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# AUSTRALIAN INDUSTRY GREENHOUSE NETWORK

## ANNUAL REPORT 2013-2014



### **Australian Industry Greenhouse Network Ltd**

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## 1. Chair's Report

Climate change policy has been an area of significant policy differences in approach between the major political parties over the past decade; possibly no more pronounced than in the policy approaches that the major parties took to the electorate last September.

The election of the Coalition with its promise to repeal the Clean Energy Future (CEF) legislative package and introduce its Direct Action Plan has returned focus to policy issues; whereas, over the past few years, much of AIGN's focus was on the implementation of the Labor Government's CEF Package.

As a consequence, much of AIGN's attention has now moved to providing input into the design of the Direct Action Plan's Emission Reduction Fund (ERF) and its crediting, purchasing and safeguard mechanisms. AIGN has contributed to a number of key Government policy papers, including the ERF Issues Paper and Green Paper, as well as closely engaging with senior policy officials. AIGN has also provided input into a number of other reviews of existing climate change policy.

AIGN's contributions to the process have, as ever, been shaped by our principles and supported by a collaborative approach with our membership. Key messages have related to the need for certainty, transparency and policy stability, and a focus on not disadvantaging Australian industry relative to its competitors. AIGN has been successful in having a number of key recommendations accepted in the ERF White Paper and proposed legislation. A key ongoing area of work for AIGN and its members, and where policy is yet to be developed, is the proposed safeguard mechanism and accompanying issues such as the definition of baselines.

We thank the Department of the Environment, the Department of Industry, and the Clean Energy Regulator for their willingness to engage in developing the policy framework to give effect to the ERF. AIGN, through its CEO, was represented on the ERF Expert Advisory Panel, which has provided an opportunity to engage with other key stakeholders. Arising out of this participation, AIGN was able to host Danny Price, a co-chair of the Panel and a key advisor to the Government, at a Network meeting.

Despite the uncertainty at the political level, AIGN also assisted members on issues relating to the implementation of a price on carbon during 2013-14. AIGN played an important part in providing the forum for the exchange of information and views between industry and Government, to minimise the costs of transition to the new policy environment. Attendance at AIGN meetings was high, partly reflecting the ability to obtain speakers from key external stakeholders.

AIGN provided submissions into major reviews such as the Climate Change Authority's Targets & Progress Review and the Expert Panel Review of the Renewable Energy Target (RET). AIGN's submission to the RET review was a substantive response, and benefited from the input of the Centre for International Economics modelling the impact of the RET on prices and industry.

AIGN prepared a strategic paper on the drivers behind decisions by companies to invest in energy efficiency, and welcomed the Government's budget decision to repeal the Energy Efficiency Opportunities Program with effect from 1 July 2014.

Members' willingness to provide input and time to the secretariat in preparing responses has been much appreciated. Demand on members' time has been intense during the year, particularly in relation to responses on the design elements around the ERF.



At the international level, progress on a global agreement under the auspices of the United Nations Framework Convention on Climate Change (UNFCCC) remains slow in the lead up to the Paris 2015 Conference of Parties, where the intent is to develop a new international agreement to apply from 2020.

Although an increasing number of countries are indicating a willingness to consider emissions reduction policies, preparedness to consider action should not be confused with concrete and current action. AIGN will, on an annual basis, prepare a report assessing global action to reduce greenhouse gas emissions, particularly by our major trading competitors and major emitter countries that are outside of the Kyoto Protocol. AIGN maintains active engagement with the climate change negotiations area, which has now moved to the Department of Foreign Affairs & Trade from the Environment portfolio.

I thank Alex, Marion Niederkofler, Lynda McIntosh, Suzanne Nicholls and Alex Ferguson for their efforts on behalf of members over the past year. AIGN farewelled its long-serving Office Manager, Lynda McIntosh, who retired. Lynda's experience and diligence will be missed.

I would also like to acknowledge those Board members who moved on during 2013-14: Miles Prosser, Margie Thomson and Tim Reardon – the latter following the merger of the National Generators Forum with the Electricity Supply Association of Australia. All have provided considerable time and wisdom to the Board, and I thank them for their time and input.

