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Is Tasmania getting the best outcome for its electricity assets?

In a presentation to the Tasmanian Minerals and Energy Council Conference today in Hobart, Bell Bay Aluminium's General Manager Ray Mostogl has questioned whether Tasmania is getting the best outcome for its electricity assets.

Mr Mostogl told the conference the State-owned energy companies must focus on delivering the best overall long-term outcomes for Tasmania. The challenge, he said, is for the Government to make a strategic decision about how the State should best leverage its electricity assets to ensure energy pricing is competitive for existing business and consumers.

"With generation capacity outstripping demand for electricity across Australia, Tasmania can either continue to sell electricity into a declining National Electricity Market for less than we charge our own industries or we could use our electricity assets to generate wealth for all Tasmanians by lowering energy prices to retain and attract new business to the State to take advantage of our clean and efficient energy," he said.

"While making a decision to significantly reduce energy prices carries with it some political risk, there is next to no economic risk. You only have to look at the jobs growth occurring in the Middle East and the United States, all on the back of a rebuilt or newly established manufacturing base due to low cost energy."

"If decisive government action resulted in substantially lower energy costs for business and consumers, all Tasmanians would prosper. The cost of living and doing business would lower, more Tasmanians would have jobs because businesses are retained and expand; and we become attractive to new business and investment.

I am strongly encouraging the new Tasmanian Government to position itself as the enabler of improved socio-economic outcomes for the current and future generations of Tasmanians by taking this bold step," said Mr Mostogl

Background information:

Bell Bay Aluminium is located on the Tamar River near George Town in Northern Tasmania.

Bell Bay Aluminium directly and indirectly employs more than a thousand Tasmanians and contributes \$690M per annum to Tasmania's Gross State Product.

Annual production in 2013: 189,423 tonnes

Bell Bay was the first aluminium smelter built in the Southern Hemisphere, commencing production in 1955 as a joint venture between the Commonwealth and Tasmanian Governments.

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