

DEPARTMENT OF INDUSTRY, SCIENCE AND RESOURCES

MS23-000895

To: Minister for Industry and Science (For Decision)

LOCAL INDUSTRY GRANTS - OPTIONS FOR PROCEEDING

Timing: URGENT by 2 June 2023

**Recommendations:** That you

- 1. **Agree** to seek an extension of time and reprofiling of the grant funds for the following Local Industry Grants:

- a. *Nyrstar Hobart Zinc Smelter Upgrade Program*

**Agreed / Not Agreed**

s 22

- 2. If you agree to recommendation 1a<sup>s 22</sup>, that you sign the letter at Attachment B seeking the Prime Minister’s policy authority to proceed with these grants with revised delivery timeframes and approval of the associated movement of funds.

**Signed / Not Signed**

**Minister:**

Date:

**Comments:**

<b>Clearing Officer:</b>	Kimberley Shrives	General Manager, Portfolio Program Delivery	s 22
Contact Officer:	s 22	Manager, Critical Minerals Resources and Manufacturing (MMF) Programs	s 22
<b>For Parliamentary Services’ use only.</b> Date Submitted to the Minister’s office in PDMS:			31/5/2023

**Key Points:**

1. There are s 22 Local Industry Grants (see Attachment A) that cannot proceed without seeking the Prime Minister's and Finance Ministers' agreement as the proponents are unable to deliver their projects in the timeframes established within the current policy authority.
2. All s 22 grants were targeted to recipients located in regional communities and the projects strongly align with the Albanese Government's priority to develop our onshore manufacturing capabilities. s 22 of these grants (a<sup>s 22</sup> below) were election commitments and were approved as part of the October 2022 budget package. All s 22 of these grants are unable to commence without new policy authority:
  - a. The *Nyrstar Hobart Zinc Smelter Upgrade Program* will help to secure a long-term future chain of zinc metal refining in Australia, safeguarding manufacturing of valuable metals necessary to our transition to net-zero by 2050.

s 22

3. s47C; s47E(d)

Further information on the impact of not supporting an extension to these projects is captured in Attachment A.

4. s 47C, s 47E(d), the department recommends you write to the Prime Minister seeking policy authority to extend the delivery timeframe.

**Sensitivities and Handling:**

s 47E(d)

**Data referenced: NIL**

**Consultation: YES**

6. Internal: Industry Growth Division; External Budgets.
7. External: Department of the Prime Minister and Cabinet; Department of Finance.

**ATTACHMENTS**

- A:** Local Industry Grants
- B:** Letter to the Prime Minister seeking authority to proceed with the Local Industry Grants with revised delivery timeframes and approval of movement of funds

Summary of Local Industry Grants

Grant Program and Grantee	Project and risk of not proceeding	Current Grant Amount, timeframe and funding profile	Proposed timeframe and funding profile	Reason for change request																				
<p>Nyrstar Hobart Zinc Smelter Upgrade Program - Nyrstar Hobart Pty Ltd (Nyrstar)</p>	<p>s 47E(d)</p>	<p>\$50M over 4 years from 2022-23*</p> <table border="1" data-bbox="898 411 1196 555"> <tr> <td>2022-23</td> <td>\$17.5M</td> </tr> <tr> <td>2023-24</td> <td>\$17.5M</td> </tr> <tr> <td>2024-25</td> <td>\$12.5M</td> </tr> <tr> <td>2025-26</td> <td>\$2.5M</td> </tr> </table>	2022-23	\$17.5M	2023-24	\$17.5M	2024-25	\$12.5M	2025-26	\$2.5M	<p>\$50M over 5 years from 2023-24</p> <table border="1" data-bbox="1218 411 1516 627"> <tr> <td>2022-23</td> <td>\$0M</td> </tr> <tr> <td>2023-24</td> <td>\$17.5M</td> </tr> <tr> <td>2024-25</td> <td>\$8.5M</td> </tr> <tr> <td>2025-26</td> <td>\$8.0M</td> </tr> <tr> <td>2026-27</td> <td>\$8.0M</td> </tr> <tr> <td>2027-28</td> <td>\$8.0M</td> </tr> </table>	2022-23	\$0M	2023-24	\$17.5M	2024-25	\$8.5M	2025-26	\$8.0M	2026-27	\$8.0M	2027-28	\$8.0M	<p>In April 2023, Nyrstar notified the department they would be unable to complete the project by November 2025, rather they expected the new project end date was 30 April 2028.</p> <p>Nyrstar informed the department that due to delays in procurement of equipment and materials, as well as engagement of skilled staff, this extension to the end date was required to complete the project.</p> <p>s 47E(d)</p>
2022-23	\$17.5M																							
2023-24	\$17.5M																							
2024-25	\$12.5M																							
2025-26	\$2.5M																							
2022-23	\$0M																							
2023-24	\$17.5M																							
2024-25	\$8.5M																							
2025-26	\$8.0M																							
2026-27	\$8.0M																							
2027-28	\$8.0M																							