Several longstanding members resigned in 2013-14, but AIGN was also successful in recruiting new members. The current economic environment remains challenging, particularly for those in the manufacturing sector, where many companies are looking at the scope for savings both internally and externally. Association membership is often a first area for culling. The Board is aware of these pressures on its members and has kept fees constant for 2014-15, recognising that AIGN may run a minor deficit. The ability to keep fees constant reflects an ongoing focus by the secretariat on cost management, which was reflected in AIGN running a surplus for 2013-14. The Board is satisfied that AIGN's finances are well administered, and that retained earnings provide sufficient coverage for ongoing major projects and any unforeseen eventualities.

The new Senate, elected last September, came into being on 1 July 2015, and will be critical to the Government's desire to repeal the CEF and implement its Direct Action Plan. With 18 senators on the cross bench, the Government faces a challenging environment and we can expect continuing uncertainty over future policy implementation. At this stage, while it does appear likely that the Government will get the support in the Senate for the repeal of the carbon tax, it is not as clear as to whether it will obtain broad support for the introduction of the ERF.

I am confident that in this challenging and complex atmosphere, AIGN will continue to provide thoughtful and effective advice to the membership and the broader community.

**Damian Dwyer**  
Chair

## 2. Year in Review

For AIGN and its members, 2013-14 has required a focus on both implementation and policy development issues. The Coalition was elected at the Federal election on 7 September 2014. Central to their climate change policy is the repeal of the CEF legislation and the introduction of a Direct Action Plan - a climate change strategy based on direct action to reduce emissions and improve the environment, with a focus on purchasing the lowest cost abatement.

The CEF package, however, which was introduced by the former ALP Government on 1 July 2012, continued to operate during 2013-14. This required AIGN to maintain a focus on the administrative arrangements and processes established to underpin the carbon price, including the complex details around the reporting and acquittal of emissions.

Whilst during the year the focus within the bureaucracy increasingly turned to the implementation of the Direct Action Plan and its ERF, the continued operation of the CEF (at both the company and economy level) threw up many challenges. Through the monthly Network meetings and the preparation of consolidated industry responses on key issues, AIGN provided a forum for industry to constructively engage with Government agencies on regulatory and policy issues.

Representatives of the Clean Energy Regulator (CER) were regular attendees at network meetings where issues such as reporting frameworks and systems, the 'true up process' and streamlining, were discussed in great detail. These sessions were always well attended by member companies, whose representatives commented on the value of accessibility of CER staff and the ability to constructively engage to resolve issues. Alex Gosman was invited to present to the CER Board in April 2014 on 'What Industry wants from a Regulator'. The invitation provides good recognition of AIGN in its representative role, and the opportunity was taken to recognise the Regulator on its proactive approach towards industry consultation and responsiveness. Much of the discussion focussed on the role of the CER with the ERF.

With the development of the policy behind the ERF under the Direct Action Plan, there was continuing engagement with the policy and legislative areas of the Department of the Environment. Members' interest focussed on the detail around the proposed crediting, purchasing and safeguard mechanisms that will apply under the ERF. Key messages have related to the need for certainty, transparency and policy stability, and a focus on not disadvantaging Australian industry relative to its competitors or introducing burdensome reporting requirements. AIGN has been successful in having a number of key recommendations accepted in the ERF White Paper and proposed legislation.

Given that aspects of the ERF were to commence on 1 July 2014, industry responses on design elements were often prepared to short timeframes, and an internal working group worked well in preparing initial AIGN responses to consultative documents prior to full membership endorsement. It is also to be noted that the details of the safeguard arrangements (an area of particular member interest) are yet to be developed and issues around the setting of baselines, treatment of expansions etc, are likely to be contentious. AIGN is a member of the Safeguards Reference Group, which will meet frequently in the latter part of 2014 to develop the safeguard mechanism due to commence on 1 July 2015.

AIGN appreciates the time and efforts of the staff of the Department in engaging with AIGN and providing the ongoing scope for input.



