

20

Portland Aluminium

celebrating the past, looking forward to the future



australia's aluminium

20

Looking back on a successful 20 years,
looking forward to 20 more



In 2006 Portland Aluminium celebrates 20 years in the Portland community, a milestone of which we are extremely proud. Our presence in Portland and our place and impact in the local community has been and always will be, a focus and priority for our operations.

Our vision is to be the best company in the world and to do this we need to be the best company in our community. Over the past two decades we have strived to achieve this by continually challenging ourselves and implementing changes to improve our plant, our processes and our work practices.

Our commitment to responsible environmental management and sustainability is one such example. For Portland Aluminium, sustainability encompasses all aspects of the triple bottom line – financial, social and environmental. Our goal is to ensure we maintain our operations at Portland long into the future by proactively managing such things as increasing business costs, changing community expectations and our market competitiveness.

In 2006 and the years ahead, we look forward to working with our stakeholders and community partners to help us meet our goals and future challenges.

John Osborne
Portland Aluminium Operations Manager

**‘Alcoa... It’s a goer’
was the headline on
the front page of the
Portland Observer on
13 June 1979.**

Portland had been selected as the site for a new Alcoa multi-million dollar aluminium smelter and the announcement set in motion a series of events that led to the first aluminium being cast in October 1986.

Shortly after, then Victorian Premier John Cain officially opened the plant, calling it “one of the most important projects ever undertaken in the state of Victoria”. He described the smelter as “state of the art” because of its cutting edge technology.

While 20 years may have passed, Portland Aluminium remains one of the most efficient smelters in Australia and indeed the world. And it is still a valued contributor to the state, generating valuable export dollars and spending millions of dollars each year in wages, employee benefits, goods, services and government payments.

Today we are joining with our people – past and present – and the community to celebrate our 20-year milestone. This booklet commemorates the Portland Aluminium journey as we look back on the progress we have made and look forward to continuing to be a part of the Portland community for many years to come.



20 years of Portland Aluminium



1981

Construction of the Portland smelter began.

1987

The first shipment of 3,500 tonnes of Portland aluminium was loaded aboard the Sri Lankan registered Kandy, bound for Taiwan and Japan.

February

The smelter was officially opened by then Victorian Premier John Cain and Sir Arvi Parbo.

1987-88

January 1987

Second potline commenced operation.

1991

January

The plant cast its millionth tonne of aluminium, which equated to around \$2 billion in export dollars for Australia and a huge injection of growth within the local community and the state.

July

Smelter in the Park master plan was produced.

1998

August

Victorian Government sold its 25% share in Portland smelter to current partners, China International Trust and Investment Corporation (CITIC) and Marubeni Corporation.

1999

July

EcoRecycle Victoria presented Portland Aluminium with WasteWise certification in recognition of the plant's waste minimisation efforts. Landfill figures plummeted from 13,000 cubic metres a year in 1989 to approximately 20 cubic metres in 1999.

2004

January

The plant cast its 5 millionth tonne of aluminium.

December

Production of alloy A356.2 ingot commenced.



1986

October

Production began at Portland smelter.



Prince and Princess of Wales visit the smelter.

November

Portland smelter cast its first aluminium.

1990

March

Portland Smelter Services began to trade as Portland Aluminium, under a new logo.



1996

January

Installation of tall stacks on the plant's A398 scrubber units began. The work ensured better dispersal of sulphur dioxide and alleviated ground level concentration concerns.

April

The Victorian Environment Protection Authority approved construction of a world-first, \$24 million Spent Potlining recycling facility at Portland.

2002

Portland Aluminium's Spent Potlining team awarded the Victorian Premier's Business Sustainability Award.

October

A project to modify the buswork of smelting cells saw a reduction in both power use and greenhouse gas generation.



