

27 April 2015

Research Director  
Finance and Administration Committee  
Parliament House  
George Street  
Brisbane QLD 4000

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Administration Committee**

via email: [fac@parliament.qld.gov.au](mailto:fac@parliament.qld.gov.au)

**Subject: Inquiry into the Payroll Tax Rebate, Revenue and Other Legislation Amendment Bill 2015**

We make the following submission to the inquiry into the Payroll Tax Rebate, Revenue and Other Legislation Amendment Bill 2015.

**About Incitec Pivot Limited**

Incitec Pivot Limited (IPL) is an international industrial chemical manufacturing company that supplies explosive and fertiliser products to the mining, quarrying and agricultural industries. IPL has more than 5,500 employees globally including 1,800 employees within its Australian operations. A leader in its chosen markets, IPL is the No. 1 supplier of fertilisers and the number two supplier of commercial explosives and related services in Australia.

In north Queensland IPL operates a world scale fertiliser manufacturing plant at Phosphate Hill (1000km west of Townsville) and a sulphuric acid plant in Mt Isa. In 2013/14 IPL employed more than 850 people in north west Queensland (at these two plants together with operations in Townsville) generating a total of more than \$97 million<sup>1</sup> in wages and salaries. IPL's total employment contribution in north west Queensland, both direct and indirect, is more than 2,500<sup>1</sup> jobs.

IPL's north Queensland plants form part of a broader manufacturing value chain which stretches across northern Queensland. This value chain includes the Mt Isa Mines (MIM) copper smelter as well as the Sun Metals refinery in Townsville, road and rail services and associated engineering and utilities services.

**Environmental Protection Act 1994**

IPL supports the amendments to the Environmental Protection Act 1994, set out in the Bill, to allow for the cancellation of Transitional Environmental Programs (TEPs) and Temporary Emissions Licences (TELs). In supporting this IPL notes its understanding that compliance with the Environmental Protection Act will continue to be achieved through other measures.

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<sup>1</sup> Information published in a report titled Economic Contribution of Incitec Pivot Operations to the Northern - North West Queensland Economy 2013 -14 by the AEC Group

The proposed amendment will remove a significant barrier to the extension of the life of the MIM copper smelter beyond 2016. The MIM copper smelter is a vital part of the north Queensland manufacturing value chain providing affordable inputs, through the utilisation of a waste product of MIM's operations, into the IPL sulphuric acid plant at Mt Isa which in turn provides sulphuric acid to the IPL fertiliser plant at Phosphate Hill. The relationship also allows MIM to reduce their emissions by turning what would otherwise be a waste product into a useful product that becomes an essential ingredient for the manufacture of fertilisers.

Accordingly the ongoing operation of the MIM Copper Smelter ensures that the cost of sulphuric acid is competitively priced for the IPL fertiliser plant at Phosphate Hill. The availability of competitive raw materials is critical to the ongoing operation of the IPL sulphuric acid and fertiliser plants. In turn the continued operation of the IPL sulphuric acid and fertiliser plants provides an environmental response to the SO<sub>2</sub> emissions from the MIM smelter.

Providing certainty for the continued operation of the MIM smelter will ensure that IPL and other companies in north Queensland can continue to invest in operations in north Queensland with confidence and can thereby continue to provide much needed employment in north Queensland.

IPL is thankful for the opportunity to provide this submission to this committee and we would welcome any opportunity to discuss our submission and any additional information with the committee.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Darren Jarvis', written over a circular stamp or seal.

Darren Jarvis  
Risk and Capital Effectiveness Manager  
Incitec Pivot Limited