



AUSTRALIAN
ALUMINIUM
COUNCIL LTD

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Department of Industry, Science, Resources (DISR) and
Department of Climate Change, Energy and Environment (DCCEEW)
Via - <https://consult.dcceew.gov.au/gas-market-review-report>

9 March 2026

Dear Ministers,

Re: Gas Market Review Report and Implementation

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 nation's economy. The Earnings for Australian exports of aluminium, alumina and bauxite are expected¹ to rise from \$18 billion in 2025–26 to \$19 billion in 2026–27. More than \$14B of this comes from the alumina and aluminium industries, as value adding mineral processing sectors. The industry includes six bauxite 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 top manufacturing export. The industry directly employs more than 21,000 people, including 6,600 full time equivalent contractors. It also indirectly supports a further 55,000 families predominantly in regional Australia. The integrated industry contributes around \$18 B to Australia's GDP.

The Council welcomes the release of the Gas Market Review Report (the Report). As each operation has unique energy arrangements, the Council will limit its comments on the Report to a high level. Additionally, the Council draws the attention of the submissions of both the Energy Users Association of Australia (EUAA) and Manufacturing Australia (MA), where the industry has a large number of mutual members.

At a time when manufacturers are facing serious challenges, energy is one of the few advantages Australia has to offer and which Government can help to deliver. The Council seeks a national climate and energy policy framework which is transparent, stable and predictable, while maintaining the economic health of the nation including vital import and export competing industries. Given the importance of a functioning gas market to the industry, the Council is happy to provide further information on any of the issues raised in this submission and looks forward to continuing to work with the Government on the development of gas policy.

Kind regards,

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¹ <https://www.industry.gov.au/sites/default/files/2025-06/resources-and-energy-quarterly-june-2025.pdf>

Supply, security and trade

The Council agrees that despite Australia's abundant gas reserves and resources with total gas production in Australia being approximately four times annual domestic consumption, there is still a risk of a structural supply shortfall. The Council recognises that the construction of the three LNG export facilities in Gladstone as well as moratoria on gas exploration in some states, has fundamentally changed the gas market with the east coast increasingly reliant on Queensland gas. The east coast LNG export industry has become linked to international markets, exposing domestic consumers to volatility in international LNG prices.

The experience of Council Members is that previous emergency reforms have not been able to establish sufficient long term investment certainty, are not able guarantee or direct increased domestic supply, and need to evolve to address the long term, structural challenges facing Australian gas markets to avoid or mitigate forecast shortfalls for gas that is required to meet demand during the economy wide transition to net zero.

The industry has experience operating under the Western Australian Domestic Gas Reservation Policy for almost 15 years. This policy, while not without its challenges, has helped provide domestic market security to the alumina industry in Western Australia and demonstrates the mutual value which can be created between the mineral processing industry and its energy suppliers with supportive policy settings. Development of the national policy should take into account the learnings, both positive and negative, of the implementation and ongoing operation of this state based policy.

Equally, through the policy setting process, the effort required to support the physical movement of gas through the system should not underestimated with the policy needing to recognise the critical role of supporting infrastructure such as transport, storage and system constraints to deliver meaningful outcomes for domestic consumers.

The Council has been on the record for many years in support of a domestic gas reservation policy, as part of fundamental reforms to gas market settings. The principles outlined in the Report are sound at a high level and the Council looks forward to engaging on the detailed design process of the reservation prior to its commencement in 2027.

Gas Prices

The Council believes that the "reasonable" price cap defined as A\$12/GJ in late 2022, was the only policy option available to bring prices down at a time of extremely high volatility in the market, however, at this price the Aluminium industry is unviable. While this price was recommended by the Australian Competition and Consumer Commission (ACCC), it is substantially above the level which the Council believes is sustainable for industry in the long term. The aluminium industry requires a price closer to the cost of production to promote long term sustainable operation.

The Council agrees with findings that measures to date have not been sufficient to put downward pressure on prices in the context of tight supply. The Council agrees with the conclusion that, for users who are unable to transition to alternative energy sources and who require lower prices than gas producers can sustain, more targeted measures may be needed.

For industrial users unable to switch from using gas as an energy source or feedstock in the short to medium term and who are considered critical to Australia's sovereign interests such as Australia's alumina and aluminium sectors, where the impact of a gas reservation scheme does not deliver sufficiently reduce prices in line with the intent of the policy, the Government should consider options to ensure they are able to continue operating.

Market Conduct and Efficiency

It is the experience of Members that users have often faced limited choices when seeking gas supply contracts. Many buyers report having a small number of genuine offers, reducing their ability to negotiate competitive outcomes. A gas reservation policy that requires producers to deliver gas into the domestic market (as opposed to just offer) is one tool which would assist in better contracting outcomes.

Market Transparency

The Council's members have experienced a lack of transparency and inconsistent information on price and available supply leading to an imbalance of power in negotiations, with large buyers required to form expectations on the basis of incomplete, dated and asymmetric information. Suppliers often benefit from engaging in a wider pool of participants during bilateral contract negotiations. Increased gas market reporting as proposed in the Report should help address this.