Summary of Local Industry Grants

	s 47E(d)			s 47E(d)
--	----------	--	--	----------

s 22









## Summary of Local Industry Grants

s 22

\* The original project was for \$50M over 3 years with a project completion date of 31 March 2025. An extension to the project end date until November 2025 was then approved for the project at the request of Nyrstar on 12 December 2022 s 47C, s 47E(d)

s 47C, s  
47E(d)

s 22



**THE HON ED HUSIC MP  
MINISTER FOR INDUSTRY AND SCIENCE**

MS23-000895

The Hon Anthony Albanese MP  
Prime Minister  
Parliament House  
CANBERRA ACT 2600

Dear Prime Minister

I seek your agreement by 15 June 2023 to proceed with the following Local Industry Grants consistent with the *Supporting Australian Industry* measure announced in the October 2022-23 Budget:

- *Nyrstar Hobart Zinc Smelter Upgrade Program (Nyrstar)*

As my department has worked to implement the agreements to support delivery of the **s 22** Local Industry Grants announced in the October 2022-23 Budget it has become evident that for differing reasons, none of these proponents can deliver to the timeframes previously envisaged and designated in the October Budget process. As a consequence, my department is unable to enter into grant agreements with the project proponents without confirmation that the funding to support these activities has been reprofiled, via a movement of funds.

Further, the timeframe now required to deliver the Nyrstar program extends beyond the forward estimates. As a consequence, I am also requesting your approval to extend the current policy authority for this project.

**s 22**

The *Public Governance, Performance and Accountability Act 2013* requires that I must not approve proposed expenditure of relevant money unless satisfied, after reasonable inquiries, that the expenditure would be a proper use of relevant money. I believe the delivery of these grants aligns with a proper use of public resources and the outcomes we are seeking to achieve are consistent with the policies of the Government.

On this basis, I seek your agreement to proceed with these grants as originally envisaged, as funding programs under section 33 of the *Industry Research and Development Act 1986*, accept the new program delivery timeframes and approve the required movement of funds within these <sup>s 22</sup> programs.

Should you agree with my recommendation, the grants will be implemented consistently with the Commonwealth Grant Rules and Guidelines. In particular, the election commitment grants will be subject to assessment of merit in accordance with the grant opportunity guidelines, and including, but not limited to consideration of value for money, ability to deliver intended outcomes, and association risk.

Yours sincerely

Ed Husic MP

CC: Senator the Hon Katy Gallagher, Minister for Finance

OFFICIAL

Local Industry Grants s 22  
s 22

– as of 21 March 2023



Grant	Grant Amount (not including departmental delivery costs) and Purpose	Grant Delivery Status	Sector Impact
-------	--	-----------------------	---------------

s 22

<p><b>Nyrstar Hobart zinc smelter</b></p>	<ul style="list-style-type: none"> <li>• <b>\$50 million</b> over 4 years from 2022-23 to support an upgrade the Nyrstar Hobart zinc smelter.</li> <li>• This will help secure the future of zinc metal refining in Australia creating an advanced manufacturing facility producing low carbon zinc to help safeguard manufacturing of valuable metals necessary to net zero by 2050.</li> </ul>	<p><b>Launch date:</b> 20 November 2022</p> <p><b>Applications close:</b> 13 December 2022</p> <p><b>Status:</b> Program Delegate approved grant on 21 March 2023.</p>	<ul style="list-style-type: none"> <li>• The 105-year-old Nyrstar Hobart smelter is one of the world's largest zinc smelters, producing around 280,000 tonnes of refined zinc per year.</li> <li>• The smelter sources the majority of inputs from Australian sources while primarily exporting to south-east Asia, supporting trade diversification.</li> <li>• To enhance the efficiency, sustainability and international competitiveness of the smelter, Nyrstar intends to replace and upgrade the smelter 'Cellhouse', the building and electrolytic equipment required to produce zinc metal.</li> </ul>
---	--	--	---

s 22











Grant	Grant Amount (not including departmental delivery costs) and Purpose	Grant Delivery Status	Sector Impact
-------	--	-----------------------	---------------

<p><b>Nyrstar Hobart zinc smelter</b></p>	<ul style="list-style-type: none"> <li>• <b>\$50 million</b> over 4 years from 2022-23 to support an upgrade the Nyrstar Hobart zinc smelter.</li> <li>• This will help secure the future of zinc metal refining in Australia creating an advanced manufacturing facility producing low carbon zinc to help safeguard manufacturing of valuable metals necessary to net zero by 2050.</li> </ul>	<p><b>Launch date:</b> 20 November 2022</p> <p><b>Applications close:</b> 13 December 2022</p> <p><b>Status:</b> Program Delegate approved grant on 21 March 2023, Nyrstar has requested changes to the funding profile and</p>	<ul style="list-style-type: none"> <li>• The 105-year-old Nyrstar Hobart smelter is one of the world's largest zinc smelters, producing around 280,000 tonnes of refined zinc per year.</li> <li>• The smelter sources the majority of inputs from Australian sources while primarily exporting to south-east Asia, supporting trade diversification.</li> <li>• To enhance the efficiency, sustainability and international competitiveness of the smelter, Nyrstar intends to replace and upgrade the smelter 'Cellhouse', the building and electrolytic equipment required to produce zinc metal.</li> </ul>
---	--	---	---

