

Question On Notice No. 5995 asked in the Legislative Council on 12 March 2008 by Hon Giz Watson

Question Directed to the: **Parliamentary Secretary representing the Minister for State Development**

Minister responding: **Hon E.S. Ripper**

Parliament: 37 Session: 1

Tabled Paper No: 4046

Question

Hydro Aluminum (Hydro) is the world's third largest integrated aluminum producer and is at least 43.8 percent beneficially owned by the Norwegian Government. On 17 August, 2007, the Minister for State Development, in answer to question on notice No. 4941, indicated that Government agencies had been in communication with Hydro about Mitchell Plateau Temporary Reserve TR 70/5610H (TR) since 17 October 2005. The TR is currently held by the Mitchell Plateau Joint Venture (MPJV), split jointly between Rio Tinto (65.625 percent) and Alcoa (34.375 percent). The TR expired on or about 31 December 2007. On or about 14 May 2007, Hydro signed a Memorandum of Understanding (MOU) with United Minerals Corporation (UMC) to explore the possibility of bauxite mining and alumina refining in the Kimberley region of Western Australia. For the purposes of these questions, UMC includes its wholly-owned subsidiary, Bauxite Australia Pty Ltd. On or about 13 November 2007, Hydro announced its entry into a joint venture (JV) with UMC with the intention of 'recovering bauxite and producing alumina in Kimberley, Western Australia', and I ask -

(1) Does the TR remain in force?

(2) If yes to (1), is the MPJV in default of its obligations under the terms of the *Alumina Refinery (Mitchell Plateau) Agreement 1971, (Mitchell Plateau State Agreement)*?

(3) If yes to (2), has the MPJV's rights of occupancy to the TR been renewed?

(4) If yes to (3), on what date, and until when?

(5) If no to (3), has the *Mitchell Plateau State Agreement* ended?

(6) If yes to (5), does the Minister intend to reclassify the TR as a section 19 area in accordance with the *Mining Act 1978*?

(7) If no to (1), has the TR been re-classified as a section 19 area in accordance with the *Mining Act 1978*?

(8) What fees and other payments (whether cash or in-kind) are made by the MPJV to Government and/or its agencies on an annual and/or more regular basis in relation to the TR, including, -

(a) the entity from which each payment is made;

(b) the amount of each payment;

- (c) the Department and/or Agency to which each payment is made;
- (d) the Department and/or Agency charged with responsibility for issuing each invoice to the MPJV and/or its associated parties; and
- (e) the regularity with which each individual Department and/or Agency issues invoices to the MPJV and/or its associated parties?
- (9) Have any Departments or Agencies, or any members of individual departments or agencies been instructed not to invoice the MPJV and/or its associated parties in, -
- (a) the financial year ended 30 June 2008; and
- (b) the financial year ended 30 June 2009?
- (10) If yes to (9), please outline, -
- (a) each Department or Agency which has been instructed not to invoice the MPJV and/or its associated parties and when;
- (b) the periods in which they would have ordinarily been required to invoice the MPJV and/or its associated parties; and
- (c) the amounts foregone by each individual Department or Agency as a result of each Department or Agency foregoing the invoicing of the MPJV and/or its associated parties?
- (11) If yes to (9), please outline the reasons why each individual Department or Agency has been instructed not to invoice the MPJV and or its associated parties in the subject period(s).
- (12) The Mitchell Plateau is a remnant of an elevated and dissected laterite-capped eroded plain which is bordered by a lower-lying sandstone plateau. The bauxite deposits occur in a lateritic sheet which ranges in thickness from two to five metres and covers an area of 400 square kilometres. What is the total area of the TR (as measured in square kilometres)?
- (13) As at 6 March 2008, and in accordance with current Geological Survey of Western Australia (GSWA) data, what are the, -
- (a) total drill-indicated in-situ bauxite reserves contained within the TR (without beneficiation) including tonnages, grades and reactive silica values; and
- (b) total drill-indicated reserves contained within the TR (after beneficiation using the hole cut-off method) including tonnages, grades and reactive silica values?
- (14) As at 6 March 2008, and in accordance with current GSWA data, what are the, -
- (a) total drill-indicated in-situ bauxite reserves contained within the deposit known as Lone Dingo (without beneficiation) including tonnages, grades and reactive silica values; and

(b) total drill-indicated reserves contained within the deposit known as Lone Dingo (after beneficiation using the hole cut-off method) including tonnages, grades and reactive silica values?

