



Speech by

Rosemary Menkens

MEMBER FOR BURDEKIN

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MINERAL RESOURCES AND OTHER LEGISLATION AMENDMENT BILL

Mrs MENKENS (Burdekin—NPA) (12.47 pm): It is a pleasure to speak on and support the Mineral Resources and Other Legislation Amendment Bill. As the shadow minister has said, the intent behind this legislation is excellent and certainly very important for the continued economic development of Queensland. The decision to name the Chinese aluminium company Chalco as the preferred bidder to develop the bauxite deposit at Aurukun and construct a refinery in Queensland is a welcome move and one that promises to deliver much to the whole of Queensland. It is through utilising our rich resources base that Queensland can position itself to readily compete in the world market and plan for the future. We have to ensure that we capitalise on our current competitive advantage in minerals and resources and recognise that it is a platform to build on, not an end in itself.

The objectives of the bill—to facilitate the development of the Aurukun bauxite deposit, ensure consistency of legislation regarding offshore pipeline licences and ease necessary land acquisitions—will give further weight to the processes already in place to progress the project. It would be fair to say that if the development is to proceed with Chalco as the developer, the flow-on benefits will be enormous and will cement Queensland's reputation as a preferred investment destination. The world market for resources is booming and we would be negligent if we did not take advantage of its buoyancy. This does not mean we welcome development regardless of the consequences, but with foresight, planning and a clear goal in mind we can build for future generations.

The peculiarities of the Aurukun deposit and the work already carried out have determined the need for the recommended changes to the relevant legislation. It is gratifying to see the government taking these necessary steps to facilitate this project and certainly to give more certainty and clarity to all the parties involved. It is also satisfying to see the vigorous lobbying taking place to secure sites for the proposed refinery to process the ore that will be mined at Aurukun. Three sites have been named as possible locations for an alumina refinery and, no doubt, ultimately an alumina smelter. Gladstone, Abbot Point and the Townsville industrial estate have been named, and the suitability of these sites is currently being assessed by Chalco and the government. I hope that the results of this assessment will be made public by July.

Whichever of these sites is chosen, all of Queensland will benefit. My personal hope is that it will be situated in north Queensland in a position that will have absolutely minimal environmental impact, will have no impact on existing residential areas and also will have the full support of the constituency of that area. I genuinely believe that it is very important to take those criteria into consideration. It is also essential to take into consideration the very real needs of the available power and water supplies and transport infrastructure that are going to be critical to the success of this magnificent project.

I have had the privilege of meeting with Madam Liu, the Chinese Consul, on two occasions in Brisbane and have appreciated being briefed by the senior project managers of Chalco. This is a very professional project that will have a huge impact on Queensland. The prospect of the creation of several thousand jobs during the construction phase of the refinery and up to 500 permanent jobs is certainly very

attractive and will make a huge difference to Queensland's economy and employment prospects no matter where the refinery is located.

This significant investment in Aurukun and complementary refinery would send a strong signal to other companies that responsible investment is welcome in Queensland and that their investments would be secure. A project of this size means more than a few temporary jobs and some extra business for support and ancillary industries. The accompanying upgrading and building of complementary infrastructure necessary to support such a project can only add value to the state's wealth. The same applies to the mooted PNG gas pipeline project.

These days, a significant measure of the cost of business is the cost of energy or, more specifically, the cost per kilojoule. For refinery and extraction industries particularly, energy availability, efficiency and cost are determining factors in the viability or otherwise of a project and often they decide a project's feasibility. An alumina refinery, such as the one planned by Chalco, has a huge demand for and reliance on power and would benefit from and need the availability of a plentiful supply of inexpensive energy. Moves to facilitate this pipeline by the introduction of the amendments contained in this bill to clarify the state's jurisdiction are needed and welcome.

Last year, I was fortunate to meet with the Deputy Prime Minister of Papua New Guinea and the Minister for Environment and Conservation for Papua New Guinea during their visit to Townsville and I received a briefing on the details and benefits of this pipeline. If this pipeline can be proven to be commercially viable, it would deliver to markets right across eastern Australia with proposed laterals to Gove and through to the south west. It would eventually be over 3,800 kilometres in length and create 1,500 jobs. The construction of the pipeline would use more than 450,000 tonnes of steel pipe—and that in itself would generate enormous industry—joined by in excess of 200,000 welded joints. I ask members to think about all the work and the tradesmen involved in this pipeline.

At this stage, the final estimated cost of this pipeline is in the vicinity of \$2.5 billion to \$3 billion. Much of the benefits of this pipeline will flow directly to Queensland's economy and business. The first gas deliveries are anticipated to begin in 2009 and will give long-term security of supply over declining traditional gas sources, enable competitive pricing and assist in creating an active and competitive gas market.

Once the supply of competitively priced gas is available, strong supply-led growth can be expected to occur with the further development of industries able to capitalise on and take advantage of its benefits. It would also allow the planning and commissioning of gas-fired power stations to reduce our dependence on the existing coal-fired power stations and increase our capacity to supply power to existing and new homes, businesses and industries throughout the state. These are exciting developments for our state. I certainly support moves to facilitate their progression.