

MEDIA RELEASE



AUSTRALIAN
ALUMINIUM
COUNCIL LTD

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28 August 2014

Warburton Review calls for significant RET changes

The Australian Aluminium Council has responded to today's release of the Renewable Energy Target (RET) Review.

"We welcome the acknowledgement by the Review Panel that the RET impacts electricity prices for trade exposed businesses such as aluminium smelting and alumina refining – and that significant adjustments to the scheme are required to reduce its cost burden " Miles Prosser, the Council's Executive Director said.

The RET policy imposes costs on Australian smelters that are not paid by the major global competitors of the Australian aluminium industry, meaning our smelters will continue to struggle in an already difficult commercial environment if not fully exempted from the costs of the RET. These facilities provide well-paid, long-term jobs in regional areas of Australia.

The current RET scheme costs the aluminium industry approximately \$70 million per annum. Since its commencement in 2001, it has cost the industry more than \$500 million.

If unchanged, projected RET costs for the next 5 years are a further \$300-500 million - a damaging blow to the industry at a challenging time. RET costs would continue at similar levels until 2030, a total of \$1 to \$1.5 billion over that time.

"Much has changed since the introduction and subsequent expansion of the RET, including much tougher conditions for Australian manufacturing and a reduced demand for electricity. It is entirely proper for the Government to review and adjust the RET in light of these changes," Mr Prosser said.

"Ultimately, the aluminium industry is unable to continue to subsidise renewable energy generators and therefore we will be pursuing a full exemption from the burden of the RET for aluminium smelting and reduced RET costs for alumina refining."

The Aluminium Council continues to call on all parties to support the aluminium industry and the investment and employment it creates by removing *all* cost burdens of the RET scheme from 1st January 2015.

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