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20 June 2014

**RIO TINTO ALCAN BAUXITE AND ALUMINA  
SUBMISSION TO THE INQUIRY INTO THE ENERGY EFFICIENCY OPPORTUNITIES  
(REPEAL) BILL 2014**

Thank you for the opportunity to make a submission to the Inquiry into the Energy Efficiency Opportunities (Repeal) Bill 2014 (the **Bill**) by the Senate Standing Committees on Economics.

Rio Tinto Alcan – Bauxite and Alumina (RTA B&A) owns and operates the Weipa bauxite mine on Western Cape York Peninsula, the Gove mine in north-east Arnhem Land and the Yarwun alumina refinery in Gladstone. RTA B&A also has an 80 per cent interest in the Queensland Alumina Ltd (QAL) refinery in Gladstone.

RTA B&A supports the Bill to repeal the Energy Efficiency Opportunities (**EEO**) programme. The current arrangements place an unnecessary layer of cost and inefficiency on our business, which is already under severe market pressure.

The object of the EEO programme was “to improve the identification, evaluation and public reporting of energy efficiency opportunities by large energy-using businesses, to increase the uptake of cost effective energy efficiency opportunities”.

In our experience, the EEO programme is neither necessary nor appropriate:

- There are already strong incentives for large industrial energy users to manage energy at existing sites and design and construct energy efficient projects.
- Continuing EEO regulations to achieve the same end is both onerous and costly without any commensurate benefit to RTA B&A or the wider community.
- EEO regulations have added compliance burden and cost to activities that are already a focus for RTA B&A.
- Energy intensive businesses are driven by commercial realities independent of Government laws and regulations.
- Rio Tinto itself has very rigorous internal processes of project evaluation and development to ensure our new projects are focussed on energy efficiency.

The process of refining alumina is extremely energy intensive with energy costs forming a significant proportion of total production costs. The rising cost of energy will continue to drive businesses to improve energy efficiency, without the need for regulatory burden.

In summary, there is no good reason to continue to impose rigid and unnecessary levels of red tape on businesses that come at a cost to both Government and businesses.

Yours sincerely

**Paul Arnold**  
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