



Submission No:18.....

**Alcoa World Alumina
Australia**

A global alliance between
Alcoa and Alumina Limited

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Wayne Osborn
Managing Director

5 April 2004

Ms Julia Morris
Inquiry Secretary
Joint Standing Committee on Treaties
Parliament House
Canberra ACT 2600

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13 APR 2004

BY:.....

Dear Ms Morris

Alcoa World Alumina Australia is pleased to provide a submission to the Joint Standing Committee on Treaties inquiry into the Australia – United States Free Trade Agreement.

Alcoa is a leading Australian producer and exporter

Alcoa has been Australia's leading producer of aluminium since 1963 and has driven the development of Australia's aluminium industry. Alcoa operates bauxite mining and alumina refineries in Western Australia, aluminium smelters in Victoria, and aluminium rolling mills in Victoria and New South Wales.

Alcoa's investment in Australia has provided essential infrastructure and has supported the growth of regional communities. Alcoa is one of Australia's leading regional employers and provides more than 6000 jobs, mainly in regional Victoria and Western Australia. Alcoa operations support an additional 20,000 jobs.

Alcoa is one of Australia's leading exporters and exports around \$4 billion of product each year. Alcoa produces almost 8 million tonnes of alumina in Australia each year and supplies 15 per cent of the world's demand for alumina from its operations in Australia.

Alcoa exports aluminium and alumina to the world's fastest growing economies including Asia and China. Australia's exports to the United States are also crucial to the growth and development of the global aluminium industry.

Alcoa contributes to regional communities

Alcoa contributes to the life of Australian communities by supporting local jobs and businesses, and through our community sponsorship and partnership programs. Alcoa provides \$4 million a year in community sponsorship across Australia.

Alcoa's support for Landcare and partnership with Greening Australia has resulted in the planting of over 10 million trees, the establishment of over 700 Alcoa Landcare sites and the rehabilitation of thousands of hectares of degraded land. This partnership was recognised by a 2003 Prime Minister's Award for Excellence in Community Business Partnerships.

Alcoa also received a 2003 Australia Business Arts Foundation award for Partnership Strategy. The award recognised the many fruitful partnerships that Alcoa has forged to support arts as part of its broader objectives to help create stronger and more sustainable communities.

The Australia – United States FTA will deliver long-term benefits

Alcoa welcomes the Australia – United States Free Trade Agreement. Alcoa has been a founder member of business groups in the United States and Australia supporting the Agreement.

The Agreement will underpin future prosperity by promoting greater economic integration and investment between Australia and the United States. The Agreement will also strengthen the long-standing friendship between the two countries.

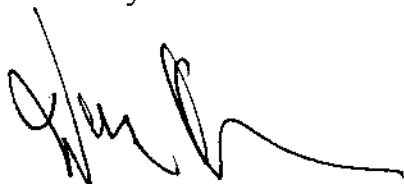
Outcomes on investment for Australian and US businesses include: the establishment of an institutional framework to manage the trade and investment relationship; national treatment protection for Australian and US investors; and facilitating investment by raising the threshold level for investment screening. The Agreement will also support the long-term harmonisation of regulatory, investment and business systems.

The United States is Australia's most important investment partner and largest source of investment. Companies investing in Australia include General Motors, Ford and Alcoa's own 40 year history in producing Australia's aluminium.

Australia is a significant investor in the United States with investment valued at over \$170 billion. The United States is the number one destination for Australian investment and Australian companies are among industry leaders in the United States.

The Australia – United States Free Trade Agreement will result in long-term benefits as companies, such as Alcoa, with a strong base in both Australia and the United States, are able to serve expanding global markets.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Wayne Osborn', with a long horizontal flourish extending to the right.

Wayne Osborn
Managing Director

Alcoa World Alumina Australia is the global leader in alumina production and Australia's sixth largest resources sector exporter. Alcoa is an integrated business comprised of bauxite mining, alumina refining, aluminium smelting, rolling and canned sheet products, with operations in Victoria, Western Australia and New South Wales.

PARTNERS IN GROWTH ALCOA IN AUSTRALIA

- Alcoa Australian operations consist of
 - Two bauxite mines (WA)
 - Three refineries (WA)
 - Two smelters (Victoria)
 - Two aluminium rolling mills (Victoria/NSW)
- Alcoa is Australia's sixth largest mineral/energy exporter
 - Alcoa exports \$4.0 billion of product each year
- Alcoa in Australia operates the largest integrated bauxite/alumina refining/ aluminium smelting system in the world
- Alcoa's alumina production in Australia is almost 8 million tonnes per annum, which is
 - 48% of Australia's total alumina production
 - 15% of World demand
 - Largest alumina refining system in the world
 - Markets primarily in North America and Asia
- Alcoa's aluminium production in Australia is 530,000 tonnes per annum
 - Which is 30% of Australia's total aluminium production
 - 83% of the aluminium ingot is exported, primarily to markets in Asia
- Alcoa has the only aluminium rolling mills in Australia
 - Alcoa produces 100% of the domestic beverage can sheet
 - 45% of the production is exported, mainly to Asia
 - Largest aluminium recyclers in southern hemisphere
- Alcoa's total expenditure in Australia is \$1.6 billion per annum
- Alcoa provides 6,000 direct jobs in Australia mainly in regional areas
 - This activity generates up to 20,000 indirect jobs
- Alcoa underpinned the construction the Dampier to Perth Gas Pipeline in Western Australia and the power transmission line servicing south-western Victoria
- Alcoa provides \$3.8 million a year of community sponsorship across Australia

- Alcoa's research centres in Western Australia and Victoria invest \$20 million annually and employ 75 scientists in support of efficient cleaner production initiatives
- Alcoa has made a \$18 million contribution and leadership to Landcare
- Alcoa's WA mine site rehabilitation is recognised as world's best practice and is in receipt of numerous international awards, including the United Nations Environment Programme's Roll of Honour - Global 500

Further information:

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