2006

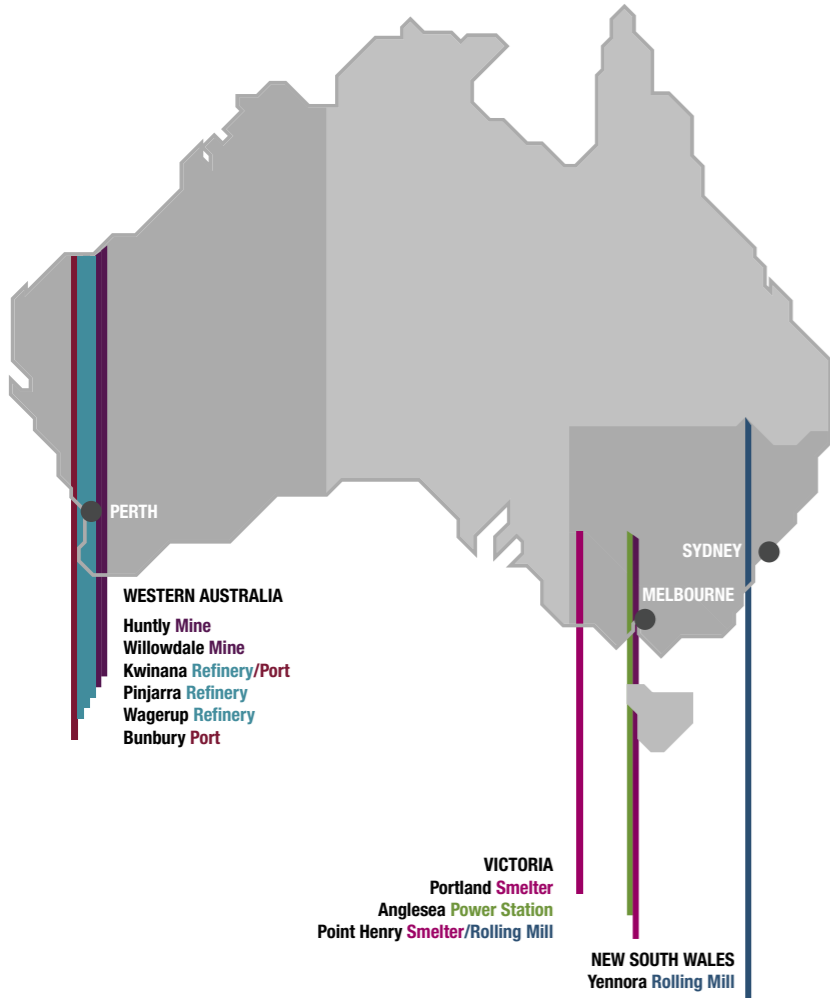
January

Partnership forged with Wannon Water, Port of Portland, Incitec Pivot, Point Danger Committee of Management and the Department of Sustainability to cooperatively protect and restore the area known as the Portland Heathland.

September

Following a major power failure to potline one, potrooms achieved full production capacity for pots operating three months ahead of schedule, showing what can be achieved when all departments work as a team.

alcoa... australia's aluminium since 1963



Alcoa's contribution to the Australian community and national economy began in 1963 with the start of production from the Jarrahdale bauxite mine and Kwinana alumina refinery in Western Australia and the Point Henry Aluminium smelter at Geelong, in Victoria.

Today Alcoa's operations in Victoria, Western Australia and New South Wales form an integrated aluminium industry which produces about 47% of Australia's alumina and 30% of the national aluminium output.

With exports of over \$3 billion a year, Alcoa makes a significant contribution to Australia's balance of trade. Around 80% of total revenue is put back into the Australian economy through wages, taxes, spending on materials and services, capital expenditure and dividends.

Alcoa contributes to Australian life

through partnerships with community, government and other stakeholders to help build stronger communities.

Alcoa directly employs around 6200 people and has an additional contractor workforce of around 1500. Growth projects create further employment.

