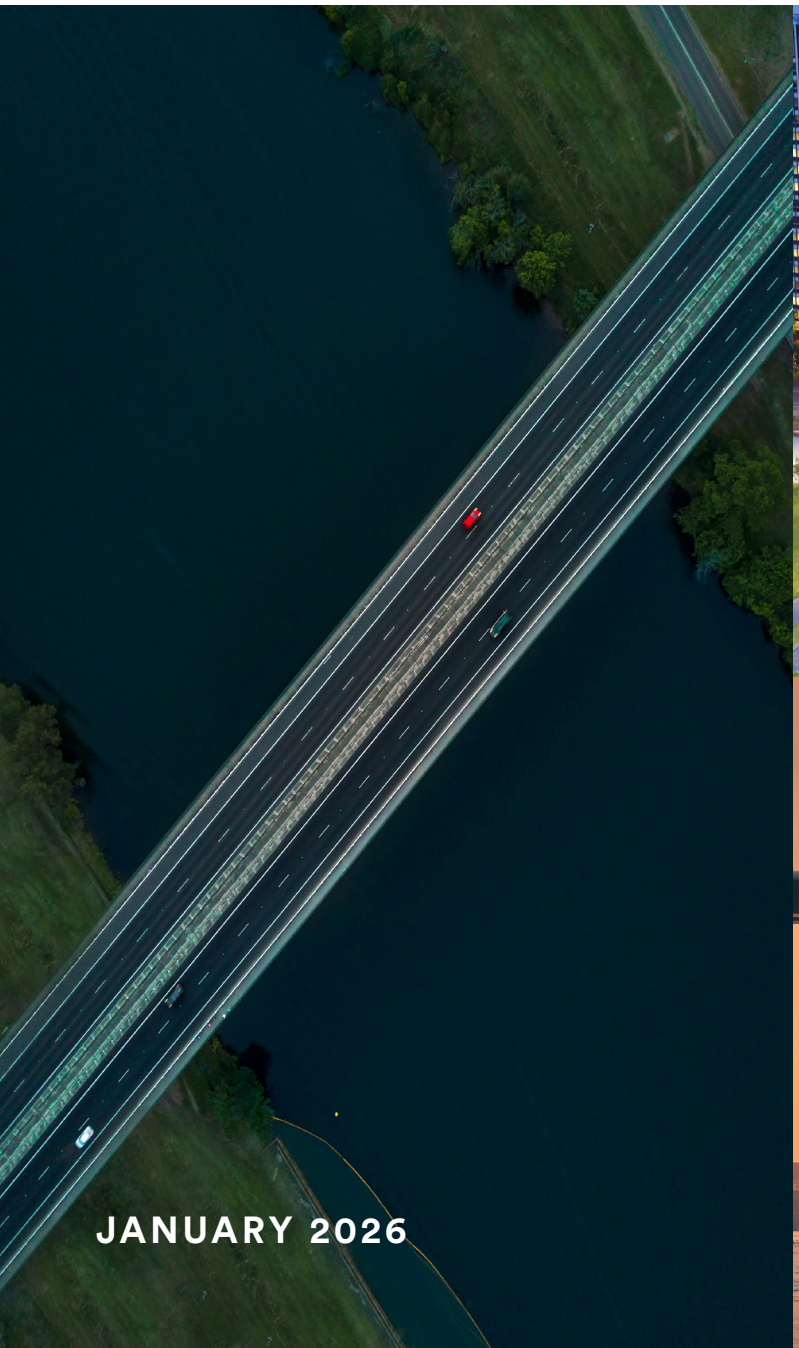
CEMENT CONCRETE
& AGGREGATES AUSTRALIA

CCAA 2026-27
Pre-Budget Submission



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Introduction

Cement Concrete & Aggregates Australia (CCAA) welcomes the opportunity to make a pre-budget submission for the 2026-27 Federal Budget.

CCAA is the voice of 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 operations throughout the nation.

CCAA members produce the majority of Australia's cement, concrete and aggregates – materials that are the foundation of our nation's transport, energy, water, housing, defence and social infrastructure.

The industry generates approximately $15 billion in annual revenues and employs about 30,000 Australians directly and a further 80,000 indirectly.

This sector is also responsible for 39% of the national freight task, reflecting the large volumes of cement, concrete and quarry materials needed to build Australia's cities and regions.

As an essential industry of national importance, Australia's heavy construction materials sector will play a central role in both boosting productivity and achieving net zero emissions. CCAA stands ready to support the Government's agenda to improve economic efficiency, build more housing and infrastructure, and meet climate targets.

CCAA therefore puts forward 14 recommendations for consideration in framing the 2026-27 Budget, focused on two key outcome areas – **enhancing productivity** (through transport and planning reforms) and **enhancing decarbonisation and environmental outcomes** (through industry-led emissions reduction initiatives and supporting policies).

These recommendations aim to ensure our industry can continue delivering the essential materials for Australia's growth and transition, in a sustainable and efficient manner.

