

SUBMISSION

DRAFT Climate Change (State Action) Amendment Bill 2021

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 consists of the majority of material producers and suppliers, and ranges from large global companies to SMEs and family operated businesses. It 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.

The COVID-19 pandemic has significantly disrupted Tasmania's economy. The construction sector, supported by an efficient and sustainable heavy construction materials supply chain, provides the engine for Tasmania's economic and social recovery. Cement, concrete, stone and sand are the critical building blocks for Tasmania's vital construction industry, employing 19,500 workers and contributing 57.4% of Tasmania's taxation revenue base.

The heavy construction materials supply sector in Tasmania is largely local and acknowledges its role in mitigating climate change impacts while reducing emissions, provided that viable decarbonisation pathways are identified and incentivised and legislation is equitable and advantageous and does not provide unnecessary regulatory impediment.

CCAA welcomes the opportunity to comment on the DRAFT Climate Change (State Action) Amendment Bill 2021 (draft bill) following the independent review of the act and subsequent government response. We are largely supportive of the draft bill but wish to ensure our sector is widely consulted in the development of future sector transition planning.

CCAA calls on the Tasmanian government to continue to provide leadership in seeking alignment between all State and Federal Government approaches to climate change policy to avoid one jurisdiction unreasonably subsidising another and causing significant economic and financial distress.

To be effective in responding to climate change, government policies and decisions must give balanced and equitable consideration to climate change mitigation and abatement. **CCAA welcomes the inclusion of adaption measures in the draft bill.**

Policies must be grounded in all three pillars of sustainability (economic, social and environmental) if the community and businesses are to be able to support and respond effectively without adverse impacts. The draft bill again recognises this and is welcomed.

Climate change considerations should not outweigh others but rather support and enable transition and decarbonisation through incentives and innovation. Government should seek opportunities to engage with new technologies which may reduce greenhouse gas emissions while also supporting the local supply industries.

Objectives

The draft bill sets out

The objects of this Act are –

(a) to support Tasmania to take action on climate change by providing for –

(i) the setting of a target for the reduction of greenhouse gas emissions in Tasmania; and

(ii) reporting and Parliamentary oversight of progress made towards achieving Tasmania's emissions reduction target and other targets; and

(b) to identify, promote and support measures to reduce Tasmania's greenhouse gas emissions; and

(c) identify, promote and support measures to help Tasmania adapt to climate change and to manage the risks and opportunities of a changing climate;

(d) facilitate Tasmania's contribution to international, national and local government emissions reduction and climate change adaptation measures to support the transition to a low emissions future; and

(e) support a partnership approach with business, industry and the community to reduce greenhouse gas emissions and build resilience to the impacts of climate change.

CCAA supports these objectives; in particular a partnership approach with business. However, CCAA proposes that section (a) (i) be amended to:

*(i) the setting of a target for the reduction of greenhouse gas emissions in Tasmania, **without the need to prescribe sector-specific targets;** and*

Our industry acknowledges and is supportive of Tasmania's proven track record in reducing greenhouse gas emissions. The proposed amendment reflects the importance of a partnership-based approach (rather than a prescriptive one) to achieving significant emissions reductions whilst maintaining the internal competitiveness of critical local manufacturing industries. Regulation should consider a robust framework that doesn't present a competitive disadvantage to local industry.

The Act is central to ensuring sound evidence-based policy is developed by successive governments that encourages innovation across industries well beyond a term of government. Climate change risks and mitigation and adaption strategies are dynamic and require consistent policy responses from government over extended time frames. Constant political interference is likely to significantly undermine any sustained investment by industry and delivers no certainty to the construction materials supply chain to decarbonise.

For the heavy construction materials industry in Tasmania, the Act must transcend short-term political interests and support local suppliers to contain or reduce Tasmania's emissions and build

climate resilience by reducing the State's reliance on imported products and services. Mainland and overseas products and services require carbon intensive transport and freight which are also likely to drive global climate impacts.

The Act must acknowledge that Tasmania sits in a global ecosystem and must ensure that it supports both local and global climate resilience and emissions reductions.

The Act must consider whole-of-life impacts to equitably determine where greenhouse gas emission reductions can be achieved without damaging the State's economy and society. While targets are politically attractive, they are often too simplistic and may drive perverse outcomes such as the offshoring of materials supply with higher embodied carbon from transport.