Grant	Grant Amount (not including departmental delivery costs) and Purpose	Grant Delivery Status	Sector Impact
		project duration. Grant agreement not yet executed.	

s 22



To: Minister for Industry and Science (For Information only)

**UPDATE ON LOCAL INDUSTRY GRANTS AND TWO AD HOC GRANTS**

Timing: Routine

<b>Recommendation:</b>			
1. That you <b>note</b> the progress of the Local Industry Grants <sup>s 22</sup>			
			<b>Noted / Please Discuss</b>
<b>Minister:</b>			Date:
<b>Comments:</b>			
<b>Clearing Officer:</b>	Louise Talbot	General Manager, Sector Development Branch, Industry Growth Division	s 22
Contact Officer:	s 22	A/g Manager, Food and Textiles Industries, Sector Development Branch	s 22
<b>For Parliamentary Services' use only.</b> Date Submitted to the Minister's office in PDMS:			24/7/2023

**Key Points:**

1. <sup>s 22</sup> Local Industry Grants (LIG) were announced as part of the 2022-23 Budget. This brief is to update you on the implementation of these grants <sup>s 22</sup>

(see Attachment A).

2. On 1 June 2023, you wrote to the Prime Minister (PM) (**MS23-000895** refers) requesting policy authority for <sup>s 22</sup> the grants to proceed with revised delivery timeframes and approval of the associated movement of funds (MoF). On 20 June 2023, the PM approved your request. Those <sup>s 22</sup> grants were:

- a. The *Nyrstar Hobart Zinc Smelter Upgrade Program (LIG)*;

<sup>s 22</sup>

s 22

5. A list of grantee contact details, business addresses and an outline of the stage of construction or activity of the grant is provided at Attachment B.
6. Below is an overview of all grants mentioned above. Please see Attachment A for more detail.

s 22

Name of Grant	Industry sector	State	Total of Grant (\$m) *	Status
LIG - Nyrstar Hobart zinc smelter	Advanced manufacturing	TAS	50.0	MoF approved, drafting agreement

s 22

\*This table excludes departmental delivery costs.

**Sensitivities and Handling:**

s 22

**Consultation: YES**

9. Internal: Portfolio Program Delivery.

**Attachments**

**A:** Detailed progress of Local Industry Grants s 22

**B:** Grantees contact details for potential site visits









OFFICIAL

Grant	Grant Details	Grant Delivery Status	Sector Impact	Location
<p><b>LIG - Nyrstar Hobart zinc smelter (Industrial Competitiveness and Strategy)</b></p>	<ul style="list-style-type: none"> <li>• <b>\$50 million</b> over 4 years from 2022-23 to support an upgrade the Nyrstar Hobart zinc smelter.</li> <li>• This will help secure the future of zinc metal refining in Australia creating an advanced manufacturing facility producing low carbon zinc to help safeguard manufacturing of valuable metals necessary to net zero by 2050.</li> </ul>	<p><b>Launch date:</b> 20 November 2022  <b>Applications closed:</b> 13 December 2022  <b>Status:</b> Application has been received and applicant approved for the grant.</p> <p>In November 2022 Nyrstar requested changes to extend the project to November 2025. Program Delegate approved grantees application on 21 March 2023. In April 2023 Nyrstar requested a further extension of the project to 30 April 2028.</p> <p>Applicant has requested to receive \$17.5M initial payment upon execution of the grant before 30 June 2023, however due to a change in the funding profile, the first payment will be made in 2023-24 FY.</p> <p>Due to the above-mentioned delays, the Prime Minister agreed to a movement of funds and revised policy authority on 20 June 2023 (MC23-045611 refers).</p> <p>s 47E(d)</p>	<ul style="list-style-type: none"> <li>• The 105-year-old Nyrstar Hobart smelter is one of the world’s largest zinc smelters, producing around 280,000 tonnes of refined zinc per year.</li> <li>• The smelter sources the majority of inputs from Australian sources while primarily exporting to south-east Asia, supporting trade diversification.</li> <li>• To enhance the efficiency, sustainability and international competitiveness of the smelter, Nyrstar intends to replace and upgrade the smelter ‘Cellhouse,’ the building and electrolytic equipment required to produce zinc metal.</li> </ul>	<p><b>Location:</b> Hobart, TAS</p> <p><b>Electorate of</b> <b>Clark</b></p>







## LOCAL INDUSTRY GRANTS

### Issue

What work is the Australian Government doing to support the upgrade of Nyrstar's Zinc Smelter facility in Hobart?

### Key Talking Points

- The Australian Government have committed to contribute \$50 million over 4 years from 2022-23 towards Nyrstar's \$400 million zinc smelter upgrade project in Hobart.
- Since our announcement, the Tasmanian Government have also committed to contribute \$20 million towards the project.
- My department is currently working with Nyrstar on the timing of their project, and the award of grant funding.
- This funding will support the replacement and upscaling of the current 100-year-old facility and will create an advanced manufacturing facility that produces low carbon zinc.

