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Impact of the Federal Government's Climate Change Response Strategy on Portland, South West Victoria.

You will be well aware of the Australian Aluminium Industry's concerns over the Federal Government's Climate Change Response Strategy, and the real prospects that the Australian Aluminium Industry will lose global competitiveness.

The Committee for Portland accepts the need for Australia to participate in reducing global carbon emissions and to this end, the Committee for Portland supports a well designed Carbon Pollution Reduction Scheme and Renewable Energy Target that:

1. Protects the international competitiveness of Portland Aluminium and the socio-economic benefits it brings to our region.
2. Promotes and supports the continuing development of our region's renewable energy sector.
3. Recognises and supports the Glenelg region to be a model community for the sustainable transition to a low carbon economy.

The Committee for Portland represents the corporate and community interest of the town of Portland. The Committee carries with it the voice of over \$1.3b in annual turnover, direct employment of more than 3000 workers, and the livelihood of a community in excess of 10,000 people.

The community is proud of the smelter and its achievement of being among world best practice in a global industry. However, the Committee for Portland recognises that unless Portland Aluminium remains globally competitive then there is a risk the smelter will close. With Portland Aluminium's energy contract expiring in 2016, the Committee for Portland perceives the risk of closure is heightened and presents an unacceptable exposure for the community.

At risk is:

- Exports exceeding \$750m pa;
- 642 direct jobs and 374 contractor roles and \$120m pa in wages;
- Income tax receipts which in 2008 equated to \$128m.

The knock on effects may include:

- Engineering companies Keppel Prince and Kempe leaving Portland taking with them 425 jobs and \$120m in turnover. Portland Aluminium (PA) is 30% of Keppel Princes turnover and 70% of Kempe's.
- Regional Airline Sharp Airlines closing and further isolating Portland and Hamilton from Melbourne. PA were instrumental in securing the air services.
- Glenelg Shire cutting services to make up the loss of rates. PA is 25% of the Shire's rate take;
- Port of Portland increasing port charges to offset losses. PA is 20% of the Port's revenue.
- Renewable energy projects presently attracted to the region by the electricity infrastructure underwritten by PA may look elsewhere.
- School or class room closures as families leave Portland in search of employment.

In finalising the Carbon Pollution Reduction Scheme and Renewable Energy Target we ask that the Federal Government give due consideration to the social impacts on small communities that are reliant on Emissions-Intensive Trade-Exposed industries.

Thank you for taking the time to read this letter. We would welcome the opportunity to host you, or a representative from your office, on a visit to Portland to assess the situation first hand.

Yours faithfully,

Scott Paterson
Chairperson

Anita Rank
Executive Officer