Recognised as a leader in corporate social responsibility, Alcoa contributes to Australian life through partnerships with community, government and other stakeholders to help build stronger communities.

Protecting and preserving the environment is a core element of our sustainability commitment and we are continuously working to improve our performance through technological innovation, community partnerships and conservation of resources.

Alcoa is proud of its achievements in Australia over the last 40 years of operation and looks forward to the challenges and opportunities that lie ahead.



The people who make Portland Aluminium great

Portland Aluminium is a business proudly shaped by its people and infused with their character, values and enthusiasm.

The smelter's first operations manager, David Judd, once said that while plant and equipment are important, people are a company's greatest asset.

In celebrating Portland Aluminium's first 20 years of operation, we acknowledge the tremendous contribution of the hundreds of men and women who have dedicated their skills and talents to ensuring the success of the business.

Today around 620 people are directly employed at the smelter and over 60% of these employees have worked at Portland Aluminium for more than 10 years.

Just as the success of our first 20 years of operation has been built on the talent, spirit and innovation of our employees, we believe people are the foundation of a bright future.

We are pleased to introduce you to just a few of them...



2

1. Tanya Simmonds

Accounting and Planning Manager. I started working for Portland Aluminium 18 months ago and really enjoy both the challenges and working alongside the people here. So many of them have made such a valuable contribution over the past 20 years and their wealth of knowledge and experience will be passed onto the more recent employees who will learn and build on this experience to ensure PA remains the excellent business it is today.

2. Paul Pittman

Environmental Coordinator. Since joining Portland Aluminium in October 2005 my role has continually presented new and challenging projects and the opportunity to work alongside some great people. I envisage a very positive future for Portland Aluminium as it is an environmentally proactive company with the right people to meet any challenge.



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1. Phil Holmberg

Operator. I remember the youthful exuberance of the original workforce, we had great times and there was great camaraderie. Today I am still on the same shift but it is so much more than just twenty years of work. PA has become a huge part of my life and I have met so many great people with a story to tell. I never thought I would be here this long but I am already looking forward to my next twenty years.

2. Noel Bicknell

Potroom and Potlining Operational Manager. I remember arriving in Portland with my family and a truck full of furniture to start work at the brand new smelter. I liked the idea of starting a Greenfield smelter, with new people and new challenges. My fondest memories are of developing facilities to ensure a good work-life balance for our workforce.

3. Dean Outtram

Planning Officer. When I started here the market conditions were good and there was a real urgency to get the place up and running. Every day we were learning to do something different and meeting new people. I feel very lucky for the opportunities I have been given by Alcoa and hope my employment here continues for another 20 years!



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3. Ashley Burton

Senior Reliability Engineer. I have been here almost three years now and think the best part about my role is the opportunity to make a difference. The business is moving in the right direction – people are positive and the feel of the place is positive. I believe I am helping with that. I hope I can contribute to strengthening the company.

4. Megan Barrett

Graduate Human Resources Professional. I joined Portland Aluminium in February this year in my first professional position in Human Resources. The best part about working at Portland Aluminium is the people and I am finding the challenge of working within industry both interesting and rewarding. I believe Portland Aluminium's future is bright, and that our people are the key to our success.

20 years

4. Glenda Simmonds

Land Administrator. I began work here in October 1980 on the initial construction phase. I remember the teamwork and energy levels in those early days - working out of an office above Pino's Pizza shop trying to learn the Alcoa Procurement system on the run as we headed into construction! The challenges over the years have resulted in significant personal and professional growth and my personal contribution has always been well rewarded.

5. Jenny Tapscott

Site Buyer. I remember my first day, arriving early and nervously waiting for my supervisor - the plant seemed so big and there were no people around, just huge sheds! There are many reasons why I've stayed for 20 years – it's the culture, it's the Smelter in the Park and the emphasis on personal development. It's the growth, change and flexibility I've been able to enjoy over the years, but mostly it's the people.