**Contact:** s 22 Manager – Critical Minerals, Resources and Manufacturing Programs section s 22  
**Cleared by:** Kimberley Shriver, General Manager – Portfolio Program Delivery branch.  
s 22

**Min ID:** QB23-000066  
**Division:** Grants Delivery and Business Services  
**Created:** 05 June 2023  
**Updated:** 28 September 2023 12:29 PM 23 June 2023 2:33 PM



## Background

- *The Mercury* on 5 June 2023 reported that Nyrstar had not yet set a timeline for the upgrade project of their Hobart Zinc facility.
- The department has assessed Nyrstar's grant application as having met the eligibility requirements and Nyrstar has been approved by the department to receive the grant.
- The department is currently in discussions with Nyrstar about the timing of their project and the grant.
- Nyrstar's \$400 million project will replace the legacy electrolytic cellhouse with an automated electrowinning plant to support advanced manufacturing capabilities. This will increase the plant's production of low carbon zinc, and significantly improve the plant's energy efficiency.
- The \$50 million of funding committed by the government to Nyrstar's project in Hobart is part of the government's commitment in the October 2022-23 Budget to provide \$113.6 million over four years to support local industry to secure, and support new jobs, and strengthen key manufacturing capabilities in regional areas.

## *If asked*

- Has Nyrstar received council approvals and permits?
  - Nyrstar's upgrade program has received approval from the Glenorchy City Council and Tasmania's Environmental Protection Agency.

**Contact:** s 22 Manager – Critical Minerals, Resources and Manufacturing Programs section, s 22  
**Cleared by:** Kimberley Shrives, General Manager – Portfolio Program Delivery branch. s 22

**Min ID:** QB23-000066  
**Division:** Grants Delivery and Business Services  
**Created:** 05 June 2023  
**Updated:** 28 September 2023 12:29 PM 23-June-2023 2:33-PM

DEPARTMENT OF INDUSTRY, SCIENCE AND RESOURCES

MB23-000161

To: Minister for Industry and Science

MINISTER HUSIC'S MEETING WITH NYRSTAR

Timing: 5.30pm, Tuesday 7 March 2023

Meeting with: s 22

Nyrstar.

Proposed note taker: Nil

What we want:

s 22

- To assure Nyrstar finalisation of the \$50 million grant for the Nyrstar Hobart zinc smelter \$400 million upgrade project is on track.

What they want:

- You are meeting with s 22 Nyrstar to discuss their Hobart Zinc smelter operations s 22
- s 22
- s 22 may also raise the matter of the proposed Hobart smelter upgrade project and delivery of the \$50 million grant appropriated in the 2022-23 October Budget.

Prior meetings: You met with s 22 s 22 , ; s 22 , on 6 September 2022.

Issues and Sensitivities:

- You are meeting with s 22 Nyrstar to discuss their Hobart Zinc smelter s 22
- s 22

Clearing Officer:	Mark Weaver	General Manager, Industrial Competitiveness and Strategy Branch	s 22
Contact Officer:	s 22	Manager, Heavy Industry Policy	s 22
For Parliamentary Services' use only. Date Submitted to the Minister's office in PDMS:			3/3/2023

s 22

3. Nyrstar Hobart Smelter may seek fast tracked finalisation of the \$50 million grant agreement for the Hobart smelter's \$400 million upgrade project.
4. s 22

**Consultation: Yes**

5. Critical Minerals Office, Resources and Manufacturing (MMF) Programs within Grants Delivery and Business Services Division.

**Attachments**

s 22

**B:** s 22 Biography  
s 22



*If asked about the \$50 million grant for the Nyrstar Hobart Smelter:*

- My department informs me that Nyrstar was first to be given the opportunity to formally apply for a grant approved by the government in the 2022 October budget, with applications closing on 20 December just short of the Christmas break.
- I understand that the department's assessment team requested additional information in support of your application on 11 January (2023), with your response recently received on 20 February.



**ATTACHMENT B**

s 22

**Biography**

s 22







To: Minister for Industry and Science (For Information only)

**BACKGROUND INFORMATION ON TASMANIA**

Timing: Routine

<b>Recommendation:</b>			
1. That you <b>note</b> the information on Tasmania.			
			<b>Noted / Please Discuss</b>
<b>Minister:</b>		Date:	
<b>Comments:</b>			
<b>Clearing Officer:</b>	Mark Weaver	General Manager, Industrial Competitiveness and Strategy Branch	s 22
Contact Officer:	s 22	A/g Manager, Strategic Industry Policy	s 22
<b>For Parliamentary Services' use only.</b>			17/3/2023
Date Submitted to the Minister's office in PDMS:			

**Key Points:**

1. You requested key portfolio facts, statistics, and issues about industry in Tasmania.
2. Background information on government initiatives relevant to Tasmania and departmental interactions with the Tasmanian Government are at Attachment A. Tasmanian regional industry data and maps are provided at Attachment B.

**Key Issues and Sensitivities:**

s 22

*Local Industry Grants*

8. s 22 Local Industry Grants totalling \$71.2 million have been allocated to Tasmanian projects. These grants are in various stages of execution. For current status of these projects refer to Attachment A.

**Data referenced:**

12. Australian Bureau of Statistics.

**Consultation: YES**

13. Analysis and Insights Division; Industry Growth Division; and Manufacturing and National Reconstruction Fund Division; AusIndustry; Sovereign Capability & Supply Chains; Oil and Gas Division; Technology; and National Security Division.