Table of recommendations

1. That the Australian Government provide incentives to jurisdictions that permit the greater use of Performance-Based Standards (PBS) vehicles on the Australian transport network.
2. That the Australian Government provide appropriate funding in this Budget for the development of the National Automated Access System (NAAS), ensuring it can commence operations during the life of this Parliament.
3. That the Australian Government provide funding in this Budget to conclude the National Heavy Vehicle Charging Pilot and the National Transport Commission forward-looking cost-base development project, enabling the adoption of an appropriate road user funding model in Australia as soon as possible.
4. That the Australian Government provide Budget-funded incentives for states and territories to develop and implement Heavy Construction Materials Plans, including through National Competition Policy payments or other federal funding linked to planning reform outcomes.
5. That the Australian Government ensure National Competition Policy incentive payments for zoning reform are structured so as not to restrict or undermine access to quarrying and cement batching sites.
6. That the Australian Government fund, through this Budget, the establishment of a mechanism to undertake a comprehensive audit of environmental laws and standards to:
    a) remove duplication between Commonwealth and state approval processes;
    b) establish clear, time-bound approval pathways for quarries and batch plants;
    c) integrate net-zero and circular-economy objectives so lower-carbon materials are recognised as part of the solution rather than an additional regulatory burden; and
    d) ensure new environmental standards appropriately reflect the operational and supply-chain realities of the heavy construction materials industry.
7. That the Australian Government adopt and implement relevant recommendations from the CCAA Decarbonisation Facilitation Plan to accelerate progress toward the net-zero objective.
8. That the Australian Government provide funding to redesign specifications within the Austroads harmonised specifications framework to transition from prescriptive to performance-based standards to enable innovative low carbon concrete mixes to be utilised.
9. That the Australian Government establish and fund a national grant or support scheme to assist cement and concrete producers to develop, verify and publish Environmental Product Declarations (EPDs).
10. That the Australian Government tie Commonwealth infrastructure funding to compliance with the Embodied Carbon Measurement for Infrastructure: Technical Guidance approved by the Infrastructure and Transport Ministers' Meeting on 7 June 2024.
11. That the Australian Government establish a time-limited production credit for low-carbon concrete products, modelled on the Green Aluminium Production Credit.
12. That the Australian Government provide targeted incentives or accelerated depreciation arrangements for heavy ZEVs and supporting depot infrastructure within emissions-intensive supply chains, including cement, lime and concrete.
13. That the Australian Government provide additional funding to the National Heavy Vehicle Regulator and relevant road agencies to develop mass and dimension rules that safely accommodate new ZEV configurations for agitators and bulk haulage vehicles.
14. That the Australian Government provide targeted support within existing skills and training programs to build low-carbon materials and circular-economy capabilities in the heavy construction materials industry.

Enhancing productivity outcomes

On 28 November 2025, Commonwealth, state and territory treasurers agreed to revitalise National Competition Policy, including new incentives for heavy vehicle reform to boost productivity and accelerate the uptake of electric heavy vehicles. CCAA applauds this development and offers additional measures to further improve productivity in the heavy construction materials supply chain.

Encouraging the use of PBS vehicles

CCAA actively promotes the adoption of Performance-Based Standards (PBS) vehicles to improve the efficiency, safety and sustainability of transporting heavy construction materials. PBS vehicles are designed for specific freight tasks – for example, special truck configurations for carrying concrete or quarry products – and are engineered to meet higher performance and safety standards.

By matching the right vehicle to the right task, PBS vehicles can carry more load with fewer trips, enhancing productivity and reducing road wear and emissions. They have proven benefits in terms of greater freight capacity per vehicle, improved safety, and less impact on road infrastructure.

However, across Australia there remains a disconnect between the proven benefits of PBS vehicles and the on-ground access approvals by state and local road managers. In many areas, obtaining permission to operate PBS-approved trucks on suitable routes is still slow and restrictive.

Road managers may lack familiarity with PBS classes, and decision-making can be inconsistent between jurisdictions. For example, access to higher mass limit networks has been reported as more restrictive in some states compared to others. “First and last mile” access issues – where local road permit refusals prevent PBS vehicles from reaching quarries or concrete plants even if highways allow them – continue to be a major barrier to an efficient freight system for our sector. These hurdles mean that industry cannot fully utilise safer and more productive PBS fleets.

To realise the full benefits of the PBS scheme, governments should incentivise reforms that expand road access for PBS vehicles. This could include rewarding states and territories that streamline their PBS access approval processes and harmonise requirements.

Recommendation 1

That the Australian Government provide incentives to jurisdictions that permit the greater use of Performance-Based Standards (PBS) vehicles on the Australian transport network.

Road access and the National Automated Access System

Another key reform to improve road access is the development of the National Automated Access System (NAAS) for heavy vehicles. Infrastructure and transport ministers have agreed to progress NAAS as a one-stop, automated platform to handle the vast majority of heavy vehicle access permits.

NAAS is intended to replace the cumbersome, manual permit approval processes with a faster, more consistent and transparent system. When implemented, it would allow most routine access decisions to be made quickly via automation, significantly reducing the administrative burden on industry and road managers alike.

CCAA strongly supports the NAAS initiative as it promises quicker decisions and more uniform access across jurisdictions. However, delivering NAAS requires dedicated funding and careful systems integration.

Existing state-based permit systems (for example, legacy platforms like HVAMS in some states or Victoria’s HV-SAPS) will need to interoperate with the National Heavy Vehicle Regulator’s portal and the new NAAS platform. Without proper resourcing and coordination, there is a risk of parallel systems, confusion or inconsistent adoption, which could erode industry confidence in the new process.