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6. Geoff Trezise

Potroom Technical Supervisor. I started with Portland Aluminium in July 1986 as a shift operator in the potrooms and today look after the day to day operations of the potlines. Working for Portland Aluminium for 20 years has provided me with great experiences and the opportunity for my family to live in a wonderful community. My son and daughter grew up here and I am proud to say my daughter is now a local nurse.

6



Of all the many people who have given long and valued service, a special 97 employees have been with us since production began 20 years ago. These employees have made an enormous contribution to the success of Portland Aluminium and we are proud to feature a handful of them above.

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Smelter in the Park

The Smelter in the Park is recognised worldwide as a benchmark for industrial and environmental harmony.

Portland Aluminium is one of the most progressive and cleanest smelters in the world.

Our commitment to environmental management is showcased through the transformation of Portland Aluminium into the 'Smelter in the Park'.

The Portland Aluminium smelter sits on just over 500 hectares of land. The smelting operations, ancillary buildings and roads occupy around 100 of those hectares.

Traditionally the remaining land would have been used as a buffer zone around the operations.

Instead, this land was designed as a 'Smelter in the Park', with the development of wetlands and parklands around the plant for

community relaxation, research and learning, and habitats for wildlife.

Alcoa worked with the University of South Australia to conceive the plan and has invested extensive effort and resources into the creation of this valuable public amenity which has been enjoyed by thousands of community members, school children, tourists and employees since its creation.

The Smelter in the Park is recognised worldwide as a benchmark for industrial and environmental harmony and has been used as a model for some of Alcoa's other facilities around the globe.

Our San Luis smelter in Brazil is just one example. Surrounded by four and a half thousand hectares of nature park, the smelter has facilities for

research, environmental rehabilitation and community education programs on land use and waste management.

A similar approach is proposed in Trinidad and Tobago where we have recently signed an agreement to build a new smelter.

The Portland Aluminium Smelter in the Park is the first project outside the United States to be certified by the Wildlife Habitat Enhancement Council as a viable habitat.



Talking rubbish for a good reason

When the Portland Aluminium smelter was established in 1986, it housed an eight hectare landfill.

By 1990, the Portland smelter was producing 4,992 tonnes of waste per year, or almost 1,700 wheelie bins of general waste each month.

Through a commitment to cleaner production and widespread support from employees, we started recycling everything from safety gloves to food scraps and changed the way we managed waste products from the production process.

As a result, waste levels began to rapidly decline and in 1999, the Portland Aluminium landfill was used for the last time, with nearly six hectares of the eight hectare site still unused.



Today, the smelter produces the equivalent of just two household wheelie bins of waste per week.

The six hectares of unused licensed landfill have been returned to natural wetlands and wildlife now thrives in an area where waste was destined to be buried.

Keppel Prince Engineering

Keppel Prince Engineering was established in Geelong in 1968 and relocated to Portland in 1988 following the construction of Portland Aluminium.

In the subsequent years Keppel Prince has grown alongside the smelter, from humble beginnings in a little shed in Beverley Street employing six people, to one of the largest steel fabricators in Victoria with more than 400 staff.

The original contracts Keppel Prince secured with Portland Aluminium in the smelter's early days of operation provided the security for this small business to flourish. In 2006 Keppel Prince Engineering lists some of Australia's major corporations as clients and boasts an annual turnover of more than \$68 million.



Today the mechanical, maintenance and labour contracts Keppel Prince Engineering holds with Portland Aluminium provide employment for more than 150 people – or more than one third of their workforce – and deliver annual revenue of \$28 million.

Driving regional economic development

As a leading Australian exporter and employer, Alcoa is a significant contributor to the national, state and local economies.

The Portland Aluminium smelter produces approximately 350,000 tonnes of aluminium ingot annually, most of which is exported through the Port of Portland to customers in south east Asia. Together with the Point Henry smelter, Alcoa's aluminium operations in Victoria produce approximately 30% of Australia's aluminium.

