Transport and Infrastructure Net Zero Consultation Roadmap

Take the survey

Department of Climate Change, Energy, Environment and Water

Response received at:
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1 Confirm that you have read and understand this privacy notice.
Yes

2 Please indicate how and if you want your submission published.
Public

3 Published name
Minerals Council of Australia (MCA)

4 Confirm that you have read and understand this declaration.
Yes

5 First name
Not answered

6 Last name
Not answered

7 Email
Not answered

8 Phone

Not answered

9 Who are you answering on behalf of?

Organisation

10 Organisation name

Minerals Council of Australia (MCA)

11 What best describes you or your organisation?

Not answered

12 What sector do you represent?

Not answered

13 What state or territory do you live in?

Victoria

14 Postcode

3000

15 What area best describes where you live?

City

16 1. Do you support the proposed guiding principles?

Not answered

17 1.1 Please add details to your response.

Not answered

18 2. Do you support the use of the avoid-shift-improve framework as a tool to identify opportunities for abatement?

Not answered

19 2.1 Please add details to your response.

Not answered

20 3. Do you agree the development of a national policy framework for active and public transport will support emissions reduction?

Not answered

21 3.1 Please add details to your response.

Not answered

22 4. What should be included in a national policy framework for active and public transport and how should it be developed?

Not answered

23 5. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to ensure the movement of people contributes to transport emissions reduction?

Not answered

24 6.1 What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to ensure that the movement of goods contributes to transport emissions reduction?

Not answered

25 6.2. How would these actions address the identified challenges and opportunities for emissions reduction in the movement of goods?

Not answered

26 7. Do you agree with the proposed net zero pathway for light road vehicles?

Not answered

27 7.1 Please add details to your response.

Not answered

28 8. The Australian Government is currently developing an Australian New Vehicle Efficiency Standard and has already begun to implement actions in the National Electric Vehicle Strategy.8.1 What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce light vehicle emissions?

Not answered

29 8.2 How would these actions address the identified challenges and opportunities to reduce light vehicle emissions?

Not answered

30 9. Do you agree with the proposed net zero pathway for heavy road vehicles?

Not answered

31 9.1 Please add details to your response

Not answered

32 10. The proposed pathway for heavy road vehicles relies on a mix of battery electric, hydrogen fuel-cell and low carbon liquid fuels.Rank from 1 to 3, the order in which these should be prioritised for emissions reduction.

Not answered

33 10.1 Please add details to your response. Why did you rank them in that order?

Not answered

34 11. What role should low carbon liquid fuels play in the heavy vehicle

decarbonisation?

Not answered

35 12. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce heavy vehicle emissions?

Not answered

36 13. Do you agree with the proposed net zero pathway for rail?

Not answered

37 13.1 Please add details to your response.

Not answered

38 14. The proposed pathway for rail relies on a mix of battery electric, hydrogen fuel-cell and low carbon liquid fuels.Rank from 1 to 3, the order in which these should be prioritised for emissions reduction.

Not answered

39 14.1 Please add details to your response. Why did you rank them in that order?

Not answered

40 15. What role should low carbon liquid fuels play in rail decarbonisation?

Not answered

41 16. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce rail emissions?

Not answered

42 16.1 How would these actions address the identified challenges and

opportunities to reduce rail emissions?

Not answered

43 17. Do you agree with the proposed net zero pathway for maritime?

Not answered

44 17.1 Please add details to your response.

Not answered

45 18. The Australian Government is engaging in consultation as part of the development of the Maritime Emissions Reduction National Action Plan and those consultations will also inform the final Roadmap and Action Plan. 18.1 What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce maritime emissions?

Not answered

46 18.2 How would these actions address the identified challenges and opportunities to reduce maritime emissions?

Not answered

47 19. Do you agree with the proposed net zero pathway for aviation?

Not answered

48 19.1 Please add details to your response.

Not answered

49 20. The Australian Government has already engaged in consultation on aviation decarbonisation through the development of the Aviation White Paper and those consultations will also inform final Roadmap and Action Plan.

Not answered

50 20.1 What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce aviation emissions?

Not answered

51 21. Do you agree with the proposed net zero pathway for transport infrastructure?

Not answered

52 21.1 Please add details to your response.

