

MEDIA RELEASE



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A globally significant step forward in securing a sustainable future for Australia's aluminium industry

The Australian Aluminium Council welcomes the Australian Government's announcement of a production credit for the aluminium smelting sector as part of its *Future Made in Australia* plan. This marks a globally significant step towards securing the future of Australia's aluminium industry and strengthening Australia's role as a leader in the energy transition.

"Until now, we have seen many other countries take decisive action to support their domestic manufacturing industries while Australia has been less proactive in comparison," the Council's CEO, Marghanita Johnson, said. "Competitive energy is the critical foundation that enables Australian businesses to compete internationally. Today's announcement is an important step in support of the industry's transition to the competitive, reliable, lower-carbon energy needed for the aluminium industry to secure a sustainable future."

Aluminium is fundamental to all aspects of modern life, from window frames in homes to food packaging, smartphones, and vehicles. It is also essential for defence applications such as military aircraft, armoured vehicles, and naval vessels, underscoring the need to retain a strong domestic supply of the metal, from mine to market.

What many Australians may not realise is aluminium also plays a critical role in renewable energy technologies, including solar panels, electric vehicles, and batteries. With global demand for aluminium projected to double by 2050 largely driven by the energy transition, Australia must act decisively to capitalise on its reserves of bauxite, alumina refining capacity, and aluminium smelting potential.

"The natural advantages of our mineral reserves, renewable energy resources, and highly skilled workforce can give us a competitive edge, but only if supported by the right policy frameworks, over the right timeframe" Ms Johnson said. "The announcement of A\$2 billion in production credits for the sector represents a substantial step forward in the journey for Australia to position itself as a leader in the global aluminium market."

Australia's aluminium industry has long faced challenges including rising energy, labour, and capital costs, in parallel with protracted regulatory processes. The Australian Aluminium Council has consistently called for production credits for the aluminium sector to attract private capital and ensure the aluminium industry

remains globally competitive. These new aluminium production credits should provide the some of the transitional support needed as Australia's energy infrastructure and systems develop, and energy pricing returns to competitive levels. Today's announcement lays the groundwork for:

- Access to reliable, lower-carbon energy at competitive prices;
- Support for capital investment in decarbonisation technologies; and
- Predictable and streamlined regulatory approvals, needed to support this implementation, across the aluminium value chain.

"Australia is one of the few countries globally with the full aluminium value chain—bauxite mining, alumina refining, aluminium smelting, and extrusion—all undertaken domestically," Ms Johnson said. "This policy supports not just resource extraction but also the transformation of those resources into high value finished products, creating more than 75,000 direct and indirect jobs, predominantly in regional Australia."

Ms Johnson emphasised the industry's history of innovation and resilience, adapting to market changes since its inception in 1955. "With the right industry and energy policy framework, the aluminium sector can continue to play a pivotal role in Australia's economy and industrial landscape," she said.

This policy represents a step towards securing a sustainable, innovative, and successful future for Australia's aluminium industry for generations to come.

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ABOUT THE COUNCIL

The Australian Aluminium Council (the Council) represents Australia's bauxite mining, alumina refining, aluminium smelting and downstream processing industries. The aluminium industry has been operating in Australia since 1955, and over the decades has been a significant contributor to the national economy. It includes six mines which collectively produce over 100 Mt per annum making Australia one of the world's largest producers of bauxite. Australia is the world's largest exporter of alumina with five alumina refineries producing around 18 Mt per annum of alumina. Australia is the seventh largest producer of aluminium, with four aluminium smelters and additional downstream processing industries including more than 20 extrusion presses. Aluminium is Australia's highest earning manufacturing export. The industry directly employs more than 20,000 people. It also indirectly supports a further 55,000 families predominantly in regional Australia at pay rates 60% above the national manufacturing average. The industry contributes more than A\$18 billion to Australia's economy with annual export revenue in excess of A\$15 billion.

MEDIA CONTACT

Marghanita Johnson, CEO, Australian Aluminium Council

M +61 (0)466 224 636 or marghanita.johnson@aluminium.org.au