**Attachments**

- A:** Government policy initiatives and DISR interactions with the Tasmanian Government
- B:** Tasmania Regional Fact Sheet

OFFICIAL

ATTACHMENT A

**GOVERNMENT POLICY INITIATIVES AND DISR INTERACTIONS WITH THE  
TASMANIAN GOVERNMENT**

s 22

OFFICIAL

1











s 22

### Local Industry Grants

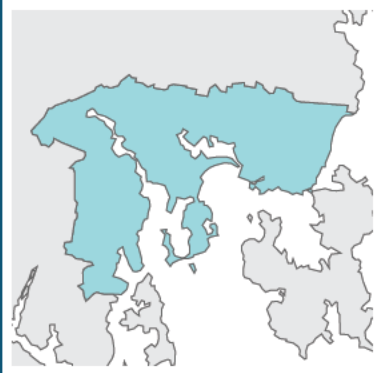
- The Australian Government is investing \$111.3 million through targeted grants to stimulate regional manufacturing.
- s 22 local industry grants have been earmarked for Tasmania under the 'Local Industry Grants' election commitment in 'Labor's Plan for A Better Economy, Better Budget, Better Future'.

s 22

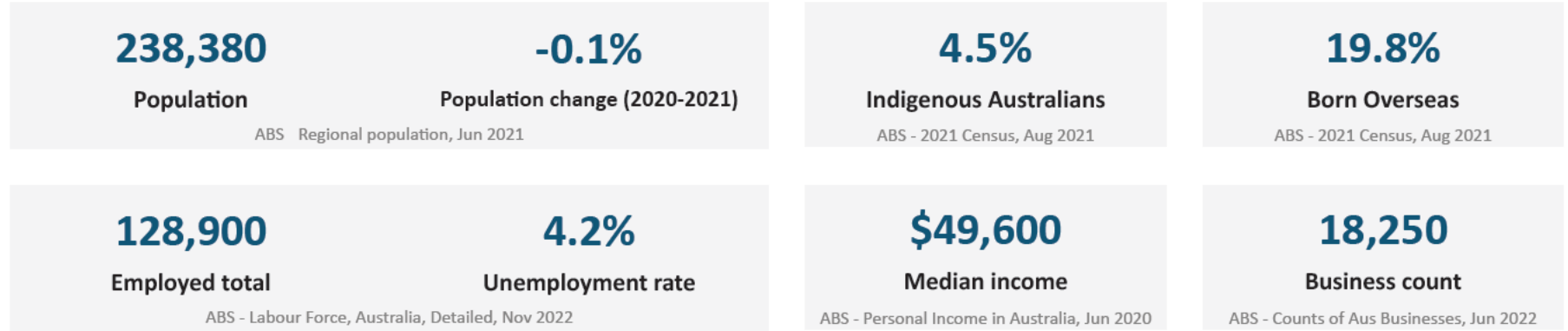
Nyrstar Hobart zinc smelter

- \$50 million over 4 years from 2022-23 is proposed to upgrade the Nyrstar Hobart zinc smelter.
- This will help secure the future of zinc metal refining in Australia, creating an advanced manufacturing facility producing low carbon zinc to help safeguard manufacturing of valuable metals necessary to net zero by 2050.
- Nyrstar has completed the grant assessment process requirements. The grant assessment and recommendation has been presented to the program delegate for a decision.





The Hobart region is comprised of the following GCCSA boundaries:  
Greater Hobart



### Top 5 Industries by Number of Jobs

ABS - Jobs in Australia, Jun 2020  
ABS - Counts of Australian Businesses, including Entries and Exits, Jun 2022