Members continue to place a high value on the monthly Network meetings, with attendance frequently exceeding 30 members; reflecting both the policy-rich environment and the ability of AIGN to attract topical and relevant speakers. The secretariat has also produced a constant email flow of information, as well as the analysis of issues and the commissioning of targeted pieces of external work.

In addition to the implementation of the CEF package, there have been a number of other domestic issues and events requiring AIGN's attention. AIGN provided a submission to the Climate Change Authority's Targets & Progress Review, which highlighted the need to realistically assess current action in other countries for the purposes of comparing Australia's efforts with the world.

In the latter part of the year, AIGN provided a response to the review into the RET, with representatives of the independent review team attending the May 2014 AIGN meeting. In its response, AIGN (with the assistance of the Centre for International Economics) focussed on the operations of the RET and the cost it imposed on industry and the economy, with AIGN recommending that the RET be phased out. The review team's report was due to Government in July and is expected shortly. Indications are that the Government will make its decision in a timely manner, recognising that any legislative change will require parliamentary approval.

An internal position paper was prepared on the approach that industry adopts towards investing in energy efficiency to counter some of the arguments around the need for interventionist programs such as the Energy Efficiency Opportunities (EEO) Program. In AIGN's opinion, in no area is the risk of poor policy development greater than in the area of energy efficiency, where mandatory compliance and reporting schemes such as the EEO Program have imposed increased costs for industry and duplicated other Government policies with little additional impact (Should 'impact' be changed to 'benefit'? W).

Rather than an area of government intervention, AIGN considers that investment in energy efficiency is fundamentally a business decision, which is impacted by a wide range of considerations. Governments can best support investment in industrial business efficiency by providing a stable, nationally integrated, industrial energy and climate change policy environment in which policy risks are minimised. AIGN welcomed the Government's decision to abolish the EEO Program from 30 June 2014.

AIGN has also prepared a response to the Issues Paper on the Energy White Paper that the Government intends to release in late 2014. In its response, AIGN noted the energy-intensive nature of Australian industry and the need for competitive sources of energy. The submission focussed on issues around the EEO Program, the review of the RET, and the introduction of the ERF. AIGN also prepared submissions to the parliamentary inquiries into 'green tape' and the abolition of the EEO Program.

On behalf of members, AIGN has maintained a strong interest in international developments where, increasingly, the action seems to be at the national and regional levels. Both Labor and the Coalition support retention of a unilateral 5% emission reduction target for the Australian economy by 2020. At the multilateral level, the focus is increasingly on means to raise levels of country ambition and negotiations over the shape of the post-2020 climate change agreement.

AIGN attended the UNFCCC meeting in Poland. The forthcoming UN Leaders meeting in September 2014 and the LIMA Conference of Parties meeting in December 2014 will be important signposts to the likelihood of a new agreement being established.

Looking ahead, and with the uncertainty surrounding the parliamentary process for the passage of legislation in respect to the introduction of the ERF, it is unlikely to be any quieter in 2014-15.

Further details on the submissions prepared by AIGN during 2013-14 are available on the website ([www.aign.net.au](http://www.aign.net.au)).

### 3. AIGN Network Meetings

A major AIGN activity continues to be the program of regular Network meetings. These meetings assist in the progression of AIGN objectives by contributing to the exchange of ideas within AIGN, and in developing thoughtful responses to key issues. Efforts have continued to provide a clearer separation in consideration of policy and implementation issues in the agenda structure. The 10 Network meetings held in Canberra over 2013-14 gave members the opportunity to not only hear from a range of speakers, but to also provide considered input. Speakers over the past 12 months have included representatives from Government, the private sector, non-government organisations and academia.

After a focus over the past few years on issues around the implementation of CEF, the election of a new Government with a radically different approach towards climate change has required a greater focus on policy issues relating to the introduction of the Direct Action Plan, as well as reviews into a number of areas of climate change policy, such as the RET. Attendance at meetings exceeded 30 members on many occasions, reflecting the complex policy and implementation environment.

