Transport (Draft Transport Plan) and consulting to gather intelligence on initiatives and innovation in industry.

The heavy construction materials sector incorporates a significant cartage task both local and intrastate. The use of fossil fuels to power the transport fleet is a contributor to overall Scope 1 greenhouse gas emissions.

The heavy construction materials sector has a totally local (Tasmanian) supply chain in Tasmania making our contribution to the construction materials sector more resilient to climate shocks than global or even mainland-based supply chains.

## 2. CCAA DECARBONISATION ROADMAP

Following engagement with Global Cement and Concrete associations, CCAA developed the Decarbonisation Pathways for the Australian Cement and Concrete Sector Report Decarbonisation pathways in 2021. The strategies developed in this report along with other initiatives proposed in the Decarbonisation Roadmap enabled the Cement and Concrete Sector to commit to a Climate Ambitions Statement Climate ambition statement for net zero carbon emissions by 2050.

The Decarbonisation Roadmap includes initiatives to reduce carbon emissions from transport. In Australia the electricity and transport segments offer an opportunity to reduce carbon emissions of the entire heavy construction materials sector by 14%. Renewable electricity generation in Tasmania has already realised a proportion of this saving but a considerable extra contribution is still achievable.

## 3. TRANSPORT INDUSTRY TRANSITION TO LOW CARBON VEHICLES

Electrification of the vehicle fleet in Australia is slowly progressing, led by private light vehicle owners and followed by government agencies. The high cost of the electric vehicles (EVs) and electric trucks (ETs) in Australia and slow uptake of charging stations remain barriers to purchase. fossil fuel power generation by on mainland Australia tends to dilute the carbon reduction benefits of owning an EV or an ET.

Renewable power generation and comparatively short travel distances in Tasmania makes the electrification of the vehicle fleet an important carbon reduction tool. The cost penalty for choosing an ET over a standard diesel truck is up to $200 000. ETs are heavier than diesel trucks with the same power so a weight penalty applies for load mass restricted roads. The cost coupled with the weight penalty means that uptake in the heavy construction materials sector is slow.

More competition in the light vehicle market has started to bring comparative pricing down as has uptake in the government fleet leading to a greater range of EVs on the second-hand market. The heavy vehicle market will gradually increase as will the roll out of truck charging stations.

The National Heavy Vehicle Regulator is currently working with road managers and industry to trial heavy electric vehicles and is researching the impact of increased axle masses from these vehicles.

## 4. SMALL BUSINESSES IN HEAVY CONSTRUCTION MATERIALS SECTOR

A substantial proportion of the Tasmanian heavy construction materials sector is operated by small businesses. These businesses have very little scope to outlay substantially more for a vehicle which will delivery less payload than the diesel fuelled equivalent. There are savings in the cost of fuel over the life of the vehicle but the

small current market for ETs suggests that this saving is not enough to drive demand.

## 5. OPPORTUNITIES

In Australia the truck vehicle fleet is aging, estimated to be between 10 to 15 years in comparison to European countries where the average is between 6 and 9 years. In 2021, the average age for heavy rigid and articulated trucks in Tasmania is 15 years (Australian Bureau of Statistics, 2023). The truck fleet in Tasmania is old and businesses will be looking at opportunities to renew.

Tasmania is geographically small and would require a small number of truck charging stations to service the most common freight routes.

The government should consider incentives to encourage the heavy materials sector to transition to low or no carbon emitting heavy vehicles. The government can leverage off the investment in renewable energy generation to get a higher carbon reduction benefit than other states, and can also assist in renewing the transport fleet which is overdue compared to other states.