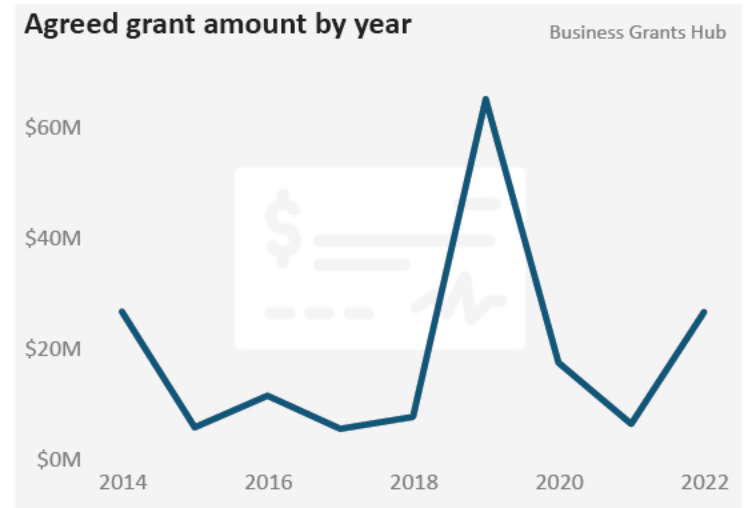
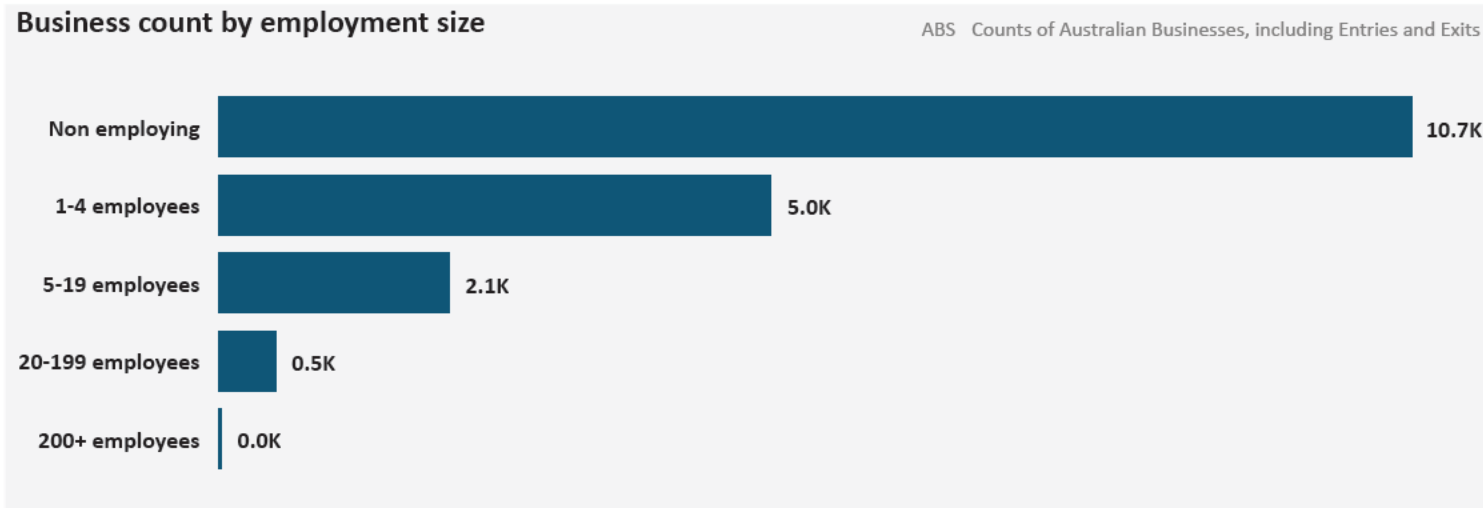
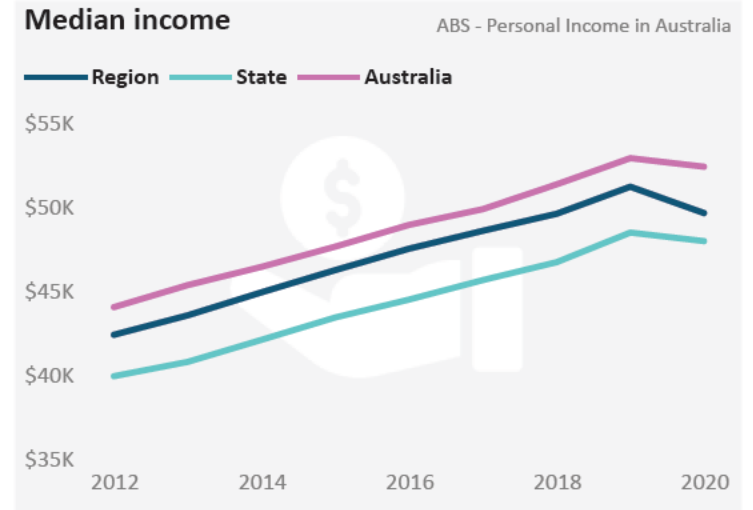
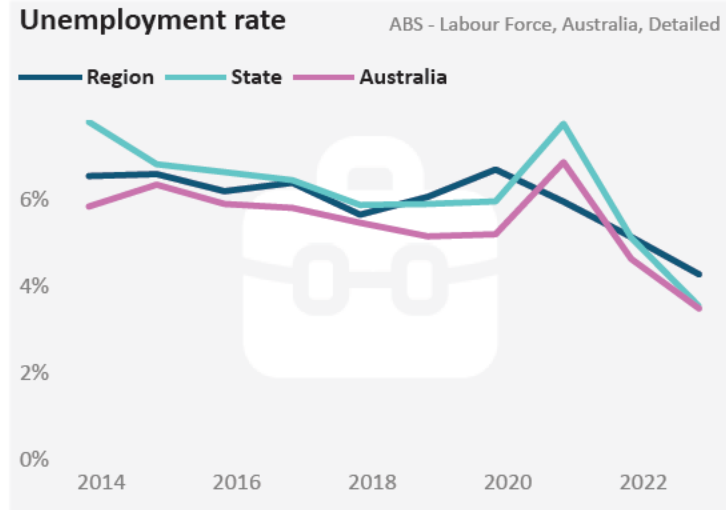
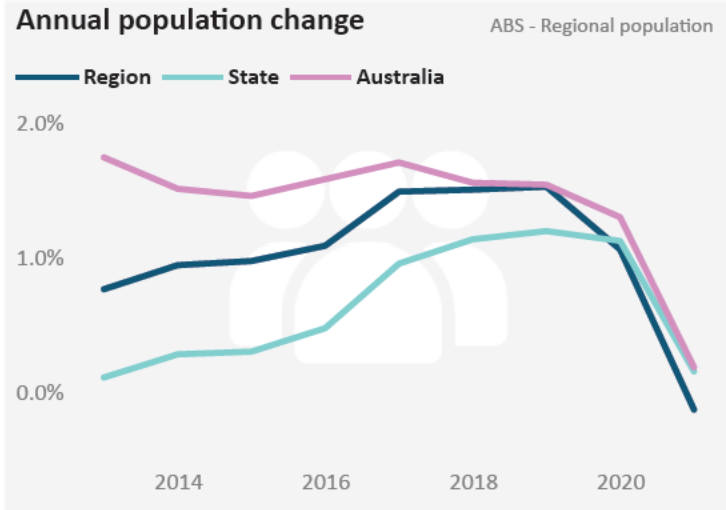
ANZSIC Division	Number of jobs	Business count
Health Care and Social Assistance	24,810	1,580
Education and Training	18,410	310
Retail Trade	16,380	1,180
Accommodation and Food Services	16,180	1,130
Public Administration and Safety	14,290	5