A number of meetings were almost entirely devoted to member feedback on submissions relating to critical issues, such as the ERF. To facilitate effective and timely input, a number of working groups were established for key topics to work on drafting material between meetings. This drew considerable member input and worked well, particularly in regard to the response to the Issues Paper on the ERF. Discussion was often robust.

Topics addressed by guest speakers at AIGN meetings have included the following:

- Reporting under the CEF.
- Development of the ERF, including speakers from the Department of the Environment, CER and Danny Price (Chair ERF Expert Panel).
- The role of the Australian Competition & Consumer Commission with the repeal of the carbon price.
- Climate change and energy policy in Western Australia.
- Australia's greenhouse gas emissions forecast for 2014.
- Progress of international negotiations on climate change, as well as developments internationally, and their impact on international prices (particularly the EU ETS).
- The EEO Program and its various reviews, as well as work on industrial data relating to energy efficiency (Climateworks).
- Energy White Paper.
- RET review, including members of the Expert Advisory Panel.
- 'Decarbonisation of Australian economy' project (Climateworks and ANU).
- Changes in Australia's energy demand.
- Australia's emission levels.

## 4. International Meetings & Policy

Traditionally, AIGN's involvement at the international level on approaches towards greenhouse gas reductions has been via the United Nations Framework Convention on Climate Change (UNFCCC), which provides the foundation for international cooperation on climate change. AIGN's continuing involvement in the work of the UNFCCC stems not only as one of the few bodies representing the interests of Australian business, but also for the credibility that involvement provides for interaction in Australia with key domestic policymakers.

Australia's commitment under the Cancun Agreements is to reduce net emissions by 5% below 2000 levels by 2020, irrespective of global action on climate change, with conditional net emissions reduction of up to 15% or 25% depending on the extent of global action.

Domestically, there has been considerable debate around Australia's commitment, partly stimulated by the change in Government and the Climate Change Authority's Targets & Progress Report, which examined Australia's progress towards its medium and long-term emissions reduction targets, and Australia's emissions reduction goals. Interest has also been stimulated by growing awareness of the proposed development of a new International Agreement designed to take effect from 2020, and which it is hoped will be finalised at the Conference of Parties (COP) meeting in Paris in late 2015.

In its report, the Climate Change Authority examined levels of international action and commitment and, on the basis of an assessment of what it considered was happening at the international level, recommended a minimum 2020 target of 15% below 2000 levels, as well as an additional 4% of carryover from the Kyoto Protocol's first commitment period, bringing the recommended minimum target to 19% below 2000 levels. Beyond 2020, guidance for longer term planning and investment (subject to frequent review in light of new information) sees a trajectory range for emissions reductions of between 40% and 60% below 2000 levels by 2030. The Government has not formally responded.

Over the past few years, consideration of emission reduction policies at the national and regional level has increasingly taken place outside the United Nations framework in recognition of the ongoing challenges that the UNFCCC faces in reaching consensus on key issues around meaningful global action on climate change. From an AIGN perspective, this has meant not only maintaining involvement in the UNFCCC process, but also maintaining a close watch on actions at the national level, and assessing the implications for Australia. The positions of China and the United States remain of major interest.

At the multilateral level, the focus is increasingly on means to raise levels of country ambition and negotiations over the shape of the post-2020 climate change agreement, to be signed at the Paris meeting in 2015. At both the domestic and global level, there is considerable interest in the detail of the negotiations and the likely form of the post-2020 agreement. It does appear that the future agreement will rely more on flexible 'bottom-up' type commitments from individual countries, rather than on a top-down mechanism, like the Kyoto Protocol.

As is the usual practice, AIGN CEO Alex Gosman attended the UNFCCC conference, held in November 2013 in Warsaw, Poland. In addition to participating in the daily stakeholder briefings conducted on behalf of the Australian delegation, AIGN also contributed to the business and industry statements made to the conference, and provided input into a number of proposals. It is notable that the level of business representation from Australia at the conference has declined to the extent that AIGN, Australian Forest Products Association and the Business Council of Australia, were the only business organisation participants in attendance.





