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TASMANIA BUDGET DELIVERY RELIANT ON EFFICIENT SUPPLY OF KEY MATERIALS

Cement Concrete and Aggregates Australia welcomes the Tasmanian 2022/23 Budget's focus on further infrastructure investment of \$5.6 billion. With a continued focus on sustainably building Tasmania, the Government continues to show leadership in delivering productive infrastructure while minimising debt and returning to surplus.

While this is welcome news for the construction materials industry, the government will be relying on a sustainable and efficient construction materials supply chain to ensure the infrastructure they need can be built affordably.

Brian Hauser, CCAA State Director Tasmania said, 'Without significant reform of the approvals process for the release of new stone and sand resources, this construction led recovery stands to be undermined by supply shortages and further cost pressures.' With an already stretched infrastructure pipeline, an additional \$538 million for social and affordable housing and an overstimulated residential construction sector the construction materials supply chain is under strain.

In a recent study, Macromonitors has found construction materials account for a very significant 29% of total construction project costs. Mr Hauser said, 'To help maintain an affordable supply of materials, the government must not only maintain the pipeline of work but protect these strategic resources proximate to market.'

Mr Hauser noted 'This is a state-wide issue with regional Tasmania at even greater risk as the inflexibility of approvals limits local supply which must then be drawn from distant quarries near major centres at higher cost with greater environmental impact.'

There is an immediate opportunity for the government to protect existing Strategic Resources by implementing the DRAFT Tasmanian Planning Policies and reforming the outdated Environmental legislation to support affordable infrastructure and housing. The \$8 million dedicated to establishing an independent EPA must also be used to make the approvals process more efficient.

Mr Hauser said, 'without protection of those sources of construction materials proximate to market, and simplification of the approvals process to secure investment in expansion of operations, the forecast state return to Net Operating Surplus of \$19.1 million by 2023-24 is likely to be at risk.'

CCAA members stand ready to invest in Tasmania but continue to seek certainty of process and commitment of Government to protect existing resources.

CCAA congratulates Premier Jeremy Rockliff and Treasurer Michael Ferguson on delivering a responsible and progressive budget for Tasmania that continues to invest in economic recovery, and we stand ready to work with the government on sustainable supply chain measures.

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