

Question on Notice
No. 1040
Asked on 8 June 2006

MRS E CUNNINGHAM asked the Premier (MR BEATTIE) -

QUESTION:

With reference to the infrastructure package offered to Chalco and related to the company's decision to locate a plant at either Gladstone, Townsville or Bowen — Will this same package be available to all three sites equally?

ANSWER:

As you are aware, Chalco has requested assistance from the State Government of up to \$300 million in common user infrastructure to support an estimated \$3 billion integrated bauxite mine and alumina refinery development in Queensland. The Government has not yet given any formal consideration to this request.

Under the bidding rules for the Aurukun Project, such consideration by the Government only occurs after Chalco lodges its final proposal. The provision of any assistance will be dependent upon:

- the Government's acceptance of the final proposal by Chalco;
- a demonstrated need for such support;
- Chalco's acceptance of minimum project performance conditions;
- the identification of true common user infrastructure that is available to third parties; and
- a user charging regime agreed to by the Government.

The site location decision is a commercial matter for Chalco and it should be based on the site that offers the best business case for Chalco to support it in making a full commercial commitment to the project. Irrespective of the outcome, I can confirm that the level of assistance, if offered to Chalco, will not be dependent upon the ultimate alumina refinery site selected. Any support will be based upon the total project and the estimated net economic benefits to the State as a whole.