Unfortunately, the rollout of NAAS has experienced delays, and it is currently only at a proof-of-concept stage.

To ensure NAAS fulfils its promise, the 2026-27 Budget should explicitly allocate funding to complete its development and deployment. A clear timetable for implementation, agreed by all governments, is also needed to give industry certainty.

Recommendation 2

That the Australian Government provide appropriate funding in this Budget for the development of the National Automated Access System (NAAS), ensuring it can commence operations during the life of this Parliament.

Funding Australia's roads

Improvements in vehicle fuel efficiency and the shift towards zero-emission vehicles mean Australia's reliance on fuel excise for road funding is becoming unsustainable. As more electric and alternative-fuel trucks join the fleet, revenue from the fuel excise (which traditionally helps fund road maintenance and construction) will decline. This trend underscores the need to reform how we fund Australia's road infrastructure, especially as freight demand grows.

CCAA recognises that a more sustainable, usage-based road charging system will benefit both productivity and fairness. A mass–distance–location charging framework, enabled by modern telematics and data, could charge heavy vehicles based on the actual distance travelled, route taken and vehicle mass – rather than per litre of fuel consumed. Such a system would provide a direct link between road use and funding, encouraging efficient road use and ensuring all heavy vehicles (including electric ones) contribute to upkeep of the roads they use. This approach has merit regardless of drivetrain, and it becomes essential in a future where many trucks may pay little or no fuel tax.

We note that important groundwork is already underway. The National Heavy Vehicle Charging Pilot has been testing ways to charge heavy vehicles by weight and distance, including using telematics for data collection.

Meanwhile, the National Transport Commission is consulting on a forward-looking cost base for heavy vehicle charges, as an alternative to the current PAYGO system.

These initiatives aim to develop a fair and effective road user charging model. The analysis from the pilot programs now needs to be concluded and translated into policy.

CCAA urges the Government to allocate funds to bring these road funding reform projects to completion as soon as possible.

In implementing a new system, it will also be important to consider local government roads – the "first and last mile" of freight routes. Local councils maintain many of the feeder roads to quarries, cement plants and construction sites. A reformed funding model should ensure that local infrastructure has a reliable revenue source for maintenance and upgrades, so that heavy vehicles can safely and efficiently access essential facilities everywhere in the network.

Recommendation 3

That the Australian Government provide funding in this Budget to conclude the National Heavy Vehicle Charging Pilot and the National Transport Commission forward-looking cost-base development project, enabling the adoption of an appropriate road user funding model in Australia as soon as possible.

Development of a Heavy Construction Materials Plan

Australia is entering a period of unprecedented demand for construction materials. Government commitments to boost housing supply, build major infrastructure, and transition to clean energy are driving a strong pipeline of projects.

According to Infrastructure Australia's Market Capacity Report 2025, the major public infrastructure pipeline over the next five years is about $242 billion – up 14% from the previous year's outlook[1].

This reflects ambitious plans to deliver transport infrastructure, new energy projects, and social infrastructure all at once. In industry surveys, more than a quarter of respondents identified the supply of key materials like aggregate, concrete or cement as a significant threat to successful project delivery[2].

An efficient and secure supply of heavy construction materials is therefore essential to meet Australia's infrastructure and housing needs on schedule and at reasonable cost.

Our industry is committed to investing in increased supply capacity to support this construction boom. We are also striving to do so in a sustainable way that reduces emissions and supports circular economy outcomes. However, there are growing signs that the supply chain for heavy materials is under strain from structural and regulatory pressures.

Key challenges include:

- **Lengthy and complex approvals** for new quarries or plant upgrades – Environmental and planning approval processes span local, state and federal levels and often involve duplication or delays. Long lead times for approvals can hinder the industry's ability to expand or open new sites to meet demand.
- **Urban encroachment on resources and sites** – Residential and other sensitive land uses are increasingly spreading into areas containing vital quarry resources or near concrete batching plants. This encroachment can sterilise important resource deposits and spark land use conflicts that constrain operations. Loss of industrial land in cities means concrete plants must relocate farther away from where materials are needed, adding cost and inefficiency.
- **Rising planning disputes and appeals** – Applications for quarry expansions or new plants are more frequently ending up in court, adding uncertainty, cost and delay.
- **Logistics bottlenecks** – Ports and road corridors crucial for importing cement clinker or exporting raw materials like high-quality sand face capacity constraints, affecting the smooth supply of materials nationally.
- **Prescriptive standards limiting innovation** – Rigid specifications in construction (for example, limiting use of certain recycled materials or alternative cement blends) can prevent the uptake of innovative, lower-carbon technologies. This slows down decarbonisation and can keep costs higher than necessary.
- **Regulatory barriers to recycling** – Some regulations currently hinder the reuse of construction and demolition waste (e.g. crushed concrete) as aggregate, or the reprocessing of returned concrete at quarries. These barriers work against circular economy goals and force greater reliance on virgin materials.

A particularly concerning trend is that quarries are being pushed progressively further from the growth areas they supply. When strategic quarry resources on city fringes are closed or restricted, new sources often lie much farther away. This increases haul distances, adds to traffic congestion, raises transport costs and results in higher carbon emissions from trucking materials over longer distances.