(15) As at 6 March 2008, and in accordance with current GSWA data, what are the, -

(a) total drill-indicated in-situ bauxite reserves contained within the area known as Northern Plateau (without beneficiation) including tonnages, grades and reactive silica values;

(b) total drill-indicated reserves contained within the area known as Northern Plateau (after beneficiation using the hole cut-off method) including tonnages, grades and reactive silica values?

(16) As at 6 March 2008, and in accordance with current GSWA data, what are the, -

(a) total drill-indicated in-situ bauxite reserves contained within the area known as the Central Plateau (without beneficiation) including tonnages, grades and reactive silica values; and

(b) total drill-indicated reserves contained within the deposit known as the Central Plateau (after beneficiation using the hole cut-off method) including tonnages, grades and reactive silica values?

(17) As at 6 March 2008, and in accordance with current GSWA data, what are the, -

(a) total drill-indicated in-situ bauxite reserves contained within the deposit known as South Plateau - West (without beneficiation) including tonnages, grades and reactive silica values; and

(b) total drill-indicated reserves contained within the deposit known as South Plateau - West (after beneficiation using the hole cut-off method) including tonnages, grades and reactive silica values?

(18) As at 6 March 2008, and in accordance with current GSWA data, what are the, -

(a) total drill-indicated in-situ bauxite reserves contained within the deposit known as South Plateau - Central (without beneficiation) including tonnages, grades and reactive silica values; and

(b) total drill-indicated reserves contained within the deposit known as South Plateau - Central (after beneficiation using the hole cut-off method) including tonnages, grades and reactive silica values?

(19) Can the Minister please show spatially the area and boundaries of known bauxite reserves within the TR in relation to current TR boundaries?

(20) Can the Minister please show spatially the area and boundaries of the lateritic sheet(s) within the TR in relation to current TR boundaries?

(21) In relation to Norsk Hydro and/or its associated entities, including Worley Parsons, (Hydro), has the Government or its Agencies had direct communications with Hydro in relation to the TR since 19 June 2007?

(22) If yes to (21), with whom and on what dates have these communications taken place?

(23) Can the Minister please table the communications between the Government or its Agencies with Hydro in relation to the TR?

(24) If no to (23), to the extent that the communications have related to the status of the occupancy rights to the TR, can the Minister please provide a detailed overview as to what the Government and/or its Agencies have communicated to Hydro?

(25) If no to (23), to the extent that the communications have not related to the status of the occupancy rights to the TR, but have related to bauxite mining and/or alumina developments in the Kimberley region, can the Minister please provide a detailed overview as to what the Government and/or its Agencies have communicated to Hydro?

(26) In relation to Norsk Hydro and/or its associated entities, including Worley Parsons, (Hydro), has the Government or its agencies had direct communications jointly with Hydro and members of the MPJV or their associated entities in relation to the TR since 19 June 2007?

(27) If yes to (26), with whom and on what dates have these communications taken place?

(28) Can the Minister please table the joint communications between the Government or its Agencies with Hydro and members of the MPJV or their associated entities in relation to the TR?

(29) If no to (28), to the extent that the communications have related to the status of the occupancy rights to the TR, can the Minister please provide a detailed overview as to what the Government and/or its Agencies have communicated to Hydro and members of the MPJV or their associated entities?

(30) If no to (28), to the extent that the communications have not related to the status of the occupancy rights to the TR, but have related to bauxite mining and/or alumina developments in the Kimberley region, can the Minister please provide a detailed overview as to what the Government and/or its Agencies have communicated to Hydro and members of the MPJV or their associated entities?

(31) In relation to UMC and/or its associated entities, including Worley Parsons, (Hydro), has the Government or its agencies had direct communications with UMC in relation to the TR since 19 June 2007?

(32) If yes to (31), with whom and on what dates have these communications taken place?

(33) Can the Minister please table the communications between the Government or its Agencies with UMC in relation to the TR?

(34) If no to (33), to the extent that the communications have related to the status of the occupancy rights to the TR, can the Minister please provide a detailed overview as to what the Government and/or its Agencies have communicated to UMC?

(35) If no to (33), to the extent that the communications have not related to the status of the occupancy rights to the TR, but have related to bauxite mining and/or alumina developments in the Kimberley region, can the Minister please provide a detailed overview as to what the Government and/or its Agencies have communicated to UMC?

(36) In relation to UMC and/or its associated entities, including Worley Parsons, (UMC), has the Government or its agencies had direct communications jointly with UMC and members of the MPJV or their associated entities in relation to the TR since 19 June 2007?

