

Question on Notice
No. 299
Asked on 8 March 2006

MR CHOI asked the Deputy Premier, Treasurer and Minister for State Development, Trade and Innovation (MS BLIGH) —

QUESTION:

With reference to the remark made by the State Deputy Opposition Leader on 4QR regarding Chalco and the Aurukun project —

- (1) How will that undermine investors' confidence in Queensland?
- (2) How will that affect economic growth and job prospects in Queensland?
- (3) How will that reflect the opposition's view on the short listed investors?

ANSWER:

(a) How will that undermine investors' confidence in Queensland?

The comments made by the Deputy Leader of the Opposition about the Competitive Bid Process for the Aurukun Project and, in particular, his suggestion that the bidding rules were set up to favour one bidding party over all other bidders will make future investors think carefully before investing in Queensland or before participating in a public bidding process. False comments of this nature create a slur on the process, which has been subject to a strict probity process, and they can only undermine investor confidence. These allegations, without any facts or evidence to substantiate such claims, are destructive and damaging to the State's reputation and relations with major investors and puts at serious risk job creation in Queensland

(b) How will that affect economic growth and job prospects in Queensland?

If Chalco were to withdraw from the Aurukun Project as a result of the Deputy Opposition Leader's comments, economic growth and job prospects in Queensland would be negatively affected. In the case of the Aurukun Project, the proposal by Chalco is to invest up to \$3 billion in a bauxite mine and refinery and to construct major new infrastructure in North Queensland. This represents one of the biggest capital investments in Queensland's history and possibly the start of a new wave of major Chinese investment in the State. The Aurukun Project alone will directly create at least 4,500 new jobs in the construction and operational stages. The flow-on benefits to other industries and to isolated communities in Far North Queensland will be significant.

(c) How will that reflect the opposition's view on the short listed investors?

The Opposition's statements show a complete disregard for the facts and a total lack of respect for all ten parties, representing most of the major players in the world aluminium industry, who participated in the Competitive Bid Process. These accusations attempt to cast doubts on the Competitive Bid Process which has been governed by strict probity rules and which has been recognised by the bidders themselves as fair and transparent.