

Energy guarantee vital for our manufacturing future

WHEN Australia's energy ministers meet tomorrow in Sydney, they should support the National Energy Guarantee.

When the Coalition party room meets next week, those MPs should, too.

Almost 1 million Australians work in manufacturing; more than 286,000 of them in Victoria.

For their sake, reaching agreement on this important energy policy is vital, just as it is vital to securing the next generation of manufacturing jobs in Australia.



**BEN
EADE**

Manufacturing Australia represents the chief executives of some of Australia's largest manufacturing companies.

These companies operate about 300 plants and smaller facilities around the country, providing stable, long-term jobs in every state

and territory, typically in outer suburban and regional communities. Manufacturing Australia supports Australia's Paris climate commitments. The nation should take action to reduce emissions and transition to cleaner electricity generation over time.

But that transition needs to be carefully managed, to ensure our grid remains stable and to keep a lid on energy prices as we adjust. The NEG is designed to do that.

Manufacturers are doing their part. They underpin investments in renewable and lower emissions generation through long-term

contracts, onsite and co-generation projects. They reduce or "load shed" power consumption when it's needed, to stabilise the grid as it integrates more intermittent generation. Manufacturers also invest to reduce energy consumption and emissions.

But just like the energy sector, manufacturers need a policy framework they can rely on in order to make investments for the future. The NEG provides that.

Consider this quote from Rheem Australia chief Chris Taylor: "Rheem supports the National Energy Guarantee, as it

offers the best opportunity so far presented to deliver energy security, energy affordability and emissions reductions.

"It is essential that the principles of 'least cost' and 'market transparency' are embedded in all aspects of the NEG."

We shouldn't go back to the drawing board on this. Australia has already lost too much manufacturing investment because of poor energy policy and market dysfunction.

BEN EADE IS EXECUTIVE DIRECTOR OF
MANUFACTURING AUSTRALIA