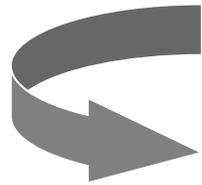


**COMMUNITY ALLIANCE FOR
POSITIVE SOLUTIONS (CAPS) INC.**
P.O Box 69, Yarloop, Western Australia 6218
9733 5011 or 0409370235



Mr Alain Belda, CEO
Alcoa Global Center
390 Park Avenue
New York, NY 10022 USA

18 December 2006

Dear Mr Belda

Alcoa has offered a purchasing program (SPPP) to concerned residents within a 10km radius of Yarloop so that they may relocate before the expansion of the Wagerup refinery. Unfortunately, the current status of the SPPP is inflaming the problematic situation between Alcoa, the Government and the community. What Alcoa offers to assuage this community is far from “reasonable”; it is an insufficient balm for those who wish to relocate due to health problems or concerns.

We are aware that the deals that Alcoa is making with landowners **are not** equitable. Certain residents are getting a very nice slice of the pie, while others are offered very little for their homes and face financial hardship if they accept Alcoa’s offer. One resident was forced to take \$50,000 out of his superannuation fund to assist in relocation and purchase of a new home. Another local couple cannot afford to relocate to another area because Alcoa will only offer them \$69,000 for their home. Stamp duty and capital gains tax contribute to additional cost for landowners, as well. We want one formula for purchasing these homes and property; a formula that causes no resident to be out-of-pocket in their relocation.

Consideration also needs to be given to residents who purchased homes previously owned by Alcoa. There was no indication of a future expansion in the agreements between Alcoa and the purchasers. Now that an expansion is being planned, that agreement should be made null and void. As farms are being purchased or relocated as “businesses”, the refusal by Alcoa to purchase or relocate the few small businesses in town is also inequitable.

Some residents outside of Areas A and B are impacted by pollution even more than those in Area A, and considering that Alcoa established existing “zones” for purely noise-related reasons, zoning for health reasons should be considered, as recommended by the Department of Health in their submission responding to the ERMP. We are not suggesting that this be a no-residents zone. But those who have health concerns should be allowed to relocate without any financial hardship.

The situation here is certainly causing additional anxiety for those who have already endured much stress. Considering that Alcoa will still depend on the old technology of the Bayer process, which the new state-of-the-art technology and world’s best practices will not affect, the increase in production will further impact on Yarloop and surrounding districts. As stated by the Department of Health, “The health and amenity of the community should not be compromised by emissions from the refinery and associated operations. All reasonable efforts should be made to minimise adverse health effects on the community.” We doubt the Government would have imposed their conditions on Alcoa if they didn’t have some concern about health risks.

Yarloop
Waroona
Hamel
Harvey
Cookernup
Wagerup
Other
Impacted
Areas

To get a true and accurate picture of the health impacts that the community suffers under current operations, the health surveys proposed as part of the expansion conditions **must** include the residents who have relocated in the past five years. These surveys should include measurement of health changes since relocation. All residents should be surveyed, with initial results analysed well before the expansion commences. Anything less would be questionable, “fuzzy” science, considered invalid by professional researchers.

We would like the Government and Alcoa to consider the viability of creating a new town in the area just east of Preston Beach, where current and past residents of Yarloop would have first option to relocate. As new towns are springing up all around Perth and along the coast, the area we propose, currently Government-owned, is a prime site for growth and prosperity. As a “model” for environmental friendly living, this new town could be a jewel in the crowns of both Alcoa and the Government, as well as providing an opportunity for displaced residents of the Yarloop area to maintain the social fabric of the community they are forced to leave behind. That would be a win-win situation for all, which is the goal of the Community Alliance for Positive Solutions Inc.

We do not want to detract from Alcoa’s profitability; we want Alcoa to be accountable and responsible for the demise of this town. Yarloop had been a beautiful, quiet, close-knit community boasting fertile soils and a healthy country life. However, there has been mass exodus by residents who suffer health problems, and an influx of people seeking low cost housing. Yarloop is no longer the delightful, prosperous community it was only a decade ago.

Perhaps with the current plan, Alcoa may have a strong and sustainable future in their vision. However, this town has seen the closure of the hospital, the impending closure of the police station and other businesses, its teachers and police officers asked to live outside of Yarloop, and the downturn in the socio-economic standard of its population. Any statement about this town being strong and sustainable is not only erroneous, but downright patronising.

With or without a new town, the situation being faced by residents wishing to relocate **must** be revisited and include CAPS, the major community stakeholder, for consultation. The absence of community input in the creation of this program denotes a capriciously configured edict.

Yours truly,

Vince Puccio
Co-chairs, Community Alliance for Positive Solutions Inc. (CAPS)

Merv McDonald AFSM

Cc: Mr Wayne Osborne
Ms Adele Farina MLC
Mr Mick Murray MLA
Mr Paul Llewellyn MLC
Mr Nigel Hallett MLC
Mr Hendy Cowan
Mr Tim Walster
Mr Alan Carpenter, Premier