(37) If yes to (36), with whom and on what dates have these communications taken place?

(38) Can the Minister please table the joint communications between the Government or its Agencies with UMC and members of the MPJV or their associated entities in relation to the TR?

(39) If no to (38), to the extent that the communications have related to the status of the occupancy rights to the TR, can the Minister please provide a detailed overview as to what the Government and/or its Agencies have communicated to UMC and members of the MPJV or their associated entities?

(40) If no to (38), to the extent that the communications have not related to the status of the occupancy rights to the TR, but have related to bauxite mining and/or alumina developments in the Kimberley region, can the Minister please provide a detailed overview as to what the Government and/or its Agencies have communicated to UMC and members of the MPJV or their associated entities?

(41) Has the Government and/or its Agencies (including any consultants) had any communications with the MPJV and/or its associated entities (including its consultants) in relation to the relinquishment of all or part of the area incorporated within the TR to Hydro and/or UMC and/or the Hydro/UMC JV and/or one or more of the aforementioned parties or entities associated therewith?

(42) If yes to (41), with whom and on what date did these communications first take place?

(43) If yes to (41), with whom and on what other dates have these communications taken place?

(44) If yes to (41), can the Minister please table the communications had between the Government or its Agencies (including any consultants) with the MPJV in relation to the relinquishment of all or part of the area incorporated within the TR to Hydro and/or UMC and/or the Hydro/UMC JV and/or one or more of the aforementioned parties or entities associated therewith?

(45) If yes to (41), but no to (44), can the Minister please provide a detailed overview of the nature of the communications had between the Government or its Agencies (including any consultants) with the MPJV in relation to the relinquishment of all or part of the area incorporated within the TR to Hydro and/or UMC and/or the Hydro/UMC JV and/or

one or more of the aforementioned parties or entities associated therewith, including the content of those communications?

(46) Since 1 January 2007, has the Government and/or its Agencies (including any of its consultants) been provided with feasibility studies, business plans, concept documents, or otherwise by any member of the Hydro/UMC JV and/or their associated entities (including any consultants affiliated therewith), evaluating one or more of the establishment of (not all-inclusive), -

(a) a port and materials off-loading facility at any of Port Warrender, Walsh Point or MacGregor Point, at or near the Mitchell Plateau;

(b) a haul road or conveyor system from the Mitchell Plateau to a port and materials off-loading facility at any of Port Warrender, Walsh Point or MacGregor Point, at or near the Mitchell Plateau;

(c) mine development plans, with various options for the sequential development of Lone Dingo and the Northern Plateau, the Central Plateau and the western and central areas of the South Plateau;

(d) the establishment of a construction workers' accommodation village and mine workers' accommodation villages;

(e) options and design models for barge/ship load-out options incorporating re-claimers, stackers, conveyors and ship loaders; and

(f) the bitumising of the Mitchell Plateau airfield to enable all-weather landing?

(47) Has the Government and/or its Agencies (including any consultants) had any communications with the Kimberley Land Council (KLC), (including any consultants), in relation to the possibility of future bauxite mining of all or part of the TR since 1 January 2007?

(48) If yes to (47), with whom and on what date did these communications first take place?

(49) If yes to (47), with whom and on what other dates have these communications taken place?

(50) If yes to (47), can the Minister please table the communications had between the Government or its Agencies (including any consultants) with the KLC in relation to the possibility of future bauxite mining of all or part of the TR?

(51) If yes to (47), but no to (50), can the Minister please provide a detailed overview of the nature of the communications had between the Government or its Agencies (including any consultants) with the KLC in relation to the possibility of future bauxite mining of all or part of the TR, including the content of those communications?

(52) Has the Government and/or its Agencies (including any consultants) had any communications with Wunambal Gaambera Aboriginal Corporation (WGAC), (including any consultants), in relation to the possibility of future bauxite mining of all or part of the TR since 1 January 2007?

(53) If yes to (52), with whom and on what date did these communications first take place?

(54) If yes to (52), with whom and on what other dates have these communications taken place?

(55) If yes to (52), can the Minister please table the communications had between the Government or its Agencies (including any consultants) with the WGAC in relation to the possibility of future bauxite mining of all or part of the TR?

(56) If yes to (52), but no to (55), can the Minister please provide a detailed overview of the nature of the communications had between the Government or its Agencies (including any consultants) with the WGAC in relation to the possibility of future bauxite mining of all or part of the TR, including the content of those communications?

