



Committee Secretary
Senate Standing Committee on Economics
PO Box 6100
Parliament House
Canberra ACT 2600 Australia

Re: Submission to Senate Economics Committee inquiry into Renewable Energy Targets (RET)

Dear Committee Members,

As the CEO of the Gladstone Industry Leadership Group (GILG) and on behalf of my Board, I would like to make this submission to the Senate Standing Committee on Economics in regards to the Renewable Energy (Electricity) Amendment Bill 2009 and a related bill.

GILG represents the interests and concerns of five of Gladstone's major industries, namely:

- Boyne Smelters Limited (BSL) – Australia's largest Aluminium smelter,
- Queensland Alumina Limited (QAL) – the third largest alumina refinery in the world,
- Rio Tinto Aluminium Yarwun (RTAY) – the first green field alumina refinery to be constructed worldwide since 1985,
- Cement Australia – Australia's largest cement kiln, and
- NRG Gladstone Operating Services – Queensland's largest power station.

Our members have a workforce of well over 4,000 full time and contract personnel.

GILG is very concerned that the proposed RET will negatively impact Gladstone industries, in particular the Aluminium industry, and have significant negative multiplier effects in the Gladstone region.

As a result, GILG requests that the Senate Economics Committee recommends an amendment to the RET legislation and regulations so that the Aluminium industry, which is both electricity and emissions intense, receives a true 90% exemption from both the current and expanded RET.

If this true 90% exemption is not given, the additional costs imposed by the RET are likely to lead reductions in GILG's member workforces and / or reductions in the capital and maintenance expenditure which in turn supports employment and economic development in the Gladstone region.

Gladstone has already had a foretaste of the potential outcomes of these workforce and expenditure reductions. In April 2009 as a result of the Global Financial Crisis, over 600 GILG permanent employees and contractors were retrenched. There is anecdotal evidence of far greater consequent job losses in the wider Gladstone economy.

Whilst GILG supports the introduction of an RET, there is a need to balance this with wellbeing of both the Gladstone region and wider state and federal economies our member organisations support.

On behalf of Gladstone's industry and community, I therefore ask that your committee recommends an amendment to the RET legislation and regulations so that Aluminium industry receives a true 90% exemption from both the current and expanded RET.

Yours sincerely,

Kurt Heidecker
CEO
Gladstone Industry Leadership Group



23 Jul 09