Consistent with past meetings, there remains significant differences between developed and developing countries over key aspects of the UNFCCC work plan, such as who should bear the greatest burden in making emission reductions, and the levels of assistance from developed countries to developing countries, both for mitigation and adaptation.

AIGN supports the public position of the Government to review Australia's commitments in early 2015 in light of the level of commitments by our trading partners to future emission reductions, which are to be presented in early 2015 as part of the COP 2015 process. AIGN also welcomes the transfer of responsibilities for climate change negotiations at the international level from the former climate change portfolio to the Department of Foreign Affairs & Trade. Australia's position on climate change policy needs to be cognisant of Australia's broader trade position.

Australia's negotiating position should ensure that arrangements post-2020 provide an environment that encourages our major trading partners to similar levels of commitment in reducing greenhouse gas emissions as entered into by Australia.

## 5. Public Activity

### 5.1 Conferences, Speeches & Presentations

Public and corporate interest in climate change policy issues has generated many forums. AIGN staff and members attended many of these over the course of the year.

### 5.2 In the Media

While AIGN rarely issues press releases on matters being debated, it does issue statements to coincide with the release of consultant reports that it has commissioned and which are released to the public.

AIGN, represented by the CEO, Alex Gosman, participated in several media interviews over the course of the year, and provided background material to journalists on an occasional basis.

In interacting with the media, the CEO is guided by the Board-endorsed media policy, which is available to members on the AIGN website ([www.aign.net.au](http://www.aign.net.au)).

## 6. AIGN-commissioned Consultants' Reports

AIGN commissioned consultants to undertake research on behalf of members on an 'as needed' basis. This work is to advise the thinking of AIGN and its members as it considers its responses to climate change and energy policy measures. Some of this work is made publicly available to inform the public of debate on issues.

The Centre for International Economics prepared a document titled 'How the Renewable Energy Target Works', which was placed on the AIGN website ([www.aign.net.au](http://www.aign.net.au)). An external consultant also assisted in the preparation of an internal document on the drivers of investment by industry in energy efficiency.

## 7. AIGN's Climate Change Policy Principles

The most appropriate response to climate change is a globally consistent approach, which should include a common price signal for greenhouse gas emissions. Such an approach, however, is not likely to emerge within the long-term investment horizon of industry.

AIGN's climate change policy principles establish a sound framework for Australian policy development. In summary, in the international context, these principles envisage a global agreement that imposes on the Australian community costs that are comparable to the costs expected to be borne in countries with similar wealth.

In the domestic context, the principles envisage Australian policy measures that:

- are national — there is no place for state-based mitigation policies;
- are developed and implemented transparently to engender community support;
- are stable, predictable and avoid complexity to help minimise investment uncertainty;
- establish a long-term price signal across the whole economy;
- do not expose Australian export- and import-competing industry to costs not faced by these industries in other countries;
- compensate those, including low income earners and non-trade industry, that carry a disproportionate share of the cost burden;
- effectively address market failures not addressed by an emissions price signal;
- promote public and private investment in first-of-a-kind low emission technologies;
- do not discriminate against early movers and new entrants; and
- encourage the community to invest in adaptation strategies.

Adopting policies that meet these principles should deliver least-cost, environmentally-effective and equitable outcomes for Australia.