Similarly, if concrete batch plants cannot be sited near urban development zones, concrete must be delivered over longer trips, risking product quality and adding to costs and emissions. In short, without proactive planning, the geographic dislocation of resources and production sites will undermine efficient city building and climate objectives.

1 https://www.infrastructureaustralia.gov.au/2025-infrastructure-market-capacity-report

2 https://www.infrastructureaustralia.gov.au/2025-infrastructure-market-capacity-report

To address these issues, CCAA recommends that each jurisdiction develop a **Heavy Construction Materials Plan** to secure the long-term, sustainable supply of cement, concrete, aggregates and related materials. Such a plan would integrate supply security with environmental and climate considerations, ensuring that policies in planning, transport, environment and industry are aligned to support both development and decarbonisation.

Key elements of a Heavy Construction Materials Plan should include:

- **Resource and land-use protection:** Identify and protect strategic extractive resource areas (quarries) and key concrete batching plant sites from incompatible development and encroachment. Land-use planning must prioritise these essential industrial sites alongside housing needs.
- **Streamlined approvals:** Establish clearer, faster pathways for assessing and approving high-priority quarry and plant developments or upgrades, while maintaining rigorous environmental standards. Consider appointing dedicated coordinators (as Victoria has done) or "fast-track" mechanisms for essential materials projects to navigate and resolve approval bottlenecks across agencies.
- **Demand and supply monitoring:** Collect and analyse data on material demand versus local supply capacity regularly. This will inform better planning decisions and timely investments to expand capacity where shortfalls are projected.
- **Infrastructure and transport planning:** Ensure transport infrastructure plans (roads, ports, freight corridors) support efficient movement of heavy construction materials. Remove bottlenecks that constrain importation of inputs and distribution of materials to project sites.
- **Encouraging low-carbon materials:** Shift standards and procurement practices from prescriptive specifications to performance-based outcomes, enabling greater use of low-carbon cement and concrete. Update cement and concrete standards to allow new, lower-emission products (addressed further in the next section on environmental outcomes).
- **Circular economy measures:** Facilitate recycling and reuse of construction materials by removing unnecessary regulatory barriers. Implement end-of-waste frameworks for materials like construction rubble, fly ash and other industrial by-products so they can be safely used in new construction, reducing waste to landfill and demand for virgin resources.
- **Long-term land-use planning:** Include an assessment of future needs for quarries and related infrastructure as cities grow, ensuring that provision is made for future extraction sites and transport links in strategic plans.

A well-designed Heavy Construction Materials Plan will help ensure an adequate, nearby supply of materials for housing and infrastructure, while also reducing environmental impacts.

It provides certainty for industry to invest in new capacity and innovations (like lower-carbon production) by reducing the risk of unforeseen regulatory barriers or land shortages.

Such plans would support timely delivery of government infrastructure priorities, keep construction costs in check, reduce emissions from materials transport, and improve community outcomes by minimising land use conflicts.

Recommendation 4

That the Australian Government provide Budget-funded incentives for states and territories to develop and implement Heavy Construction Materials Plans, including through National Competition Policy payments or other federal funding linked to planning reform outcomes.

Land use planning and zoning reforms

In the context of broader competition and housing affordability reforms, governments are examining how to liberalise planning and zoning rules to enable more housing development.

CCAA agrees that modernising planning schemes is important, but it is critical that reforms do not unintentionally constrain the operations or growth of essential industrial activities like quarrying and concrete batching.

The recent Competition Reform Guidelines (endorsed by Treasurers in November 2024)[3] include proposals to broaden definitions of commercial and industrial zones and even to reduce the number of distinct zoning categories.

While simplification can boost flexibility for certain developments, care must be taken that it does not undermine the protection of industrial land needed for heavy construction material supply.

For example, if industrial zones are too broadly defined or amalgamated with other uses, there is a risk that scarce industrial land near cities could be encroached upon by more lucrative commercial or residential projects.

Quarries and concrete plants might find themselves zoned out or squeezed by competing land uses, even though they provide the raw materials essential for building those very houses and commercial buildings. Additionally, policies aimed at increasing housing should not inadvertently push essential material production further away, which would raise costs and reduce productivity in construction.

CCAA urges that any federal incentive payments for planning and zoning reform explicitly guard against negative impacts on quarrying and concrete operations.

In practical terms, this means recognising the need for protected extractive zones and urban industrial land in planning strategies, even as we seek to increase land availability for housing.

Competition and efficiency in land use should include ensuring vital industrial supply chains are not disrupted – a balanced approach will support both affordable housing and infrastructure delivery.

Recommendation 5

That the Australian Government ensure National Competition Policy incentive payments for zoning reform are structured so as not to restrict or undermine access to quarrying and cement batching sites.

Harmonising environmental regulations

Environmental regulations and standards are evolving across jurisdictions, with new policies on biodiversity, water, air and climate being translated into law.

While high environmental standards are supported by industry, inconsistent or duplicative regulations across different levels of government create uncertainty and delay, potentially hindering both development and environmental outcomes. A more harmonised approach to environmental regulation would improve clarity and efficiency for businesses seeking approvals and ensure better integration of environmental objectives nationwide.

