



THE SENATE

Senate Economics Legislation Committee

Inquiry into Future Made in Australia Bill 2024 [Provisions] and the Future Made in Australia (Omnibus Amendments No. 1) Bill 2024 [Provisions]

Answers to written questions on notice from the Australian Aluminium Council asked by Senator Andrew Bragg on 30 August 2024

Question:

- 1. Are you concerned that the Government is putting all of their eggs on this idea, and not wanting to address any of the other issues facing the sector?*

Answer:

In its engagement with all stakeholders, the Australian Aluminium Council has highlighted that the integrated nature of bauxite mining, alumina refining, aluminium smelting and extrusion processes in Australia means that efficient and effective regulatory processes for each step are critically important to the ongoing operation of the overall system. In particular, the Council has been concerned that the Future Made in Australia processes must have regard to non-financial means of support – particularly the streamlining of regulatory approvals and coordination of State and Federal policies – that are critical to lowering investment barriers.

A suite of government policies and frameworks, including environmental approvals, are required to decarbonise Australia's domestic manufacturing in order to establish a 'green metal' industry in Australia. Australia's historic advantage in the aluminium industry stemmed principally from its substantial high quality bauxite reserves. The success of Australia's green metals industry requires an integrated system of policies, including those which support ongoing approval to mine Australia's bauxite reserves. While seeking to maintain Australia's highest standards for ESG, it is also worth considering that global demand will continue to be met from elsewhere if not provided by Australia. The current capacity remains vulnerable to both domestic policy and geostrategic risk.

In Australia, none of bauxite, alumina and aluminium are currently considered Critical Minerals. Aluminium is included as a Strategic Material, but this listing lacks any other supporting policy framework. Australia's failure to address this is a lost opportunity in its policy setting framework.

However, the Australian Aluminium Council maintains that the Future Made in Australia Bill 2024 represents a pivotal step towards a sustainable and resilient future for Australia, one where Australia not only meets its net zero targets but also becomes a global leader in the green metals industry, including alumina and aluminium.

Question:

2. *On of Australia's strength comes from its vast reserves of natural resources. Wouldn't you concede that there is no point trying to get a minerals processing industry developed if we can't even open the mines to get the raw materials?*

Answer:

Without mining, the world cannot reach net zero by 2050, and the minerals required to achieve our decarbonisation goals are of such magnitude that to reach net zero, we will need more mining, not less. As a leader in sustainable mining practices, the aluminium industry supports regulations that meet the highest standards of environmental protection. Approval processes must reflect the commercial realities of long-life capital-intensive projects and provide efficient pathways for projects seeking approvals without diminishing regulatory standards. Failure to do so will see projects and production move offshore, often to countries with much lower environmental standards. Transitional arrangements for any existing projects or referrals must be clearly articulated. The long term future for the sector in Australia is positive but it is under near term stress.

The industry includes six large bauxite mines plus several smaller 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 six alumina refineries producing around 21 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 and producers of metal powders and aluminium coatings. The Council agrees that predictable, streamlined approvals for the whole value chain from mine to market including infrastructure needed to ensure alumina and aluminium can continue to be made in Australia in the future.