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Business Hunter welcomes Tomago Aluminium deal

Business Hunter has welcomed today's announcement of a long-term support package for Tomago Aluminium, describing the decision as an important investment in local jobs, energy transition and Australia's manufacturing future.

Business Hunter CEO Bob Hawes said securing the future of Tomago Aluminium was about much more than supporting a single business or preserving more than 1,000 direct and 5,000 supply chain jobs.

"Today's package is incredibly important to the regional economy but also provides certainty for one of Australia's most strategically important industrial assets and supports the development of large-scale renewable generation and firming capacity needed to underpin our energy future," Mr Hawes said.

"Australia is one of only a handful of countries with an integrated aluminium supply chain, from mining to smelting and advanced manufacturing. Protecting that capability is increasingly important in a world where nations are placing greater emphasis on economic resilience, supply chain security and sovereign industrial capacity.

"Aluminium is a critical material for defence, transport, construction, electricity transmission and renewable energy technologies, among other industries.

"Maintaining domestic production capability ensures Australia remains a producer of strategic materials rather than simply an exporter of raw resources, while supporting thousands of skilled jobs and the industrial expertise that underpins future manufacturing opportunities."

Mr Hawes said Tomago also played a unique role in supporting the stability and reliability of the NSW electricity system.

"As the state's largest electricity user, Tomago's ability to adjust demand in response to system conditions provides valuable flexibility that helps maintain reliability, particularly as more renewable generation enters the market."

Acknowledging the scale of the \$2.5 billion investment by federal and state governments, Mr Hawes said support was needed to bridge the gap between traditional and emerging energy sources.

"We need renewable energy on an industrial scale and that generation capacity has not been delivered quickly enough for energy-intensive users like Tomago," he said.

"The essence of the Tomago Aluminium situation is a market failure in energy cost and supply – the smelter could not access a sufficient supply of reliable and affordable energy beyond 2028.

"Rooftop solar and small battery installations are valuable, but they are not the solution for major industrial energy users like Tomago Aluminium, data centres or the manufacturers here in the Hunter that mine, bend, melt and make things.

"Maintaining industrial capability while supporting the transition to lower-emissions energy is a challenge governments, businesses and communities must work through together."

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