Currently, differing terminology and requirements between states can complicate major projects. For instance, biodiversity offset rules vary significantly between jurisdictions – what is required to offset habitat impacts in one state may be entirely different in another. Such inconsistencies make it harder for companies operating across Australia to plan projects and invest in nature-positive outcomes, as the goalposts change by location.

Similarly, varying environmental assessment processes or water management standards can lead to duplicated effort or confusion without necessarily improving environmental protection.

The Federal Government's recent reforms to the Environment Protection and Biodiversity Conservation (EPBC) Act, including the introduction of national Environmental Standards and the creation of Environment Protection Australia (a new regulator), present an opportunity to reset and harmonise frameworks.

3 https://treasury.gov.au/review/competition-review-2023/ncp

Bioregional plans, which will be jointly developed with states under these reforms, aim to streamline project approvals and reduce duplication by providing clearer up-front guidance on where development is suitable and how to manage cumulative environmental impacts. CCAA welcomes these initiatives in principle – efficient, science-based environmental planning can support both conservation and development if done correctly.

To ensure success, industry input is critical in drafting the new standards, definitions and processes. They must be objective, measurable, and consistently applied, otherwise we risk continued confusion or unintended consequences for existing operations. Clear guidance is needed on how new requirements (such as biodiversity offsets, greenhouse gas assessments, and any regional conservation plans) will interact with or replace state processes.

Transitional arrangements will be important so that projects already in the pipeline are not caught out by changing rules or double regulation at state and federal levels.

One concern is the potential overlap between emerging federal standards and legacy state regulations. Without coordination, there is a **likelihood of duplication** – projects might have to satisfy two similar but not identical sets of environmental rules. This could slow down approvals for quarries or new production facilities, putting supply of construction materials at risk just when they are needed for infrastructure and housing.

CCAA recommends that the Government fund a comprehensive audit and harmonisation effort for environmental regulations affecting the heavy construction materials sector. The goal should be to remove inefficiencies and contradictions between Commonwealth and state processes, ensuring a one-stop, streamlined set of requirements where possible.

In particular, priority outcomes of such an initiative would be to:

- **eliminate duplication** between federal and state assessments;
- **establish clear, time-bound approval processes** for quarrying and concrete plants;
- **integrate net-zero and circular economy goals** into regulatory frameworks (so that using lower-carbon materials or recycling products is facilitated, not hindered by red tape), and
- **recognise the legitimate needs of the industry** when setting new environmental standards (balancing protection of nature with the necessity of providing materials for essential infrastructure).

Recommendation 6

That the Australian Government fund, through this Budget, the establishment of a mechanism to undertake a comprehensive audit of environmental laws and standards to:

a) remove duplication between Commonwealth and state approval processes;

b) establish clear, time-bound approval pathways for quarries and batch plants;

c) integrate net-zero and circular-economy objectives so lower-carbon materials are recognised as part of the solution rather than an additional regulatory burden; and

d) ensure new environmental standards appropriately reflect the operational and supply-chain realities of the heavy construction materials industry.

Enhancing decarbonisation and environmental outcomes

Australia has made strong domestic and international commitments to reduce emissions and promote sustainable industry.

At the COP30 climate conference in November 2025, Australia joined six other countries and industry bodies in signing the Belém Declaration on Global Green Industrialisation, calling for accelerated decarbonisation of hard-to-abate sectors like cement and steel.

The Government also signed a Green Public Procurement Pledge to use a proportion of near-zero emission materials (such as low-carbon cement and green steel) in major public projects starting from 2030.

Achieving these goals will require coordinated action from both industry and government.

The heavy construction materials sector is ready to do its part through innovation and investment, but strategic support and policy alignment in the Budget will help drive this transition.

Encouraging industry decarbonisation

CCAA and its members have embraced the national goal of net zero emissions by 2050, with a specific ambition to deliver net zero carbon cement and concrete by that year.

Reaching net zero in our sector is challenging but achievable with a combination of technological innovation, process improvements, and supportive policy.

Broadly, emissions from cement, concrete and related heavy industries can be reduced through a portfolio of solutions:

- improving energy efficiency and adopting circular economy practices;
- switching to cleaner energy sources and alternative fuels (including electrification of equipment, use of hydrogen and biofuels for high-temperature processes);
- substituting traditional raw materials with lower-carbon alternatives (for example, using industrial by-products or new cement formulations that reduce clinker content) and,
- deploying carbon capture, utilisation and storage (CCUS) for emissions that cannot be abated by other means.

Underpinning all these measures is the need for a reliable supply of clean, affordable electricity and new infrastructure (like hydrogen production and CO_2 transport) to support industrial decarbonisation.

To provide a roadmap for decarbonisation, CCAA has developed a *Decarbonisation Facilitation Plan*.[4] This plan outlines practical steps and recommendations to overcome barriers and accelerate emissions reduction across the cement and concrete value chain. It covers areas such as technology deployment, investment needs, regulatory changes and partnerships required to reach net zero. We urge the Government to leverage this industry-led work.

Recommendation 7

That the Australian Government adopt and implement relevant recommendations from the CCAA Decarbonisation Facilitation Plan to accelerate progress toward the net-zero objective.