### Top Grants

Business Grants Hub, Mar 2023

Financial year	Programme name	Agreed grant amount
2021-2022	Building Better Regions Fund - Infrastructure Projects Stream - Round 5	\$8,170,055
2022-2023	Manufacturing Translation Stream - Food and Beverage Priority Round 2	\$4,500,000
2021-2022	Preparing Australian Communities - Local Stream	\$2,947,585
2021-2022	Safer Communities Fund Round 6 - Early Intervention	\$2,157,692

REGION REPORT  
**Hobart**



SA3 Name	Population	Population change 2020-21	Indigenous Australians	Born overseas	Completed year 12	Labour force total	Unemployment rate	Unemployment rate change 2021-22	Median income	Business count
Brighton	19,220	2.7% ↑↑	11.3%	6.9%	28.1%	9,200	7.9%	-1.5% ↓↓	\$51,000	740
Hobart - North East	56,900	0.9% ↑	4.3%	14.9%	43.1%	29,100	3.9%	-0.9% ↓	\$52,000	3,580
Hobart - North West	54,610	-1.1% ↓	5.6%	20.7%	38.2%	28,000	6.4%	-1.6% ↓↓	\$46,800	3,350
Hobart - South and West	35,310	-0.1% ↓	4.1%	22.0%	49.2%	18,900	2.5%	-0.8% ↓	\$51,500	2,470
Hobart Inner	54,370	-1.7% ↓↓	1.6%	29.8%	63.1%	30,400	2.8%	-1.1% ↓↓	\$48,600	6,870
Sorell - Dodges Ferry	17,980	1.3% ↑	4.5%	11.3%	34.5%	9,400	4.0%	-1.0% ↓	\$49,200	1,240
<b>Hobart</b>	<b>238,380</b>	<b>-0.1% ↓</b>	<b>4.5%</b>	<b>19.8%</b>	<b>45.5%</b>	<b>134,600</b>	<b>4.2%</b>	<b>-0.9% ↓</b>	<b>\$49,600</b>	<b>18,250</b>
<b>TAS</b>	<b>541,300</b>	<b>0.1% ↑</b>	<b>5.4%</b>	<b>16.3%</b>	<b>38.0%</b>	<b>302,500</b>	<b>3.5%</b>	<b>-1.6% ↓↓</b>	<b>\$47,900</b>	<b>40,700</b>
<b>Australia</b>	<b>25,738,100</b>	<b>0.2% ↑</b>	<b>3.2%</b>	<b>29.3%</b>	<b>46.4%</b>	<b>14,261,100</b>	<b>3.4%</b>	<b>-1.1% ↓↓</b>	<b>\$52,300</b>	<b>2,402,300</b>

