



**Cement Industry Federation Submission**  
**Discussion Paper on Tasmania's Climate Change Act**  
as part of the  
**Independent Review of the Climate Change (State Action)**  
**Act 2008**

**April 2021**





Thank you for the opportunity to provide comment on the *Discussion Paper on Tasmania's Climate Change Act* as part of the Independent Review of the Climate Change (State Action) Act 2008.

## 1. Introduction

The Cement Industry Federation (CIF) is the national body representing all Australian integrated cement manufacturers and comprises the three major Australian cement producers - Adelaide Brighton Ltd, Boral Cement Ltd and Cement Australia Pty Ltd.

Over 1,300 people are directly employed with thousands more involved in the downstream production and distribution of concrete.

Together these companies account for 100 per cent of integrated clinker and cementitious manufacturing in Australia. Cement is a critical input for Australia's residential and commercial construction industry, as well as for our major infrastructure projects.

Our vision is for a productive and economically sound industry that delivers high quality cementitious products in an environmentally responsible manner, while at the same time looking after and rewarding employees, contributing to local communities to the development of the Australian economy.

## 2. Australia's Cement Industry and Climate Change

The Australian cement industry has long recognised the challenge that climate change poses to our natural environment, both at the regional and global scale. The CIF has also been an active and ongoing participant at the national level in the development of the Government's Emissions Reduction Fund and the associated safeguard mechanism.

Strong action already taken by the Australian cement industry has resulted in significant carbon emissions reductions – with a greater than 20 per cent reduction in terms of total emissions from the sector since 2005.

Cement manufacturing is an energy-intensive process and CIF members are focussed on reducing emissions and energy use as part of their day-to-day business.

However, the lack of a consistent and integrated approach to climate and energy policy across all Australian government jurisdictions has created policy uncertainty and market distortions that have impacted on the competitiveness of key Australian industries.

A consistent and integrated approach to climate and energy policy across all Australian government jurisdictions will help to provide certainty and stability in key Australian markets and underpin the competitiveness of Australian industry.

## 3. The Climate Change Act & State Government response to climate change

Specific responses to the discussion questions for stakeholder feedback are below.

### 3.1 To what extent should climate change considerations (e.g., greenhouse gas emissions, climate change impacts, climate resilience) influence policies and decisions by State government agencies and government business enterprises?

Climate change has the potential to impact all levels of society and should therefore be included in the suite of issues critical to the development of sound policy and measures across all levels of government.

Any consideration of the impacts of climate change in terms of Government policies and decisions should be pragmatic and form part of a balanced, evidence-based approach that takes into account all relevant factors in relation to economic, community and environmental benefits/impacts.

### **3.2 How important is it to you that the Tasmanian government systematically assess and disclose the main risks associated with projected climate change?**

The Tasmanian government has a responsibility to the community, as well as to the businesses and services that support their livelihoods, to systematically assess and disclose the main risks associated with projected climate change.

Recognising that climate change is a global phenomenon that is likely to have long term impacts additional to natural climate variability, understanding and communicating the potential impacts will be essential to enable effective adaptation across the economy.

### **3.3 How might the Act provide you with confidence that successive State governments will continue to act to contain/reduce Tasmania's emissions and build climate resilience?**

Consistency in legislative and policy approaches to the issue of climate change across all levels of government would provide confidence to the community, as well as to the businesses and services that support their livelihoods, that Australia can effectively determine and meet its climate change objectives.

A single, nationally agreed approach should be developed that includes measures to maintain the international competitiveness of key manufacturing industries while meeting nationally agreed climate goals.

An example of where a consistent and integrated approach to climate and energy policy across all Australian government jurisdictions would help to provide certainty and stability is the Australian electricity market.

The supply of reliable and affordable and electricity is critical to the community and key industries, such as cement manufacturing. However, the inconsistent application of policies and measures over recent years across all Australian jurisdictions has impacted on the security and affordability of electricity across the economy.