Not answered

53 22. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce transport infrastructure emissions and ensure that transport infrastructure is ready for and enables low-emission transport modes?

Not answered

54 22.1 How would these actions address the identified challenges and opportunities to reduce transport infrastructure emissions?

Not answered

55 23. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to ensure the energy mix is ready to support transport emissions reduction?

Not answered

56 24. How should the use of low carbon liquid fuels (LCLFs) be prioritised across different transport modes over time to achieve maximum abatement?

Not answered

57 25. What are the best ways for the Australian Government to work collaboratively with industry, business, governments and communities to implement the proposed pathways?

Not answered

58 25.1 What are good domestic or international examples of partnership and collaboration on transport and transport infrastructure emissions reduction that could inform the final Roadmap and Action Plan?

Not answered

59 25.2 What opportunities can Government leverage to show leadership in Australia and internationally?

Not answered

60 26. What measures and metrics should be used to evaluate the final Transport and Infrastructure Net Zero Roadmap and Action Plan?

Not answered

61 26.1 What other data and evidence could governments use and how could this offer further insights on the pace, scale and location of transport emissions reduction pathways?

Not answered

62 27. Do you have any feedback on the proposed review process?

Not answered

63 28. Do you have any further feedback on the Consultation Roadmap and proposed pathways?

Not answered

64 28.1 Is there anything missing? Are the sections appropriately integrated? Is the Roadmap appropriately ambitious?

Not answered

65 29. Is there any further information or documentation that you wish to be considered with your submission?

Not answered

66 Would you like to upload a document?

Yes

67 Have you removed any identifying information from your submission?

Yes

68 Upload a submission

Minerals Council of Australia Submission - Public.pdf

69 Upload a submission

Not answered

70 Upload supporting file

Not answered

71 Upload supporting file

Not answered

Minerals Council of Australia

6 August 2024

Jim Betts
Secretary
Department of Infrastructure, Transport, Regional Development, Communications and the Arts111 Alinga Street
Canberra ACT 2601

By email: NetZero@infrastructure.gov.au

Dear Secretary

Consultation on Transport and Infrastructure Net Zero Consultation Roadmap

The Minerals Council of Australia (MCA) representing Australia's minerals exploration, mining and processing industry appreciates the opportunity to provide feedback to the consultation on *Transport and Infrastructure Net Zero Consultation Roadmap.*

The mining industry recognises the need to reduce emissions globally, nationally and at the sites and facilities driving Australia's resources industry. In June 2020, the MCA and members launched the *Climate Action Plan* as a clear commitment to do the work needed to achieve net zero emissions in support of the goals of the Paris Agreement.

It is important for Australia to maintain its competitive advantage in the supply of minerals and metals during the clean energy transition. The transition will be resource and energy intensive. Creating the best possible investment conditions for the development of copper, nickel, lithium, green metals and other metals and minerals that are essential for global decarbonisation efforts is a priority.

Global benefits will accrue from the increased supply of metals and minerals needed to reduce global emissions and enable the clean energy transition and net zero.

To reach this objective, member companies continue to invest in research and development to better understand the technologies and practices that will be necessary to achieve decarbonisation across the sector. One of those pathways involves low carbon liquid fuels.

Key issues

A low carbon liquid fuels policy may be needed to support the market development of low carbon liquid fuels in the short to medium term. However, electrification is the long-term solution to decarbonising mining vehicles and equipment is currently reliant on traditional diesel. This includes for heavy vehicle, rail and maritime transport. Such mass deployment of battery electric haul trucks throughout operations however, is not expected to be technically or commercially feasible before 2030.

R&D, trials and project pilots for battery electric or fuel cell electric trucks is a critical area of immediate focus if this timeline is to be feasible. This will allow the assessment of cost and technical capability of these trucks, build confidence in the use of new technologies, assess areas for improvement to support further development and encourage early adoption. Establishing a system for recycling batteries should also be a priority, noting the significant increase in battery use flagged in the roadmap.

Maritime transport may also benefit from the availability of low carbon fuels. In addition to the Roadmap's focus on domestic shipping decarbonisation, Australia should also consider incentivising international shipping decarbonisation, noting the opportunity to become a low-carbon fuel bunkering hub for both domestic and international shipping.