This could include co-funding pilot projects for modern technologies, creating enabling policy frameworks, and aligning research and development priorities with the plan's identified pathways. Collaboration will ensure that decarbonisation efforts are both ambitious and achievable, maintaining the competitiveness of Australian industry while significantly cutting emissions.

Government procurement policies are another powerful lever to drive low-carbon innovation. We support efforts to incorporate sustainability targets into procurement of construction materials.

However, it is vital that these targets are framed in terms of **performance outcomes** rather than rigid prescriptions.

Overly prescriptive requirements (for example, mandating specific materials or technologies in projects) can inadvertently stifle innovation, lock out new solutions, or lead to cost increases and supply bottlenecks.

In contrast, setting performance-based sustainability requirements – such as an allowable carbon footprint per unit of concrete, or durability and strength outcomes rather than a mandated recipe – allows industry the flexibility to meet targets in the most efficient and creative ways. This encourages competition and technological development to achieve the desired outcome (lower carbon, high-quality construction) without unnecessary constraints.

Australia's competition and regulatory policy is already moving in this direction. CCAA notes the Government's Competition Reform Best Practice Guidelines, which favour performance-based standards where regulations interface with markets. We endorse this approach for construction material standards and procurement specifications.

4 https://www.ccaa.com.au/Common/Uploaded%20files/CCAA/CCAA%20Decarbonisation%20Plan_A3%20Brochure_06%20-%20Web%20Version.pdf

In practice, this means reviewing key Australian Standards and codes that currently dictate inputs, to rewrite them as performance-oriented standards that encourage innovation while maintaining safety and quality.

As a priority, the principal cement standard (AS 3972-2010 *General Purpose and Blended Cements*) should be updated to allow greater use of low-carbon cementitious materials.

For example, increasing the permitted limestone content or the use of supplementary cementitious materials (such as fly ash or slag) in cement can substantially cut the embodied carbon of concrete (potentially by around 10% or more) without compromising performance. Modernising this standard will unlock immediate emissions savings and enable new cement formulations to be used more widely in construction. More broadly, other materials and construction standards should be assessed and redesigned under the Standards Australia framework to support our national net zero effort.

CCAA recommends that the Federal Budget include funding to accelerate this shift to performance-based standards.

Recommendation 8

That the Australian Government provide funding to redesign specifications within the Austroads harmonised specifications framework to transition from prescriptive to performance-based standards to enable sutilised.

By doing so, the Government will signal to industry that innovation is welcome and expected, and that achieving sustainability outcomes is the priority over simply following outdated prescriptions. This will spur greater use of lower-carbon products and techniques in construction, helping to drive down emissions in the built environment.

Environmental Product Declarations (EPDs)

One practical tool to support performance-based procurement and to benchmark improvements is the use of **Environmental Product Declarations (EPDs)**.

An EPD is an internationally recognised, standardised document that provides transparent, verified data on the environmental impacts of a product across its lifecycle (for example, a cubic metre of concrete or a tonne of cement).

EPDs allow specifiers, builders and policymakers to compare materials on metrics like carbon footprint, resource usage and other environmental impacts. They are increasingly used overseas to inform low-carbon procurement decisions and to reward suppliers who can demonstrate greener products.

In Australia, the heavy construction materials industry is embracing EPDs as part of our commitment to transparency and improvement.

CCAA has recently launched an Australian adaptation of the Global Cement and Concrete Association's **Low Carbon Concrete Ratings** system[5]. This framework uses EPD data to rate concrete mixes on a consistent scale for carbon intensity, enabling customers and project developers to choose lower carbon options confidently. Such initiatives complement government efforts by creating market-driven demand for sustainable products.

However, developing EPDs and the underlying data can be resource-intensive, especially for smaller and medium-sized producers. It requires conducting life-cycle assessments and obtaining third-party verification to ensure credibility. To accelerate the uptake of EPDs across our sector – and thus provide a broader base of comparable environmental data – some support is warranted.

5 https://www.ccaa.com.au/common/Uploaded%20files/CCAA/Resources/Sustainabitlity/CCAA_Australian%20Adoption%20of%20GCCA%20Global%20Ratings%20for%20Concrete%2008.12.25%20-%2003.pdf

Recommendation 9

That the Australian Government establish and fund a national grant or support scheme to assist cement and concrete producers to develop, verify and publish Environmental Product Declarations (EPDs).

This could involve funding for technical assessments, tools and training to develop EPDs, or a program similar to those abroad that help industries document and disclose their environmental performance. By investing in EPDs, the Government would facilitate more informed, outcomes-focused procurement (as agencies could specify performance thresholds or prefer products with EPDs) and encourage continual improvement by industry in lowering environmental impacts.

Ensuring consistent embodied carbon measurement

Building on the above, it is crucial that all players use a common framework to measure and report embodied carbon in construction. A consistent methodology ensures that reductions are real and comparable across projects and jurisdictions.

The Infrastructure and Transport Ministers' Meeting (ITMM) in June 2024 took a significant step by endorsing the *Embodied Carbon Measurement for Infrastructure: Technical Guidance*[6]. This guidance provides a standardised approach for calculating and reporting the embodied carbon emissions of public infrastructure projects. It includes a set of emissions factors and accounting rules to be used, with an aim to commence applying these for large transport projects from 1 January 2025 (on an aspirational basis initially).