### AIGN Climate Change Policy Principles

- Australia should make an equitable contribution, in accordance with its differentiated responsibilities and respective capability, to global action to reduce greenhouse gas emissions and to adapt to impacts of climate change.
- Australia should engage the international community in pursuing identified and beneficial environmental outcomes through greenhouse gas emissions reduction action that:
  - allows for differentiated national approaches;
  - promotes international cooperation;
  - minimises the costs and distributes the burden equitably across the international community;
  - is comprehensive in its coverage of countries, greenhouse gases, sources and sinks;
  - recognises the economic and social circumstances and aspirations of all societies; and
  - is underpinned by streamlined, efficient and effective administrative, reporting and compliance arrangements.
- In this global context, Australia should develop a strategic national approach to responding to climate change that:
  - is consistent with the principles of sustainable development and other national policies, including economic growth, population growth, international trade, energy supply and demand, and environmental and social responsibility;
  - takes a long-term perspective;
  - maintains the competitiveness of Australian export and import-competing industries;
  - distributes the cost-burden equitably across the community;
  - adopts a consultative approach to the development of new policies; and
  - is consistent and effectively coordinated across all jurisdictions throughout Australia.
- Australia's future greenhouse policy measures should:
  - be consistent with the strategic national approach;
  - be trade and investment-neutral, in a way that does not expose Australian industry to costs its competitors do not face;
  - not discriminate against new entrants to Australian industry, nor disadvantage 'early movers' in Australian industry who have previously implemented greenhouse gas abatement measures;
  - take account of the differing sectoral circumstances;
  - be based as far as is practicable on market measures;
  - address all greenhouse gases, emission sources and sinks; and
  - balance, in a cost-effective way, abatement and adaptation strategies, both of which should be based on sound science and risk management.
- Australia's contribution to the global climate change effort as set out here reflects the principle in Article 3.1 of the United Nations Framework Convention on Climate Change. Differentiated responsibilities and respective capabilities could take account of such matters as a country's economic growth and structure, population growth, energy production and use, etc.

## 8. Governance

### 8.1 Objects

The objects of AIGN are to promote the development of Australia's manufacturing, agricultural and industrial resources, as set out below:

- Consultation with governments and other opinion leaders on the adoption of a principled, comprehensive, national and international greenhouse policy framework within which effective, equitable, efficient and appropriate domestic greenhouse policies and measures are developed and implemented, consistent with sustainable development.
- Provision of information, advice and a forum for developing analysis and participation in the process of public policymaking on the climate change issue.
- Contribution to the international climate change debate, including through the provision of advice to the Australian delegation to the UNFCCC meetings.

### 8.2 Directors

AIGN's constitution provides for up to 12 directors; two-thirds of whom are elected by association members and one-third by corporate members. The Board currently operates with a membership of seven.

AIGN members and secretariat staff appreciate the input of the Board of Directors to the efficient and effective management and direction of the organisation, and thank directors for the time and effort they devote to the organisation.

### 8.3 AIGN Board Membership: 1 July 2013 to 30 June 2014

AIGN's Board of Directors, elected in general meeting, is responsible for the company's business planning and operational management. They do this within a policy framework and strategic agenda determined by the general meetings of the company.

Business transacted and decisions made by the Board during 2013-2014 have been communicated to members through its Network meetings and regular communications.

<i>NAME</i>	<i>PERIOD</i>
Dwyer, Damian BEc, Grad Dip Pub Ec Pol Director, Economics Australian Petroleum Production & Exploration Association	Elected: October 2011 Re-elected: October 2013
Luehman, Clare FCA, BBus (A) General Manager, Global Sustainability and Carbon Incitec Pivot Ltd	Elected: October 2013
Marris, Sid BA(Hons) Sid Marris Director, Industry Policy Minerals Council of Australia	Appointed: May 2013 Elected: October 2013



<i>NAME</i>	<i>PERIOD</i>
Prosser, Miles BSc (Forestry) (Hons) Executive Director Australian Aluminium Council	Appointed: June 2009 Re-elected: October 2009 Re-elected: October 2011 Re-elected: October 2013 Resigned: October 2013
Reardon, Tim B Ec, Masters in Management Executive Director National Generators Forum	Elected: October 2012 Resigned: June 2014
Smith, Susie BSc, MAICD Manager, Strategy, Planning, Carbon & Sustainability Santos Limited	Elected: October 2012
Thomson, Margie BAg Sc, MEcon Chief Executive Officer Cement Industry Federation	Elected: October 2010 Re-elected: October 2012 Resigned: December 2013
Tilley, John PhD Executive Director Australian Institute of Petroleum	Elected: October 2011 Re-elected: October 2013
Torkington, John BAppSci Senior Advisor, Climate Change Chevron Australia Pty Limited	Appointed: May 2007 Re-elected: October 2007 Re-elected: October 2009 Re-elected: October 2011 Re-elected: October 2013

## 9. Administration

### 9.1 Staffing

AIGN's long-serving Office Manager, Lynda McIntosh, retired in early 2014. Lynda has been replaced by Suzanne Nicholls.

