



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard Thursday, 2 March 2006

MINISTERIAL STATEMENT

Aurukun Bauxite Project

Hon. PD BEATTIE (Brisbane Central—ALP) (Premier) (9.39 am): There is more good news for Queensland. I have an announcement involving what is likely to be the biggest single investment in the history of Queensland. The government has short-listed the provisional proposal of Chalco—the Chinese Aluminium company—for the development of the Aurukun bauxite resource on Cape York.

Opposition members interjected.

Mr BEATTIE: Members opposite do not like big projects. They do not like jobs and opportunities. Isn't it typical? They smirk; we work. We will not allow them to undermine Queensland. As the Deputy Premier said, they are not fit for opposition and they should—

Mr Copeland interjected.

Mr SPEAKER: Order! Member for Cunningham, if you have to interject at least give the Premier the courtesy of his correct title.

Mr Copeland interjected.

Mr SPEAKER: Order! I warn you under standing order 253 for trying to be smart.

Mr BEATTIE: Mr Speaker, isn't it typical? They are not interested in the biggest project in the history of Queensland. That is why they are not fit for government. They are not ready. They need another two terms in opposition at least. Let us move on. I am not interested in their nonsense; I am interested in the future of Queensland.

As I was saying I have an announcement involving what is likely to be the biggest single investment in the history of Queensland. The government has short-listed the provisional proposal of Chalco—the Chinese aluminium company—for the development of the Aurukun bauxite resource on Cape York. We have invited the company to submit a final proposal and to conclude a development agreement with the state in the next phase of the bid process. Queensland stands to gain thousands of jobs and an investment of nearly \$3 billion if this provisional proposal goes ahead.

A strong international field of 10 bidders participated in stage 1 of the bid process. Provisional proposals were submitted at the end of January for consideration and evaluation by the government. We are confident of achieving the full economic and social benefits that we envisaged when we freed up this neglected resource and put it on the global market. We wanted more than just a mine; we wanted to establish a partnership between the developer and the Aurukun Indigenous community to provide long-term economic and social benefits, something the member for Cook was strongly supportive of.

Mr O'Brien: Fantastic news.

Mr BEATTIE: We wanted value-adding jobs, and this provisional proposal is exactly what we wanted. It means thousands of construction jobs and hundreds of long-term jobs for regional Queenslanders and a solid income stream to help pay for essential services such as health, education and

police. The provisional proposal includes a mine and washing plant at Aurukun and a refinery on the east coast of Queensland worth a total of \$2.92 billion. At the moment the options for the refinery being considered by Chalco are Bowen—and I know the member for Whitsunday will be particularly interested in that—

Ms Jarratt: Hear, hear!

Mr BEATTIE:—Townsville—and we have three members particularly interested in that: the members for Townsville, Thuringowa—

Mr Wallace: Hear, hear!

Mr BEATTIE: Exactly, and Mundingburra—and Gladstone, and I know the member for Gladstone will be interested as well.

Mrs Liz Cunningham: Hear, hear!

Mr BEATTIE: As part of the bid, the state is being asked to assist in the provision of common user infrastructure for the project to a maximum of \$300 million. This provisional proposal involves an estimated direct construction workforce of 3,800 people over a three-year construction period, including 700 for the mine and washing plant at Aurukun and 3,100 for the refinery on the east coast. It is estimated there would be a direct operational workforce of about 600 people including 105 at the mine and washing plant and 407 at the refinery. The plant is to extract 7.5 million tonnes of bauxite every year in order to produce 2.1 million tonnes of alumina each year from the refinery.

Chalco will now complete its prefeasibility study and submit its final proposal bid by the end of May this year as the next stage of the bid process. The state will then consider the final proposal and, if satisfied with all elements, including state and Indigenous interests, may execute a development agreement and appoint Chalco as the preferred developer.

I was particularly impressed by the level of commitments made by Chalco in its provisional proposal and the series of undertakings that Chalco has given to develop the Aurukun project in a five-year time frame and to develop sustainable partnerships with the Aurukun community and Indigenous parties. The Aurukun community representatives have played an important role in the bid process. The community stands to gain major benefits from the development. I am delighted that Chalco has the full support of the Chinese government in pursuing this strategic investment for China and that the Aurukun project is considered by Chalco to be the first step in a potential long-term partnership between China and Queensland.

I thank all bidders for their participation in stage 1 of the process. Although not short-listed, some of the bidders have retained an interest in the Aurukun resource and have expressed their preparedness to discuss joint venture arrangements with other parties, including the successful bidders, or to directly negotiate with the state if the short-listed bidder does not proceed with the development. We will be working closely with Chalco over the next few months to achieve project commitment. I stress that this is not a done deal at this stage and that Chalco will need to spend another \$4 million on completing its prefeasibility study, defining the refinery site options and submitting the final proposal to the state by the end of May.

However, I do remind everyone that this project is being driven by my government. For 15 years, until October 2003, the holder of the Aurukun bauxite lease did nothing to start the construction of a refinery as required by the lease. On 22 October 2003 I wrote to the leaseholder calling on the company to surrender the mining lease. As they say, the rest is now history. These are the sorts of projects that come about because of sound economic management of the Queensland economy. That is the sort of stability my government has given Queensland, and that is why these projects are now starting to go ahead.