

QUESTION_Nystar_31.10.13

Mr BROCK (Frome) (14:26): My question is to the Premier. Can the Premier advise on any progress of the proposed transformation of the Port Pirie Nyrstar smelter and any news on that?

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (14:27): I thank the honourable member for his question. Of course, the honourable member was a worker in the smelters at Port Pirie, he has been a mayor and a long-time resident of Port Pirie, and now he represents the seat that comprises Port Pirie. I do not think there is a more vital question that he could ask on behalf of his community.

We know that Nyrstar is really the economic heartbeat of Port Pirie. The commonwealth and state governments reached a historic in-principle agreement with Nyrstar in December 2012 to assist the company to undertake a \$350 million transformation of its 120-year-old smelter to a cleaner, state-of-the-art polymetallic processing and recovery facility. The state government announced on 24 April this year that we would contribute \$5 million towards a \$15 million pre-feasibility study for the Port Pirie transformation project.

Nyrstar, I am pleased to announce, announced yesterday that the pre-feasibility of the proposed Port Pirie redevelopment study has been completed. Importantly, the pre-feasibility study has identified that the proposed redevelopment provides a unique and compelling business case that will transform the Port Pirie primary lead smelter into an advanced metals recovery and refining facility. This is great news. It is the next step required for Nyrstar to make a final decision on the transformation of their Port Pirie smelter.

Nyrstar advises that they are now proceeding with a final feasibility study which will contribute to a final investment case for consideration by the Nyrstar board early in 2014. Subject to an investment decision, construction is expected to commence during 2014, with the commissioning of a new, cleaner processing facility expected in early 2016.

The transformation of Nyrstar will also lead to better environmental and health outcomes for Port Pirie. It will also serve, I think (and I know the honourable member believes this, too), to completely revitalise how that section of the Southern Flinders Ranges is seen. It is some of the most beautiful country in our state, yet there has always been, if you like, the shadow hanging over it with the lead emissions. I think this allows people to imagine a different future in such a beautiful part of our state.

Of course, there is work to be done. A targeted lead abatement program is being developed to further reduce exposure of the community and to ensure that children's blood lead levels are as low as possible. This will secure a long-term future for not only those children but the city. Currently, Nyrstar employs more than 850 employees and contractors at Port Pirie. Importantly, Nyrstar supports the jobs of more than 2,500 people who rely upon it for their livelihoods. The Nyrstar smelter is also directly linked to more than \$800 million in exports per year. And the site produces more than lead; it produces significant quantities of zinc, copper, silver and gold.

The state government is working very closely with Nyrstar. I know that the member for Frome has strongly advocated on behalf of the people of Pirie for their city's future and the future of Nyrstar. The state government has made a commitment to the people of Port Pirie: they will not be forgotten. We will work with them every step along the way to ensure that we protect not only their jobs but the health of themselves and their families. The final decision will be made by Nyrstar, and we will continue to work with what is a unique financing and legislative arrangement to unlock this investment that could very well transform this beautiful city.