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## **Welcome progress in Tomago Aluminium talks**

Business Hunter has welcomed news that Tomago Aluminium and the Federal Government have agreed to continue working towards a solution to keep the plant open.

Tomago forecast in September that it may be forced to close due to escalating energy costs and uncertainty in energy supply, which threaten to make the smelter unviable once its current electricity contract expires in 2028.

Business Hunter CEO Bob Hawes said it was encouraging to see the Federal Government had heeded concerns about the impact of job losses and manufacturing capability if Tomago were to close, and was working proactively on a sustainable solution.

"Business Hunter believes securing the future of the aluminium smelter is of vital strategic importance for the Hunter region and the nation," Mr Hawes said.

"While we understand details of the actual deal are still under negotiation, today's announcement shows the Government is committed to keeping Tomago open and taking a pragmatic approach to securing the future of the smelter well beyond 2028."

Mr Hawes said it was also encouraging that that supply deal under discussion, which would involve Snowy Hydro, would include a facility to underwrite the development of new renewable energy sources.

"We pointed out when the potential closure of Tomago was mooted that it should sound an alarm about the pace of delivery of renewables," he said.

"Projects that can replace coal-fired generation capacity and deliver affordable and reliable renewable energy are moving too slowly. Without faster progress, we risk losing the very industries that will anchor our transition economy.

"Aluminium is a critical material for defence, infrastructure, transport and renewable energy systems. Losing Tomago would be a blow to Australia's sovereign manufacturing capability and counter to the Government's Future Made in Australia ambitions.

"Tomago is also an important generator of jobs in our region – with more than 1000 direct employees and thousands more in the supply chain.

Mr Hawes said the circumstances that had contributed to uncertainty over Tomago's future still posed challenges for manufacturers and energy-intensive industries in the Hunter.

"We still have a lot of work to do to ensure our region can achieve decarbonisation without de-industrialisation," he said.

"But we can assure all levels of government the Hunter region is committed to working collaboratively to achieve solutions."

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