CCAA strongly supports the adoption of this national embodied carbon measurement framework. It aligns with our push for performance-based outcomes – if all major projects measure carbon the same way, it becomes easier to set benchmarks and targets for improvement. To drive compliance and uptake, government leadership is needed.

Recommendation 10

That the Australian Government tie Commonwealth infrastructure funding to compliance with the Embodied Carbon Measurement for Infrastructure: Technical Guidance approved by the Infrastructure and Transport Ministers' Meeting on 7 June 2024.

In practice, this "no compliance, no funding" rule would ensure that states, territories, and contractors follow the common standard when designing and delivering infrastructure. It sends a clear message that the Commonwealth is serious about consistent carbon reporting, which will, in turn, encourage project proponents to choose lower-carbon construction methods and materials to meet expected performance benchmarks.

Furthermore, by mandating the use of this framework, the Government will hasten the cultural shift towards routine carbon accounting in construction – an essential foundation for future policies like carbon caps or carbon budgets for infrastructure projects.

It also complements the promotion of EPDs: project assessments that use EPD data for materials will be more accurate, and having more EPDs available (via Recommendation 9) will improve the fidelity of these embodied carbon calculations. This approach will help Australia transparently track and reduce the embodied emissions in its infrastructure pipeline.

Production credit for low-carbon concrete

While the measures above focus on standards and procurement, the Government can also consider direct incentives to speed up the scale-up of low-carbon cement and concrete manufacturing. New greener products are emerging – such as cements with novel chemistries, concretes incorporating carbon capture, or mixes using higher recycled content – but these often come with higher costs or perceived risks in the early market phase. Early adopters can face a cost premium, which makes it challenging for them to compete until the technology matures or carbon prices rise sufficiently.

6 https://www.infrastructure.gov.au/sites/default/files/documents/embodied-carbon-measurement-for-infrastructure.pdf

To bridge this gap, innovative financing mechanisms can be employed. One concept is a **time-limited production credit** for low-carbon construction materials, essentially a government incentive for each unit of product produced that meets a defined low-emission threshold. The Australian Government has introduced a similar idea in another hard-to-abate sector: the **New Green Aluminium Production Credit**. That scheme incentivises the production of low-emissions aluminium, helping to make green aluminium more cost-competitive with traditional production during the transition.

CCAA suggests exploring a comparable production credit tailored to *green cement and concrete*. This could reward manufacturers per tonne of cement or cubic metre of concrete that achieves a specified low-CO_2 benchmark, verified through measures like EPDs. The credit would be temporary, aimed at kick-starting the market and driving investment in low-carbon production methods until they become business-as-usual.

By providing a production credit for green concrete/cement, the Government would reduce the commercial risk and accelerate deployment of cutting-edge low-carbon technologies in our sector.

It would signal to global investors that Australia is serious about decarbonising heavy industry, potentially attracting additional private capital and technology. Over time, as the cost curve comes down and companies scale up these technologies, the credit could be phased out, leaving a self-sustaining market for climate-friendly construction materials.

Recommendation 11

That the Australian Government establish a time-limited production credit for low-carbon concrete products, modelled on the Green Aluminium Production Credit.

Decarbonising heavy vehicle transport

Transportation of heavy construction materials – cement, clinker, aggregates, premixed concrete – is a significant source of emissions in our supply chain. Our sector collectively operates one of Australia's largest heavy vehicle fleets.

For example, around 6,500 concrete agitator trucks deliver concrete from batch plants to sites, and thousands of tipper trucks and bulk tankers haul aggregates and cement across the country. In fact, the cement, concrete and lime industries account for 29% of national freight by weight and 12% by tonne-kilometres, highlighting how central our logistics are to the overall freight task.

Decarbonising this transport component is essential to meeting climate targets, but it presents unique challenges. Heavy vehicles for concrete and quarry products have demanding duty cycles – they carry very heavy loads, often operate in stop-start urban traffic or travel to remote areas, and in the case of concrete agitators, they have additional equipment (mixing drums) that must run during transit. Electrifying or otherwise decarbonising these trucks is more complex than for light passenger vehicles or smaller trucks.

Nevertheless, progress is being made.

Some CCAA members have begun trials of electric or hydrogen-fuelled concrete trucks and quarry equipment. The transition, however, will require large investments in new vehicles and, critically, in the supporting infrastructure (charging stations, grid upgrades or hydrogen refuelling capability along freight routes). Unlike passenger EVs, heavy trucks cannot rely on a sparse network of public chargers; they need high-capacity charging or refuelling at strategic locations, often beyond the metropolitan centres.

Additionally, the weight of batteries or hydrogen tanks can reduce payload, and new vehicle designs might exceed current dimension limits (for example, an electric concrete truck may be heavier due to batteries, potentially impacting road regulations).

Government leadership is needed to overcome these hurdles. We were encouraged by the November 2025 announcements providing incentives for electric heavy vehicles.

Recommendation 12

That the Australian Government provide targeted incentives or accelerated depreciation arrangements for heavy ZEVs and supporting depot infrastructure within emissions-intensive supply chains, including cement, lime and concrete.

Another practical consideration is regulatory: many transport rules (mass, axle load, dimensions, etc.) were written with conventional diesel trucks in mind.