For industrial users of diesel fuel, the design of the Safeguard Mechanism economically incentivises Scope 1 (including diesel-related) emissions reductions. Additional demand side measures such as, mandating fuel emissions reductions, including low carbon fuel mandates, risks increasing operating costs for diesel fuel consuming industries at a time when alternative fuel sources are not competitively available at the scale required.

To maintain competitiveness and enable the government's A Future Made in Australia policy, it is important that mining has access to reliable, firmed, low-cost, and clean electricity. Renewable energy projects and transmission infrastructure delivery within a limited timeframe is a critical enabler.

Given the difficulty, scope, and urgency of achieving net zero by 2050, the minerals industry recommends the government take a technology-neutral approach to ensure all options are available to future generations, including:

- Removing the prohibition of nuclear energy
- Reinstating support for Carbon Capture Use and Storage (CCUS)
- Supporting investment in new low carbon firming technologies.

There is potential for these technology options to be developed for deployment post 2030. The value these technologies can bring to a grid supporting increasingly electric transportation should be considered.

Industry supports government efforts to increase grid connected renewable energy and storage. The current pace of the grid connected renewable energy rollout likely needs to be accelerated to achieve the 82 percent target by 2030.

Australia should seek to identify and remove impediments to the rollout of low emissions energy infrastructure by streamlining project approvals and addressing investment uncertainty in the sector. In addition, Australia should partner with countries to secure strategic supply chains for clean energy technologies.

Adequate supplies of affordable natural gas are important during the transition period to provide firming. The mining industry encourages the government to better educate and inform the community on the transitional need for peaking gas as envisaged in the Integrated System Plan. However, this must be balanced with ensuring that unabated natural gas is only planned for use in a transitional capacity, and the need to avoid locking in investments that may impede Australia's achievement of its 2050 net zero target.

It is important that critical minerals mining and processing has access to reliable, firmed, low-cost, and clean electricity. Grid connected facilities benefit from significant government incentives aimed at decarbonising the National Electricity Market (NEM), but off grid facilities do not. Off-grid electricity generation should not be penalised when compared to on-grid facilities that benefit from lower emissions generation being put in place to decarbonise the NEM.

Reform of federal, state and territory emissions approaches are urgently needed to ensure a least cost approach to achieving the 2035 target. For example, clarity is needed on how Commonwealth government sectoral plans will co-exist with state-based reforms such as the recently announced Sectoral Emissions Reduction Strategy for Western Australia, as well as work underway by the Queensland and New South Wales governments.

To avoid uncertainty, overlap and duplication between commonwealth, states, and territories safeguard mechanism-covered facilities should be exempted from additional state or territory-based

emissions reduction obligations. Additional state and territory interventions that are incompatible with the safeguard mechanism unnecessarily increase regulatory burden.

Final comments

Mining is a large-scale, capital-intensive activity. Unlike other industrial enterprises, geology dictates activities and can significantly influence emissions profiles. Flexible application of policy to recognise these elements is vital to maintain the international competitiveness of Australian mining operations on the national path through 2030 to net zero emissions by 2050.

Australia has a significant role to play in supporting the global clean energy transition. In FY23, Australia's exports of minerals, metals and energy commodities was worth $455 billion and accounted for 66 per cent of the nation's export revenue.

Over the last decade the industry has paid $356.6 billion in taxes and royalties. These contributions support stronger communities by helping to fund hospitals, schools, doctors, nurses, police, teachers and other essential services and infrastructure.

The industry is also critical in supporting regions and communities, including providing 1.1 million jobs in Australia supported by the mining, mining equipment, technology and services sectors. Government and the mining industry must continue to work together to develop appropriate enabling policy frameworks to achieve net zero goals and maintain Australian industry competitiveness.

The pathway will not be linear for all industries, but great progress is being made across mining. Achievement of both the 2030 target and the 2050 net zero target will require close consultation and collaboration with all stakeholders. The industry seeks change that is manageable, orderly, and establishes an appropriate regulatory framework for industry and the nation to achieve medium- and long-term emissions targets.

We thank you again for the opportunity to comment and look forward to engaging constructively with the Government on these important reforms. We stand ready to help put Australia on the path to meeting its emissions reduction targets and contribute to the achievement of the Paris Agreement goals.

Yours sincerely

TANIA CONSTABLE PSM

CHIEF EXECUTIVE OFFICER