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## News release

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### **Aluminium Industry Cranks Up Propaganda Machine**

As the nations of the world meet in Bonn in an attempt to rescue the Kyoto climate change treaty, the Australian aluminium industry has cranked up its propaganda machine with ever-more hyperbolic claims about the economic costs of reducing greenhouse gas emissions.

In a media release dated 18 July 2001 it refers to work by ABARE indicating that energy prices, including petrol prices, could rise by 30%. ABARE's climate change modelling was comprehensively discredited by the Commonwealth Ombudsman in 1998 after it was revealed that ABARE had accepted money from the fossil fuel industry, including oil companies such as Exxon and Texaco and the Aluminium Council of Australia itself.

ABARE's modelling results, along with those of Allen Consulting also commissioned by the mining industry, are contradicted by the commercial facts.

Australian companies have secured grants from the Government's own Greenhouse Gas Abatement Program on the basis of abatement costs that are one tenth of those predicted by the economic models. Major corporations such as AGL and BHP have urged the Government to ratify the Kyoto Protocol and introduce an emissions trading scheme.

"The aluminium industry predicts economic ruin", said Institute Executive Director, Dr Clive Hamilton. "If it is so fearful of the costs of the Kyoto Protocol, why has the aluminium industry just committed \$3 billion to building a brand new smelter in Queensland?"

"If it is going to be more expensive to cut emissions in Australia than elsewhere, why are Japanese companies coming to Australia to buy emission credits?"

The Australian aluminium smelting industry receives \$400 million in subsidies each year through ultra-cheap electricity embedded in contracts with State governments. Former Victorian Treasurer Alan Stockdale complained bitterly of the subsidy Victorian tax-payers provide each year to the smelters in that State and his department referred to the contracts with the smelters as "onerous and unfavourable".

"The foreign-owned aluminium industry has consistently opposed measures to reduce Australia's greenhouse gas emissions and has bullied and cajoled the Federal Government at every turn. The Howard Government would be better guided by the views of the Australian people, 80% of whom want it to ratify the Protocol even without the USA", said Dr Hamilton.

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