

## **SAFEGUARD MECHANISM CONSULTATION PAPER A WELCOME OPPORTUNITY FOR MEANINGFUL ENGAGEMENT WITH HARD TO ABATE SECTORS**

Leading advocate for large commercial and industrial energy users, the Energy Users' Association of Australia (EUAA), welcomes the release of the Safeguard Mechanism Consultation Paper and the government's commitment to genuine consultation with key stakeholders on pathways to net zero.

"EUAA members are some of the biggest energy users in Australia, providing essential goods and services used by the Australian community every day. They also produce steel, aluminium and cement all of which will be critical to building our future renewable energy system," said EUAA Chief Executive Officer, Andrew Richards.

"Changes to the Safeguard Mechanism will impact most EUAA members and we look forward to working closely with government to engage on the detail of the proposed changes."

"The consultation paper is a clear, pragmatic and collegiate start to this important process. We thank the Federal Government for recognising the challenges facing hard to abate and trade exposed industries and contemplating a broad range of abatement options and pathways."

Most EUAA members have strong sustainability and or net zero targets, are already investing substantially in fuel switching, renewable energy PPAs, Energy efficiency and energy optimisation amongst many other strategies. But some businesses face challenges of a lack of commercially viable technology options to reduce emissions directly.

"In considering changes to the Safeguard Mechanism, we think the government is asking the right questions and approaching this enormous challenge in a sensible, pragmatic fashion," added Mr Richards.

The EUAA supports the transition to net zero at least cost not at any cost. Pleasingly, this also seems to be the intent of the Safeguard Mechanism Consultation Paper.

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*The EUAA is the peak body representing Australian industrial and commercial energy users. Our membership covers a broad cross section of the Australian economy including significant retail, manufacturing and materials processing industries. Combined our members employ over one million Australians, pay annual energy bills in the many billions of dollars and support the development of a lasting national energy and climate change plan that puts downward pressure on electricity and gas costs.*

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