Zero-emission trucks, particularly electric ones, might have heavier tare weights or different configurations (for example, needing more axles to distribute weight). If we do not update regulations, some ZEV trucks that could otherwise operate efficiently might be disallowed on roads due to slightly higher weight from batteries or other differences, despite their environmental benefit.

To pre-empt this, we recommend providing funding to the National Heavy Vehicle Regulator (NHVR) and state road agencies to review and adjust heavy vehicle regulations to accommodate new ZEV technologies.

This work would involve ensuring safety is maintained while allowing modest increases in gross vehicle mass for electric trucks, or new vehicle shapes, so that concrete mixers or aggregate trucks can be electrified without losing productivity. By proactively adapting rules, Australia can avoid regulatory bottlenecks that would slow the adoption of green trucks.

In summary, decarbonising heavy road transport in our sector will require a coordinated approach: infrastructure planning, financial incentives, and regulatory modernization. With government support in these areas, the heavy construction materials industry can significantly cut its transport emissions over the coming decade, complementing efforts to decarbonise production.

Recommendation 13

That the Australian Government provide additional funding to the National Heavy Vehicle Regulator and relevant road agencies to develop mass and dimension rules that safely accommodate new ZEV configurations for agitators and bulk haulage vehicles.

Workforce, skills and innovation

Achieving the dual goals of improved productivity and decarbonisation will depend on people as much as on technology or funding. The heavy construction materials sector will need to upskill and reskill its workforce to adopt new low-carbon technologies, digital tools and innovative practices, all while maintaining a strong safety culture and operational excellence.

Key competencies that are increasingly important include: carbon accounting and reporting (to track and manage emissions in operations), advanced concrete mix design and testing (to utilise new materials and additives), use of automation and digital systems in quarries and plants, and circular economy practices (such as recycling and waste minimisation techniques).

At the same time, the industry must continue to improve traditional skills to boost productivity – for example, logistics and supply chain management skills to optimise deliveries, or engineering skills to maintain sophisticated equipment. As older workers retire and new generations enter, we have an opportunity to build a workforce fluent in both sustainability and efficiency.

CCAA believes government training and skills programs have a role to play in this transition. Many existing programs in vocational education, apprenticeships, and industry partnerships can be tailored or targeted to support the development of **low-carbon and circular economy skills** in heavy materials industries. This might include, for instance, integrating sustainable materials management into construction trades training, or offering specialised courses in emissions reduction techniques for plant operators and managers.

Recommendation 14

That the Australian Government provide targeted support within existing skills and training programs to build low-carbon materials and circular-economy capabilities in the heavy construction materials industry.

This could take the form of grants for training providers to develop relevant course content, scholarships or incentives for workers to pursue training in these areas, or collaboration with industry bodies like CCAA to identify skill gaps and design programs to fill them.

By investing in people, the Government will help ensure that the ambitious reforms and technologies proposed elsewhere in this submission can be effectively implemented on the ground. A skilled workforce will drive innovation, improve safety outcomes, and increase productivity, all while advancing Australia's climate goals.

Conclusion

Australia's economic and environmental objectives are increasingly intertwined – we need to boost productivity to improve living standards and build infrastructure, while simultaneously reducing emissions to achieve net zero.

The heavy construction materials industry sits at the nexus of these goals.

The agreements reached in late 2025, from the national competition policy reforms to the international climate pledges at COP30, have outlined a clear direction for change.

The 2026-27 Federal Budget is an opportunity to back these commitments with concrete action.

CCAA's recommendations have highlighted practical steps to improve freight efficiency, streamline regulation, secure essential material supplies, and drive down emissions in cement and concrete manufacturing and transport.

By implementing these measures, the Government will enable our industry to deliver better outcomes for the economy, the community and the environment. We will be able to supply the cement, concrete and aggregates needed for housing and nation-building infrastructure more efficiently and sustainably, ensuring value for public investments.

In partnership with government, our sector can significantly reduce its carbon footprint – through modernised standards, new technologies, and improved practices – while continuing to support over 30,000 direct jobs and the broader construction industry. CCAA and its members are committed to being part of the solution to Australia's productivity and climate challenges.

We urge the Government to consider these recommendations and look forward to working together to build a stronger, low-carbon future for Australia.

Relevant CCAA Submissions

1. Cement Concrete and Aggregates Australia – 25–26 Pre-Budget Submission (January 2025).
2. CCAA Submission – PC National Competition Policy Analysis Interim Report (September 2025)
3. CCAA-CIF Submission to Productivity Commission National Competition Policy Analysis (June 2025)
4. CCAA Submission to the Economic Reform Roundtable (July 2025)
5. CCAA Response – Reforms to Improve the Use and Recognition of Standards in Regulation (August 2025)
6. CCAA Submission on the Interim Productivity Commission Report on the Circular Economy (11 April 2025)
7. CCAA Submission on the Development of a National Construction Strategy for Transport Infrastructure (April 2025)
8. CCAA Submission to the Inquiry into the Environment Protection Reform Bill 2025 (November 2025)
9. CCAA submission to Productivity Commission Request for Advice – Heavy Vehicle Reform (December 2025)
10. CCAA submission to NTC re HVNL statutory instruments consultation (December 2025)
11. CCAA submission to NTC re Mass, Dimension and Loading National Regulation Amendment (January 2026)