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Tomago Aluminium closure talks sound an alarm

Business Hunter says reports that Tomago Aluminium has entered into discussions with employees about potential closure should sound an alarm about the pace of delivery of renewable energy alternatives.

It has been reported that Tomago 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 the loss of one of the region's largest employers would have significant consequences for the Hunter economy, Australia's manufacturing capability and the nation's energy transition.

"Tomago Aluminium is not only a cornerstone of the regional economy but a strategic national asset that underpins the country's industrial base," Mr Hawes said.

"Tomago employs about 1,500 people directly and supports thousands more across supply chains, contracting and logistics, so it is constructive that engagement with staff has commenced early.

"This is not just a local business issue. 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."

Mr Hawes said the slow pace of renewable energy generation and transmission development was putting large employers and energy-intensive manufacturers at risk. Despite strong commitments to net zero and renewable energy targets, the delivery of reliable, affordable, firmed power has not kept up with industry requirements.

"The Hunter has been told repeatedly that it will be the engine room of the clean energy transition—but we need the infrastructure to make that a reality," Mr Hawes said.

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

Mr Hawes said there was a role for government agencies involved in the energy transition to step in and engage with Tomago Aluminium on the future of the plant and its workforce.

"The Net Zero Economy Authority has been consulting actively in the region on Eraring Power Station and future pathways for its employees, but the future of Tomago is arguably a more immediate priority and an issue directly linked to the energy transition," he said.

"The Future Jobs and Investment Authority could also provide a vital link into the State Government as solving these complex and large problems is going to take a mighty collaborative effort from business, government and the community.

“There are resources to support workers, industries, and regions through the transition ,such as the recently announced \$5 billion Net Zero Fund to support Australian heavy industry to decarbonise. But the Hunter needs that support now – not after industries close.”

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