Tasmania's Emissions Reduction Target – Net Zero greenhouse gas emissions target or lower from 31 December 2030.

Targets tend to overweight mitigations and emissions reduction over adaption and innovation strategies. All business sectors should be encouraged to invoke a full life cycle response to actual carbon reduction and Government should provide incentives to business to invest in new technologies to drive these reductions.

Targets must be set cognisant of all other jurisdictions to avoid Tasmania being out-of-step and potentially disadvantaged.

Target setting too far into the future often lacks urgency and relevance. The Act should focus on broader government policy and regulatory settings that incentivise product and supply chain innovation, reduce energy costs for low carbon renewables, support local supply chains where decarbonisation is evident on a whole-of-life basis, champion waste-to-energy and recycling etc. Sector based mitigation and abatement strategies backed by government regulatory settings and incentives are likely to be more effective than targets.

Most sectors have developed or are developing sector-based roadmaps that embrace the adoption of new technologies and innovation to drive decarbonisation. The Act should recognise these and support the acceleration of these via supportive policy and incentives.

Climate Change Action Plan at least every 5 years

CCAA **welcomes** this legislated leadership from government.

Sustainable development in the context of a move towards a circular economy should form the basic principles around which the Act should guide consideration of climate change and development of this action plan.

Requiring government and its agencies to better understand and articulate the climate change risks and opportunities for Tasmania and develop measurable strategies for response in partnership with the community and industry is critical. Incentives that then drive innovation and uptake of lower emissions products, more energy efficient buildings, recycling and re-use, waste to energy innovation etc. will then follow. The action plan should acknowledge the benefits of competition and investment attraction to drive decarbonisation, mitigation and adaption.

The action plan should also embrace inter and intra-generational equity principles that are underpinned by concept of equity within and between generations, with decisions to be based on the precautionary principle and best available science.

Statewide climate change risk assessment

CCAA **supports** this approach given the government must give consideration to the latest and best available science on the projected impacts of climate change on Tasmania and economic social and environmental impacts.

The Tasmanian government has a critical role to play in providing visibility and evidence-based data on climate change risks in a consistent and timely way. Predictions about climate change threats should be reviewed, updated and communicated to enable business to better respond with the appropriate investment and development planning.

Sector-based transition planning

CCAA **does not support** sector-based targets and welcomes government support for transition planning in partnership with business, industry and the community as detailed in the draft bill.

Most sectors have developed or are developing sector-based roadmaps that embrace the adoption of new technologies and innovation to drive decarbonisation.

The cement and concrete industry has declared its [ambition](#) to deliver net zero carbon cement and concrete to Australian society by 2050. The industry has also released a [Decarbonisation Pathways for the Australian Cement and Concrete Sector](#) that identifies key principles and opportunities for decarbonisation specifically relevant for this sector.

CCAA proposes that the following addition be considered to Section 5C, (2):

The development of emissions reduction and resilience plans must support –

- (a) emissions reduction; and*
- (b) the transition to a low emissions economy; and*
- (c) maintaining the competitiveness of business and industry; and*
- (d) resilience to climate-related risks.*

The cement and concrete industry look forward to continuing to work with the State government on these transition plans to deliver targeted incentives for Tasmanian businesses to implement projects to reduce carbon emissions and for national and global companies to set up local trials to prove new technologies to reduce carbon emissions in their industry. Incentives could be by way of grants, access to public land, subsidised energy, specialist expertise and coordination, reduced regulatory burden etc.

Conclusion

Having achieved net-zero-emissions in 2015, Tasmania is uniquely positioned to be a global leader in climate change mitigation and abatement technologies and supply chains. With a largely renewable energy source, competitive energy prices can be used to attract investment into new products and technologies for export.

Tasmania also offers the unique opportunity to trial new technologies at a small scale in a well understood and contained marketplace. With the right government incentives, Tasmania could be a trial site to prove up innovation and technologies at an affordable scale before risking full scale implementation nationally or globally.

Having achieved NZE in 2015, there seems little need to simply use arbitrary targets to further drive down emissions. Tasmania must take a nuanced approach to balancing economic, social and environmental issues while retaining NZE and showcasing innovation and technological advances to the rest of the world.

To discuss this further please contact

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