



AUSTRALIAN
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The Hon. Angus Taylor MP
Minister for Energy and Emissions Reduction
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28 April 2020

Dear Minister

Re: National Greenhouse and Energy Reporting Amendment Rule 2020

The Australian Aluminium Council (the Council) represents Australia's bauxite mining, alumina refining and aluminium smelting industries. The Australian aluminium industry has been operating in Australia since 1955, and over the decades has been a significant contributor to the Australian economy. However, despite many decades of economic contribution, the industry is globally comparatively young and well maintained. The industry includes five bauxite mines (>10 Mt per annum), six alumina refineries and four aluminium smelters. Australia is the world's largest producer of bauxite and the world's largest exporter of alumina, and the sixth largest producer of aluminium. The industry directly employs around 14,500 people, including 4,000 full time equivalent contractors. The industry also indirectly supports around 40,000 families in regional Australia.

The Council welcomes the opportunity to provide feedback on the proposed amendments included in the exposure draft of the *National Greenhouse and Energy Reporting (Safeguard Mechanism) Amendment (Extended Transition) Rule 2020* (Amendment Rule). The Council welcomes the recognition of the additional pressures on facilities, during the COVID-19 pandemic, resulting in challenges in both developing baseline applications and accessing third parties to audit these. The Council does not have any concerns with the Amendment Rule as drafted.

The Council's members are facing a number of administrative challenges as a result of COVID-19, which would make compliance without these amendments challenging. These include:

- Staff and auditors normally involved in-baseline preparation are restricted from visiting operations, due to physical distancing and regional movement limits;
- Due to increased workloads in response to the crisis, operations are experiencing limitations on internal capacity;
- Facilities have plans in place to operate with less staff due to the potential for significant amounts of the workforce to be sick or in quarantine. This reduction in staffing would be expected to make completing new baselines challenging; and
- There may be difficulties sourcing Australian Carbon Credit Units (ACCUs) for the 2019-20 compliance year due to circumstances impacting on ACCU generating projects.

The proposed amendments will allow the Council's members additional flexibility for administrative arrangements, without impacting on their compliance obligations. Members of the industry will not be impacted by the potential delay in application of benchmark baselines.

It is expected that some Council members will opt to continue to use current baselines for the 2019-20 year, and welcome removing the need to develop and lodge new baseline applications by 31 October 2020. Facilities will also be able to apply for new transitional calculated baselines that use either default values or estimated values in the 2020-21 year or apply for such a baseline to commence in the 2019-20 year, should they choose to. Council members also appreciate the flexibility to be able to extend multi-year monitoring periods, currently due to end in 2019-20, by a year.

If you have any questions regarding this submission, please do not hesitate to contact me.

Kind regards,



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