A consistent and integrated approach to climate and energy policy across all Australian government jurisdictions will help to provide certainty and stability in key Australian markets and underpin the competitiveness of Australian industry.

### **3.4 How might the Act drive further decarbonisation of the Tasmanian economy (e.g. via setting/legislating targets for sectors of the economy, potentially including interim targets)?**

Sector based targets applied at the jurisdictional rather than national level would impact on the competitiveness of key industries such as cement manufacturing that compete nationally as well as with imported material and are not supported.

Instead of legislating specific targets the Act should recognise existing and proposed sector-based approaches to reducing emissions and provide a framework for the development of supportive policies and incentives. This could be achieved through targeted consultation with key sectors aimed at identifying existing and potential future emission reduction pathways (e.g., as per existing or planned sector roadmaps).

For example, the Australian integrated cement manufacturing industry has achieved a reduction in GHG emissions of more than 20 per cent since 2010-11. This has largely been achieved through significant investment in new, lower emissions kiln technology and as well as a strong focus on innovation over the period.



Further opportunities exist to reduce emissions over the medium to long-term through the four main carbon mitigation levers available to the cement sector, including alternative fuels, clinker substitution, energy efficiency and carbon capture, storage and utilisation as well as measuring recarbonation benefits.

The Cement Industry Federation, in partnership with the Australian Government, SmartCrete CRC and RACE for 2030 CRC, is in the process developing a decarbonisation technology roadmap for the cement and concrete sector.

This roadmap will identify and measure emerging technologies to accelerate the adoption of emissions reduction pathways that can be competitively adopted by the Australian cement and concrete sector using a whole of life approach that has strong stakeholder endorsement, both within the Australian cement and concrete sector and the wider community.

### **3.5 If the Act were to espouse principles that would guide consideration of climate change by government, its agencies and business enterprises, what might they be?**

The CIF is a founding member of the Australian Industry Greenhouse Network (AIGN) and is aligned with the following climate change principles.

In the context of global action, Australia should develop a strategic national approach to responding to climate change that:

- is consistent with the principles of sustainable development;
- is consistent with other national policies including on economic growth, population growth, international trade, energy supply and demand, and environmental and social responsibility;
- takes a long-term perspective;
- maintains the competitiveness of Australian export and import competing industries;
- distributes the cost burden equitably across the community;
- adopts a consultative approach to the development of new policies; and
- is consistent and effectively coordinated across all jurisdictions throughout Australia.

## **4. Global Climate Action & Tasmania**

### **4.1 Within the context of global agreements to action to reduce greenhouse gas emissions, what do you consider to be the main roles of the Tasmanian government and how effective do you believe the government has been?**

Tasmania has achieved significant emissions reductions ahead of schedule through strong policy measures and its unique emissions profile compared to other jurisdictions. The Government should seek to build on these achievements by working with the community and industry to promote further reductions within the overarching framework of sustainable development and a strong local economy.

Strong, consistent and considered action by all levels of government will be required to reduce greenhouse gas emissions while maintaining a strong economy and maintaining the international competitiveness of key manufacturing industries.



Recognising that climate change is a global issue, governments should actively work to promote a consistent and integrated approach to climate and energy policy across all Australian jurisdictions.

Such an approach would help to provide certainty and stability of the economy and underpin the competitiveness of Australian industry.

#### **4.2 What would Tasmania be like in 10 years' time if it was a national or international leader in climate change responses?**

The future prosperity and sustainability of Australia, including its states and territories, will be dependent on getting the balance right in terms of policy, programs and measures as well incentives to encourage innovation.

Strong engagement with the community and industry within an overarching sustainability framework will underpin future success in this area.

### **5. Emissions Targets**

#### **5.1 What would you consider to be an appropriate long-term greenhouse gas emissions or emissions reduction target for Tasmania (in terms of date and level of emissions or emissions reduction)?**

Setting overly ambitious targets without a clear pathway to reaching those goals has the potential to lead to policies and measures that could distort markets and negatively impact on the competitiveness of industry and the economy.

