MEDIA STATEMENT

More jobs and growth for Southland when NZAS restarts its fourth potline

New Zealand’s Aluminium Smelter (NZAS) has secured a power contract for 50 MW to enable it to restart its fourth potline which was mothballed six years ago.

“This is a great day and news I am thrilled to be able to announce,” says NZAS Chief Executive and General Manager Gretta Stephens.

“Restarting Line 4 will create up to 32 skilled jobs in Southland, as well as boosting production by a further 85 tonnes of metal a day.”

Opened in 1996 by then Prime Minister Jim Bolger, the fourth potline was built with a view to expansion down the line; however, in April 2012 with historically low aluminium prices and a looming increase in power prices, the very difficult decision was made to shut Line 4 down.

“It is never good to have a cold potline at a smelter as it represents a capital investment that isn’t contributing to our economy and our community,” says Ms Stephens.

Prices for aluminium have begun to recover and following extensive negotiation with Meridian Energy agreement has been reached for a contract until December 2022.

“NZAS makes aluminium with one of the lowest carbon footprints of a smelter anywhere in the world. Aluminium is the fastest growing input in the automotive industry as manufacturers seek greater fuel efficiency,” says Ms Stephens.

“NZAS is well placed to offer metal that is increasingly sought after in a low carbon global economy.”

It is expected to take up to six months before Line 4 is fully operational and will begin with a planning, equipment sourcing and recruitment phase.

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Key facts:

- NZAS has secured a power deal with Meridian that gives it enough secure power (50 MW) to restart Line 4. This contract runs until 2022 – NZAS’ main power contract runs until 2030.

- The restart will boost NZAS’ employee numbers by up to 32 people, bringing our total workforce to around 860.

- It is expected to take up to six months to get Line 4 fully up and running.

- The preparation for the restart phase will include recruitment of staff as well as ordering raw materials and specialised equipment.

- Line 4 will produce around 85 tonnes of metal per day – boosting NZAS’ daily overall production of aluminium by 9%.

For further information, refer to the NZAS website www.nzas.co.nz

Q: What impact will this have on Southland’s GDP?

The restart of Line 4 is expected to have a positive impact on the local economy through the creation of new jobs and additional expenditure with local businesses. For example, there will be an additional 85 tonnes of metal per day that needs to be moved out of NZAS. Up to 32 skilled jobs will be created with the associated need for housing and support services in the community for those people.

Q: What will this mean for export earnings for New Zealand?

NZAS estimates that Line 4 alone would contribute an additional 0.2% to NZ export earnings (all other things held equal).

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