

October 2023

Tasmanian Sustainability Strategy Consultation Department of Premier and Cabinet Via email: policy@dpac.tas.gov.au

RE: Tasmanian Sustainability Strategy Consultation

Wine Tasmania welcomes the opportunity to provide input to the Tasmanian Sustainability Strategy consultation. Wine Tasmania supports the development of a Tasmanian Sustainability Strategy, with measurable actions, aligned to the United Nations Sustainable Development Goals.

In representing the Tasmanian wine sector, this submission focuses predominantly on environmental sustainability and areas most relevant to wine businesses. The aspects outlined below complement Government policies and programs including AgriVision 2050, Agricultural Innovation and Development Funds, Climate Action Plan, Waste Action Plan and Container Refund Scheme. This submission can be read in conjunction with Wine Tasmania's submissions to Tasmania's Draft Climate Change Action Plan 2023-25, Tasmanian Climate Change Act, Draft Waste & Resource Strategy and Container Refund Scheme consultations (links provided below).

Summary of Recommendations:

- Invest in Tasmanian grown second generation biofuels, specifically biodiesel.
- Support and continue to invest in sector-specific sustainability and research projects to support climate change knowledge and adaption, including to benchmark, reduce and offset carbon emissions.
- Improve promotion of existing programs such as the Business Resource Efficiency Program and reinstate the Power\$mart and On-Farm Energy Audit and Capital Grant Programs.
- Undertake a feasibility study into the establishment of the country's first glass container reuse facility in Tasmania.

Tasmanian Wine Sector

The Tasmanian wine sector is significantly impacted by a changing climate and is actively engaged in environmental sustainability and emissions reduction initiatives, including through the sector's tailored sustainability framework, the VinØ Program ("vin zero").

The Tasmanian wine sector is in the top ten of all sectors contributing to the state's economy and is forecast to outperform other sectors over the coming 15 years. The sector produces approximately \$420 million worth of wine annually, with its contribution encompassing agriculture (vineyards), manufacturing (wineries) and tourism (cellar doors, national and international visitors).

Nearly every community in Tasmania is directly or indirectly linked to the wine sector. It attracts new arrivals to our island as well as high yielding visitors to our regions and cellar doors. Tasmanian wine production has grown by 70% over the past five years and its demand is so strong that production is projected to soar by between 127-392% by 2040.

Tasmania's Sustainability Strategy

Wine Tasmania has highlighted two proposed initiatives below, which will significantly impact and support the island's environmental sustainability. These initiatives align to the draft goals in the discussion paper in relation to *Climate & Renewable Energy, Circular Economy & Waste* and *Natural Environment*.

Proposed Initiative: Support sectors to reduce their carbon footprint and undertake sector-specific environmental sustainability programs

Wine grapes are the "canary in the coal mine" when it comes to a changing climate¹, and the wine sector is more susceptible to climate change risk than other forms of agriculture. A small temperature increase of just 1.5 degrees significantly changes the growing conditions of a wine region, applying pressure on its traditional wine styles, quality and value.

Climate is a critical determinant on the quality and style of wine produced from a specific parcel of land. Rising temperatures will mean some warmer areas in Australia become too hot to grow wine grapes in the future. Cooler climates, particularly those located closer to the poles, produce wines that tend to be more refined, elegant and of higher quality and value.

A changing climate is already driving investment in Tasmania's wine sector, which will be less affected by temperature increases than most other interstate wine regions in the future.

While less affected than other wine regions by temperature increases, a changing climate still impacts the Tasmanian wine sector through the following key areas:

- Increased average temperature, reducing wine quality and changing wine styles;
- Increased extreme temperatures, reducing wine quality and wine grape yields;
- Increased chances of droughts, reducing wine grape yields; and
- Increased frost and severe weather events, reducing wine grape yields.

With a necessary long-term focus, the Tasmanian wine sector is acutely aware of the impacts of a changing climate and the need for adaption and mitigation. As a sector based in agriculture, sustainability is critical for both the quality and longevity of our sector and is a core focus for Wine Tasmania.

Sector-specific environmental sustainability programs are an important aspect of the state's overall performance. Industry standards are unique and require tailored frameworks and programs to ensure best practice. For the Tasmanian wine sector, this tailored framework is its VinØ Program ('vin zero'), which is now utilised across more than 50% of vineyard area.

As a sector directly impacted by a changing climate, the wine sector is highly cognisant of its own emission profile and is implementing practices to reduce emissions. This includes development of a simplified emissions calculator and provision of resources to Tasmanian wine businesses, developing a tailored emissions program and participation in the Wine Australia Emissions Reduction Roadmap, identifying activities to reduce the national emissions by 42% by 2030².