Alcoa is Victoria's largest exporter, accounting for around 6% of Victoria's merchandise exports. Our Victorian operations contribute over \$840 million of value-adding to the state.

The Portland Aluminium smelter has a specific focus on supporting local and regional businesses and supports a broad range of service and maintenance industries throughout the region.

The smelter provides more than 620 direct jobs and many more indirect jobs and injects over \$100 million into the region each year.

Over the past 20 years, Portland Aluminium has contributed \$19 billion dollars in construction, sustaining capital, wages and export income.

Alcoa has played an important role in the development of the nation's infrastructure. Our Victorian operations provided the necessary base load demand to support the development of the Loy Yang power complex, helping Victorian consumers enjoy low-cost reliable power supplies.

Portland Aluminium's construction provided the catalyst for building a high voltage power line from Geelong to Portland as well as the Victoria-South Australia interconnector, which has enabled South Australians to access a more stable power supply.

The smelter also supported the construction of the natural gas pipeline from Allansford, near Warrnambool, to Portland. This has brought low-cost natural gas to Portland and surrounding communities.

Alcoa has contributed over \$35 billion to the Victorian economy since beginning operations in the state in the early 1960s.



Portland Industrial Laundry

Throughout Portland Aluminium's 20 years of operation in the region, we have supported the growth of many local businesses. Portland Industrial Laundry started operations in 1990 as a small laundry and has since grown to a business servicing more than 70 customers including Alcoa. Today the company employs 65 people at Portland and has a turnover of more than \$5 million.



Partnering stronger communities

Alcoa is committed to building strong connections with the communities where we operate and developing partnerships that deliver sustainable outcomes.

Over the last two decades, Portland Aluminium has contributed more than \$2 million to community partnerships in the region and our people have provided incalculable in-kind support.

Working with a wide range of community-based organisations and programs – including Greening Australia's Portland Seedbank, Portland District Principals' Association and Loaves and Fishes Foodbank – our support has advanced education and training, environment and conservation, the arts, health safety and wellbeing, and community development throughout south west Victoria.

Our regional partnerships have, and will continue to strengthen our community and its future.

12 We are proud to feature just a few of our community initiatives.

Future Leaders of Industry

Through the Future Leaders of Industry program, Portland Aluminium is introducing local secondary school students to career opportunities in the resources and manufacturing industries. In addition to financial support for their studies, this program also provides workplace visits, work experience, mentoring and information days. Only in its second year, the Future Leaders of Industry program has already delivered scholarships to 24 students from the three local secondary schools in the Portland district.



Safe and Healthy Children and Families

Portland Aluminium's commitment to health and safety extends beyond our own operations to programs, activities and events that promote safer, healthier and more active communities. Through partnerships with organisations such as United Way Glenelg, which raises funds for health and human care initiatives, and KIDS Foundation, which works to prevent childhood injuries, we can use our own expertise to build community capacity.



Conservation and Environment

Portland Aluminium has been an active supporter of the conservation and sustainability of the region since we commenced operations. For many years we have worked alongside a range of partners from local catchment groups to peak environmental organisations, to promote responsible environmental management. Through programs such as the Portland Aluminium Strategic Education Partnership, in association with Portland and District Principals' Association and the Lake Condah restoration project, in partnership with the Winda Mara Aboriginal Corporation, we are helping to ensure the conservation of our natural environment for future generations.

Photo left: As part of Portland Aluminium's partnership with KIDS Foundation, employees like Ray Polaski are helping children learn about safety by taking part in school safety activities.

