

8th August 2018

“NEG AND GAS AND ACCC”, SAYS THE ALUMINIUM INDUSTRY

Australia’s largest users of electricity – the aluminium industry – today called on the Federal and State Governments to approve the framework for the National Energy Guarantee and also called on them to implement the recommendations of the ACCC report on electricity pricing, and do more to release domestic gas supply.

“Without globally competitive energy prices, the viability of industries which are significant regional employers is at stake,” said Miles Prosser the Executive Director of the Australian Aluminium Council.

Industry strongly supports the COAG Energy Council’s efforts to address energy pricing, reliability and emissions, but cautions that to deliver the reduction in prices that industry needs will require the full package of energy reforms.

Unless there is a policy framework which delivers on the NEG, encourages gas exploration and development, and implementation of ACCC recommendations on electricity pricing, we will not see energy at a globally competitive price.

A series of reviews and inquiries – including the Finkel Review and the ACCC Retail Pricing Inquiry, as well as earlier reviews of domestic gas supply – have made consistent recommendations to improve energy markets.

It now falls to the COAG Energy Council to deliver material improvements to consumers of electricity, including industry.

“The NEG targets emissions reductions and reliability of electricity supply. Gas is a critical fuel source to achieve those objectives in the National Electricity Market. Competitive generation and retail markets are also required to deliver electricity at least cost to consumers,” said Mr Prosser.

“While it is fundamental that the NEG is passed, it is also vital that the other elements of energy market reform are acted on to ensure the potential benefits from the NEG are delivered.”

Australia’s aluminium industry directly employs more than 14,000 people and sustains the livelihoods of more than 50,000 households, most in regional Australia. We are responsible for more than \$9 billion of export earnings for the Australian economy and make up a substantial part of the economic activity in regions where we operate including Gladstone, south-west Western Australia, Portland, Hunter Valley, Tasmania, Cape York and Arnhem Land. The aluminium industry uses approximately 10% of the electricity consumed in the National Electricity Market.

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