Electrification of vehicles is a key mechanism in reducing emissions, however vineyard-suitable electric or hydrogen-fuelled tractors have yet to reach commercial reality. There is also high investment in existing tractors and transport fleets, which could be fuelled by biodiesel in the future. Second generation biodiesel production from existing wood waste is encouraged as a priority in the recently released Bioenergy Vision for Tasmania. Tasmanian grown and produced biodiesel is a simple and effective carbon reduction initiative, utilising a waste stream and providing renewable fuels for existing tractor and transport fleets.

¹ 'Wine is like the canary in the coal mine' for climate change - <u>www.smh.com.au/world/europe/wine-is-like-the-canary-in-the-coal-mine-for-climate-change-20200129-p53vrm.html</u>

² Emissions Reduction Roadmap: https://www.wineaustralia.com/sustainability/emissions-reduction-roadmap

When it comes to technological investment, Tasmanian wineries and vineyards already invest in solar power to reduce both electricity costs and carbon emissions³. Efficiencies are also being gained through initiatives such as variable speed drives on irrigation pumps, floatation settling in wineries or electrification of suitable vehicles.

Business case calculators are becoming more important for individual businesses when deciding on new capital investment to reduce carbon emissions. There is an opportunity for the Tasmanian Government to invest in business case information and calculators in addition to the (discontinued) Power\$mart program, the Business Resource Efficiency Program and the (discontinued) On-Farm Energy Audit and Capital Grant Program.

Recommendations:

- Invest in Tasmanian grown second generation biofuels, specifically biodiesel.
- Support and continue to invest in sector-specific sustainability and research projects to support climate change knowledge and adaption, including to benchmark, reduce and offset carbon emissions.
- Improve promotion of existing programs such as the Business Resource Efficiency Program and reinstate the Power\$mart and On-Farm Energy Audit and Capital Grant Programs.

Proposed Initiative: a new solution for glass containers used in Tasmania

Tasmanians are very good at recycling glass containers through kerbside recycling bins, and the Tasmanian wine sector is very supportive of glass recycling. But there still remain some fundamental issues and inferior environmental outcomes:

- Recycling is good, but reuse offers a better environmental outcome;
- Glass currently collected in Tasmania is not being recycled back into its highest value form and is effectively single use; and
- There is no glass manufacturing in Tasmania, therefore heavy cullet needs to be transported interstate to fully recycle and ensure highest reuse value, thereby eroding environmental outcomes.

In southern Tasmania, glass is being recycled into bricks and pavers and used as a sand/gravel substitute in civil construction works, with Hobart City Council reporting 100% of glass collected is "reused". While positive to see on-island recycling, this is not recycling glass for its highest reuse or beyond single use.

Glass is a highly sustainable packaging material. It can be recycled an infinite number of times without loss of quality. For a natural, agricultural-derived, living product like wine, glass is the perfect sustainable material. For sparkling wine, which represents 40% of Tasmania's production, containers need to withstand high levels of pressure, and glass is the perfect material to age and transport premium sparkling wine.

There is a major opportunity for Tasmania to introduce the country's first glass reuse program. Glass containers can be easily cleaned and sorted (with technology), reducing carbon emissions associated with recycling and transport, as well as supporting the many Tasmanian businesses which currently import glass containers. For the wine sector alone, a glass reuse scheme in Tasmania is estimated to reduce emissions by 65%⁵.

Glass container reuse schemes have commenced in places like Oregon (USA) and Germany. In Tasmania this has been limited to a couple of small milk companies.

³Moores Hill: <u>www.mooreshill.com.au/how-renewable-energy-changed-our-business/</u> & Ossa: <u>https://ossa.wine/our-founders/</u>

⁴www.hobartcity.com.au/Residents/Recycling-and-rubbish/Bin-collection/Recyclingcollection#:~:text=into%20new%20products.-,Glass,-containers%20%E2%80%93%20All%20glass ⁵Glou Wine prioritises reuse over single use: https://www.sustainability.vic.gov.au/recycling-and-reducing-waste/in-a-business-2/single-use-plastics-ban-centre/success-stories-reuse-champions/glou-wine

The Tasmanian Government has an opportunity to lead and coordinate this major sustainability initiative, and it is proposed that a full feasibility study be undertaken to deliver a business case for investment.

Recommendation:

• Undertake a feasibility study into the establishment of a glass container reuse facility in Tasmania.

Wine Tasmania

Wine Tasmania is the peak body representing Tasmania's wine producers, with a focus on promoting Tasmania as a cool wine region like no other on the planet, with demand for its wines continuing to exceed production. Wine Tasmania voluntary membership represents more than 98% of Tasmanian wine production, with 125 state-wide producer members and 38 associated member businesses. All activities undertaken by the industry body are designed to generate value for our members in line with Wine Tasmania's Strategy.

Please contact me if you would like to discuss any further details.

Yours sincerely,

Sheralee Davies

Chief Executive Officer

Supporting material:

- Wine Tasmania submission to the Tasmanian Climate Change Act
- Wine Tasmania submission to the Draft Waste & Resource Strategy
- Wine Tasmania submission to the Container Refund Scheme discussion paper