Any future emissions reduction target must be appropriately ambitious but technically achievable over the short to medium term. When determining future targets, relevant sectors should be consulted in relation to the potential emissions reduction pathways to inform the suitability of the various options being considered.

Industry roadmaps, such as the decarbonisation technology roadmap currently being developed for the Australian cement industry, have the potential to provide key information in relation to potential emission reduction pathways for Australian industry.

If long-term targets are put in place, frequent revision would be required against current progress towards meeting those targets and the impact (positive and negative) related policies and measures are having on critical industries and the economy/community in general.

#### **5.2 What (if any) value do you think targets for specific sectors of the economy would offer, including for the sector itself? If you agree with the concept of sectoral emissions targets, which sectors should have emissions targets? Why?**

As discussed above (Item 3.4) – sector-based targets are not supported. Instead of legislating targets the Act should recognise existing sector-based approaches to reducing emissions and provide a framework for the development of supportive policies and incentives.

### **5.3 What key factors should influence Government decisions to set State, sectoral and/or interim targets?**

State-based greenhouse gas reduction targets are not the most efficient and equitable means to achieve meaningful levels of carbon abatement. A single, nationally agreed approach should be developed that includes measures to maintain the international competitiveness of key manufacturing industries while meeting nationally agreed climate goals.

Where a target is to be introduced at the state level, serious consideration must be given as to how this will impact critical emission and energy intensive industries and what measures are required to support their transition to ensure they remain internationally competitive.

## **6. Low Carbon & Economy & Society**

### **6.1 What do you consider to be the main risks and opportunities for Tasmania as it continues to transition towards a low/zero carbon economy and society? What risks and opportunities may arise if Tasmania transitions more slowly/more rapidly?**

There are many opportunities for Tasmania as it transitions towards a lower carbon economy due to the abundant supplies of renewable energy and access to significant carbon sequestration through native forests and forestry plantations.

Also, potential for developments in key new industries, including hydrogen (through Tasmanian Renewable Hydrogen Action Plan), represent significant opportunities for key industries such as cement manufacturing.

A key risk is that key manufacturing industries that supply key materials, such as cement and concrete, are not brought along during the transition and therefore are no longer able to contribute to Tasmania's economic development.

A consistent and integrated approach to climate and energy policy across all Australian government jurisdictions would help to ensure that Australian industry is not subjected to misaligned approaches with the potential to erode their international competitiveness.

### **6.2 What do you consider to be the main roles for State government in supporting Tasmania's low/zero carbon transition?**

The Tasmanian government should continue to identify, assess, manage and publicly report on key climate change risks. This should be done in a transparent and consultative process across a wide range of stakeholders. Any consideration of the impacts of climate change in terms of Government policies and decisions should be pragmatic and form part of a balanced approach taking into account all relevant factors in relation to economic, community and environmental benefits/impacts.

## **7. Climate Resilience & Adaptation**

### **7.1 What do you consider to be the main roles for State government in supporting Tasmanian communities, infrastructure, economic activities and environments in becoming more resilient to projected climate change?**

As outlined in the discussion paper there are many presently available opportunities within Tasmania that will improve the state's climate resilience. From an industry perspective the main roles for the government include:



- to continue to identify, assess, manage and support national reporting on key climate change risks;
- ensuring that natural assets such as carbon sinks are protected and expanded where possible;
- develop appropriate and adequate adaptation responses to the physical impacts presented by climate change – with a specific focus on key transport and energy infrastructure; and
- alignment of the various levels of government for consistency in climate adaptation approaches
- collaborative partnerships between various levels of government, communities and industry to identify and implement priorities to improve adaptive capacity.

## **8. Further contact**

Thank you for the opportunity to provide the above comments.

Further details about the Cement Industry Federation can be found at [www.cement.org.au](http://www.cement.org.au).

Margie Thomson  
Chief Executive  
Cement Industry Federation