

ALCOA — KWINANA REFINERY

790. Ms M.J. DAVIES to the Premier:

I refer to reports that the new CEO of Alcoa is considering closing the Kwinana refinery due to an insufficient supply of bauxite as a result of delays in the government approval process for its new mine plan.

- (1) What action has the Premier taken to ensure that the refinery remains open and operating, sustaining the 1 200 direct jobs and up to 6 000 indirect jobs in our state?
- (2) When will the plan be approved so that Alcoa can provide an assurance of ongoing employment to those thousands who rely on this business for their livelihood?

Mr R.H. COOK replied:

I thank the member for the question. It is a very good one.

- (1)–(2) Obviously, the comments today from Alcoa’s chief executive—I think it was in Pittsburgh—were disappointing and create unnecessary uncertainty for the workplace. Since Alcoa’s refinery was commissioned in 1963, it has been a major employer in the Kwinana area in my electorate. It currently employs around 1 200 people at the refinery and over 4 600 people in WA directly and indirectly. Obviously, any decisions Alcoa makes to curtail operations at Kwinana would be disappointing for the local workforce, particularly in Kwinana. Alcoa’s comments today that it is considering closing the refinery will mean an uncertain time for those workers, so our thoughts go out to them. It is very troubling that it has made those comments.

We expect Alcoa to provide clarity first and foremost for its workers. It is currently undertaking a mine management plan, which has been referred to the Environmental Protection Authority by a third party, and this referral is a matter for the EPA, which is independent of government. The EPA is currently determining whether to assess the proposals and, if so, the level of assessment. We will obviously not interfere in that process. It is an independent process that we expect it to undertake.

The state government is continuing to work with Alcoa on its updated mine management plan, as well as modernising its improvement framework. Alcoa is working in increasingly contested areas of state forest and other parts of Western Australia as it seeks to make sure that it has an appropriate blend of different qualities of bauxite for its ongoing operations. We sincerely hope that it can mitigate the current risks to the viability of the Kwinana refinery. As the member for Cottesloe will attest, the technology it uses at Kwinana is, to my understanding, quite dated and therefore it makes it a more inefficient refinery compared with, say, the Wagerup refinery. However, it is an important part of Alcoa’s operations and obviously also provides it with export facilities by way of its exposure to the Kwinana port facilities. I suspect it is also strategically important for Alcoa.

Someone made the observation recently that the rehabilitation of that site would be so extensive that Alcoa would probably be better off persisting with it. I have regular meetings with Alcoa, primarily around its mine management plan, to make sure that we understand its constraints and opportunities. We are working closely with it to try to find a mine management plan that is acceptable to all parties, and we need to make sure that we do everything we can to provide certainty and a future for those workers, which is our key concern.