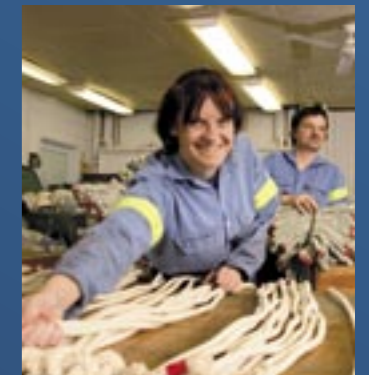


Volunteer for Life

Alcoa employees are actively encouraged to volunteer their skills and expertise for the benefit of the local community. Since operations began at Portland Aluminium, our employees have contributed countless hours of their personal time to community organisations. In 2005, one third of all Portland Aluminium employees volunteered in their local community - equating to more than 18,000 hours of community work. We are proud of this volunteer spirit and will continue to encourage and support the efforts of our people, as they help make our region a better place to live and work.

Kyeema Centre

Portland Aluminium is proud to be a long term partner of Portland's Kyeema Centre, which advances the dignity, worth, human rights and full potential of people with disabilities. Portland Aluminium runs two supported employment services – Seawinds Nursery and Windward Industries – which provide worthwhile employment for Kyeema clients.



Portland Aluminium ... part of the solution

Alcoa believes climate change is the central sustainability issue facing the aluminium industry and we are determined to not only do our part, but to provide leadership wherever we can.

Alcoa is reducing greenhouse gas intensity through energy efficiency, productivity improvements and technological innovation.

Since 1990 Portland Aluminium has achieved a 48% reduction in on-site greenhouse gas intensity, while during the same period increasing production by nearly 11%.

Globally, we set ourselves the challenge to reduce direct global greenhouse gas emissions by 25% by 2010 from a 1990 base. We achieved this in 2003, seven years ahead of schedule.

While technology and operational initiatives are providing benefits, our product also has a key role to play.

As a lightweight metal that is endlessly recyclable, aluminium is playing an important part in the solution to global climate change.

In all areas of transport, aluminium is reducing fuel consumption by decreasing vehicle weight.

Less fuel means less emissions and every kilogram of aluminium used in a car can reduce CO₂ emissions by 20 kilograms over the life of the vehicle.

Aluminium can also be endlessly recycled saving 95% of the energy needed to make new metal. Alcoa is the largest aluminium recycler in Australia, recycling around half a billion cans each year.

It is estimated that by 2020, the emissions produced by the aluminium industry will be fully offset by the amount of CO₂ saved by the use of aluminium in the transport industry and in recycling.

Alcoa is proud to be part of the solution.

Public tours show Portland Aluminium at work

Portland Aluminium opened its doors to the public in 1990 and since this time more than 120,000 visitors - including school groups, sporting clubs and organisations, special interest groups, locals and tourists - have been given a unique insight into one of the world's most efficient aluminium smelters. Among the smelter's many distinguished visitors were Prince and Princess of Wales visited the smelter in 1986.



Creating a sustainable future

Portland Aluminium's success so far has been founded on a strong commitment to pursue technological excellence, nurture people and their talents, care for the environment and promote stronger communities.

These same values underpin our vision for the future.

As we look forward, we remain committed to providing opportunities for local youth, supporting the success of local businesses, working in partnership with community organisations and nurturing the future of our environment.

We have come a long way in just two decades. Our sights are fixed firmly on the opportunities and challenges that lie ahead, and our future is bright.



Putting waste to work

Alcoa Portland Aluminium is widely recognised as a leader in waste management initiatives.

The smelter developed a world first technology for converting spent potlining – a hazardous smelting waste – into a useful product. The innovative process recovers the valuable fluoride contained in the waste material, while removing other hazardous materials and produces a granulated vitreous material known as 'synthetic sand'.

The technology attracted global interest and the 'synthetic sand' was approved by the Environment Protection Authority of Victoria for use in a range of commercial product applications.

For this project, Portland Aluminium was awarded a Banksia Environmental Award and the Victorian Premier's Sustainability Award in 2002.



20

www.alcoa.com.au

For further information on Portland Aluminium please contact
our community relations department on 03 5521 5463