Accountancy firm, Hardwickes, has taken on the responsibility for the day-to-day accounting tasks.

Secretariat staff as at 30 June 2014 are:

- Alex Gosman, Chief Executive Officer  
Permanent part-time employee, working approximately 24.5 hours per week.
- Marion Niederkofler, Policy Advisor  
Permanent part-time employee, working approximately 14 hours per week.
- Suzanne Nicholls, Administration Officer  
Casual employee, working approximately 6 hours per week.
- Alex Ferguson, Research Assistant  
Casual employee, working approximately 10 hours per week.

### 9.2 Operations

AIGN renewed the lease on its office suite in Kingston for 4 years from December 2013, with an option to review this arrangement after 2 years.

AIGN continues to sub-let two offices within its suite to two other tenants. The income derived from leasing these offices is important in assisting to keep AIGN membership fees as low as possible.

## 10. Membership

During 2013-14, two Association Members ceased operations, reflecting industry changes and consolidation. The Australian Coal Association ceased its operations in late September 2013, and was integrated into the Minerals Council of Australia. Similarly, the National Generators Forum merged with the Electricity Supply Association of Australia (ESAA) on 1 July 2014, reflecting *“a rapid evolution of the energy supply industry, with continued consolidation, transformation and privatisation of the sector”*. AIGN is in ongoing discussion with the ESAA regarding possible membership.

A further two Association Members (the Australian Food & Grocery Council and the Plastics & Chemicals Industry Association) advised that they would not be renewing membership for 2014-15, reflecting changing priorities and the climate change policy environment.

In addition, two Corporate Members (Alcoa World Alumina – Australia and Tomago Aluminium Company Pty Ltd) advised that they would not be renewing membership for 2014-15, reflecting current economic conditions.

The AIGN Board is conscious of the current difficult industry conditions and the pressures these place on members. AIGN is currently talking to a range of associations and corporates regarding possible membership.

Membership fees in 2013-2014 were:

- Association membership: \$21,900 (excl GST)
- Corporate membership: \$10,950 (excl GST)

Membership fees for 2014-2015 are unchanged.

### 10.1 AIGN Members at 1 July 2013

<i>ASSOCIATION MEMBERS</i>	<i>CORPORATE MEMBERS</i>
Australian Aluminium Council	Alcoa World Alumina – Australia
Australian Coal Association	BlueScope Steel
Australian Food & Grocery Council	BHP Billiton Ltd
Australian Forest Products Association	BP Australia Ltd
Australian Industry Group	Caltex Australia
Australian Institute of Petroleum	Chevron Australia Pty Ltd
Australian Petroleum Production & Exploration Association	ConocoPhillips Australia
Cement Industry Federation	CSR Ltd
Federal Chamber of Automotive Industries	ExxonMobil Australia
Minerals Council of Australia	Incitec Pivot Ltd
National Generators Forum	International Power Australia





*ASSOCIATION MEMBERS*

Plastics & Chemicals Industries Association

*CORPORATE MEMBERS*

Leighton Holdings Ltd

Origin Energy Ltd

Rio Tinto Australia Ltd

Santos Ltd

Shell Australia Ltd

Tomago Aluminium Company Pty Ltd

Wesfarmers Ltd

Wilmar Sugar Australia Limited

Woodside Petroleum Ltd

Glencore Australia



## 11. Financials

The financial statements that accompany this report confirm AIGN's continued sound financial position as at 30 June 2014.

The financial outcome at year-end showed a continuation of last year's return to surplus, with an overall surplus of \$62,969. This is due mainly to the reduction in staff costs following the employment of all staff on a part-time or casual basis and the spend on consultancies being greatly reduced this year reflecting the change in policy.

The Board agreed that membership fees in 2014-2015 will be unchanged, reflecting both the healthy financial position of AIGN and the difficult economic conditions for members.