AGENCY/DEPARTMENT: INDUSTRY, TOURISM AND RESOURCES

TOPIC: HIsmelt

REFERENCE: WRITTEN QUESTION

QUESTION No. AI-74

Senator EVANS asked: In relation to the HIsmelt facility—
For the years 2004-05, 2005-06 and 2006-07 how much Commonwealth funding has been provided for the development and operation of the facility?

ANSWER

In April 2002, the Commonwealth announced a $125 million investment incentive to Rio Tinto to secure the commercialisation and development of its HIsmelt technology at Kwinana, Western Australia and fund development of multi-user infrastructure, including a cogeneration plant, an industrial gas plant and water recycling facilities. The funding is administered by the Department. To date $80 million has been paid to Rio Tinto ($50 million in 2005-06 and $30 million in 2006-07). To the best of our knowledge no other funds have been provided by other Commonwealth Agencies.

QUESTION No. AI-75

Senator EVANS asked: For the years 2007-08, 2008-09 and 2009-10 how much Commonwealth funding has been allocated for the development and operation of the facility?

ANSWER

Up to $45 million (conditional on satisfaction of contract milestones).
Senator EVANS asked:— If there has been any re-phasing of funding in relation to this facility please detail what re-phasing has occurred?

ANSWER

In May 2004, $30 million re-phased from the 2005-06 to the 2004-05 in response to an earlier than expected request for a milestone payment. The forward re-phased was reversed in February 2005.

In October 2005, $50 million was re-phased from the 2004-05 to 2005-06 after HIsmelt was granted an extension of time to satisfy a milestone.

In May 2006, $50 million was re-phased from 2005-06 to 2006-07 after HIsmelt was granted an extension of time to satisfy a second milestone.

Senator EVANS asked:— In relation to Commonwealth funding provided to this facility indicate the purpose of the funding?

ANSWER

See in relation to AI-74

Senator EVANS asked:— Under what program has the funding been provided?

ANSWER

Strategic Investment Incentive.

Senator EVANS asked:— Will the funding be provided through a funding agreement or contract, with payments made on agreed milestones?

ANSWER

Yes