(57) Has the Government and/or its Agencies (including any consultants) had any communications with Kandiwal Aboriginal Corporation (Kandiwal), (including any consultants), in relation to the possibility of future bauxite mining of all or part of the TR since 1 January 2007?

(58) If yes to (57), with whom and on what date did these communications first take place?

(59) If yes to (57), with whom and on what other dates have these communications taken place?

(60) If yes to (57), can the Minister please table the communications had between the Government or its Agencies (including any consultants) with Kandiwal, in relation to the possibility of future bauxite mining of all or part of the TR?

(61) If yes to (57), but no to (60), can the Minister please provide a detailed overview of the nature of the communications had between the Government or its Agencies (including any consultants) with Kandiwal, in relation to the possibility of future bauxite mining of all or part of the TR, including the content of those communications?

Answered on 4 June 2008

(1) Yes.

(2) No.

(3) - (7) N/A.

(8) (a) Mitchell Plateau Bauxite Company Pty Ltd (MPBC).

(b) Annual rental for occupancy rights is \$70,543.55 (incl GST).

(c) The Department of Industry and Resources (DoIR).

(d) DoIR does not issue an invoice but on receipt of the rental payment a tax invoice is issued to the MPBC.

(e) Tax invoices are issued annually to the MPBC, subject to an application for the renewal

of occupancy rights for the TR being lodged.

Also, an amount of \$62,500 is paid annually by the MPJV to the Department of Environment and Conservation to manage facilities and infrastructure on the Mitchell Plateau including the airstrip, road maintenance and visitor facilities. Specific questions regarding the funding / contribution arrangements should be directed to the Minister for the Environment.

(9) No in respect to the Department of Industry and Resources.

(10) - (11) N/A.

(12) 1,765 sq kms.

(13) - (18) Information not available.

(19) No.

(20) Yes.

(21) Yes.

(22) Minister Logan met with representatives of Norsk Hydro and UMC on 4 February 2008. The Deputy Premier, Eric Ripper MLA, wrote to Hydro-UMC Joint Venture on 4 January 2008.

(23) Yes [See tabled paper no.].

(24) - (25) N/A.

(26) See response to part 21.

(27) Minister Logan met with representatives of Norsk Hydro and UMC on 4 February 2008. The Deputy Premier, Eric Ripper MLA, wrote to Hydro-UMC Joint Venture on 4 January 2008.

(28) See response to part 23.

(29) - (30) N/A.

(31) Yes.

(32) See answer to part 22.

(33) See answer to part 23.

(34) - (35) N/A.

(36) No.

(37) N/A.

(38) See answer to part 23.

(39) - (40) N/A.

(41) No.

(42) - (45) N/A.

(46) No.

(47) No.

(48) - (51) N/A.

(52) No.

(53) - (56) N/A.

(57) Yes.

(58) Correspondence was received by the Department of Premier and Cabinet from Mr C Brown of the Kandiwal Aboriginal Corporation on 12 March 2008, which was referred to the Office of the Minister for State Development to respond.

(59) No other correspondence has been received.

(60) No. The response to the correspondence identified in part 58 has not yet been finalised by the Government or its agencies.

(61) It is not appropriate to supply information at this time, as the correspondence has not yet been finalised.

See Tabled Paper



**DEPUTY PREMIER
TREASURER; MINISTER FOR STATE DEVELOPMENT**

197 St Georges Terrace, Perth, Western Australia 6000
Telephone: (08) 9222 8788 Fax: (08) 9222 8799
Email: eric-ripper@dpc.wa.gov.au
Website: www.ministers.wa.gov.au/ripper

Our Ref: **M71327**

Mr Alan Birchmore
Hydro-UMC Joint Venture
Level 14
BGC Centre
20 The Esplanade
PERTH WA 6000

Dear Mr Birchmore

MITCHELL PLATEAU BAUXITE

I refer to your correspondence dated 29 October 2007 regarding your efforts to develop a Kimberley bauxite-to-alumina project.

I can advise you that I am currently considering a request from the Mitchell Plateau Bauxite Co Pty Ltd for a further extension of the date beyond 31 December 2007 for the submission of development proposals in accordance with Clause 5(1) of their *Alumina Refinery (Mitchell Plateau) Agreement Act 1971*.

I will inform you of my decision in this regard in due course.

Yours sincerely

Original Signed
04 JAN 2008
ERIC RIPPER

**ERIC RIPPER MLA
DEPUTY PREMIER; TREASURER;
MINISTER FOR STATE DEVELOPMENT**