## Data sources and last updates

ABS - 2021 Census Aug 2021

ABS - Counts of Australian Businesses, including Entries and Exits Jun 2022

ABS - Jobs in Australia Jun 2020

ABS - Labour Force, Australia Nov 2022

ABS - Personal Income in Australia Jun 2020

ABS - Regional population Jun 2021

Business Grants Hub Mar 2023

Jobs and Skills Australia - Small Area Labour Markets Sep 2022

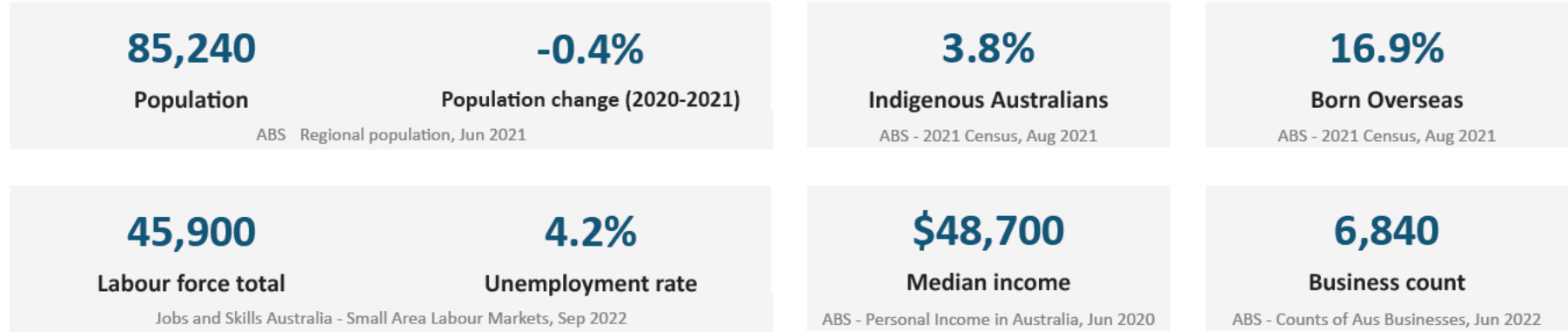
REGION REPORT

# Launceston



The Launceston region is comprised of the following Statistical Area 3 (SA3) boundaries:

Launceston



## Top 5 Industries by Number of Jobs

ABS - Jobs in Australia, Jun 2020  
ABS - Counts of Australian Businesses, including Entries and Exits, Jun 2022

ANZSIC Division	Number of jobs	Business count
Health Care and Social Assistance	9,940	590
Retail Trade	6,400	500
Education and Training	5,840	110
Accommodation and Food Services	5,620	390
Administrative Support Services	3,960	240

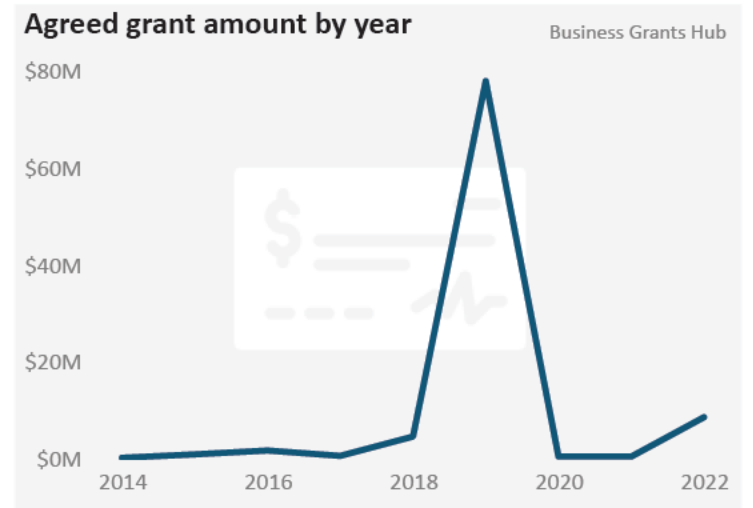
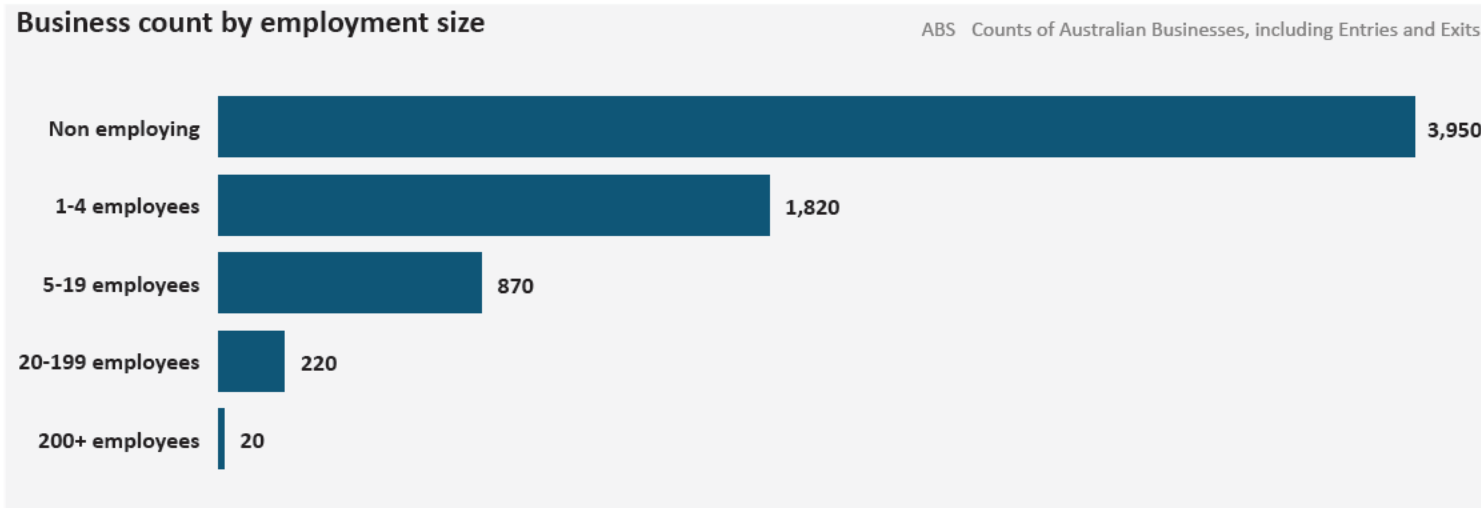
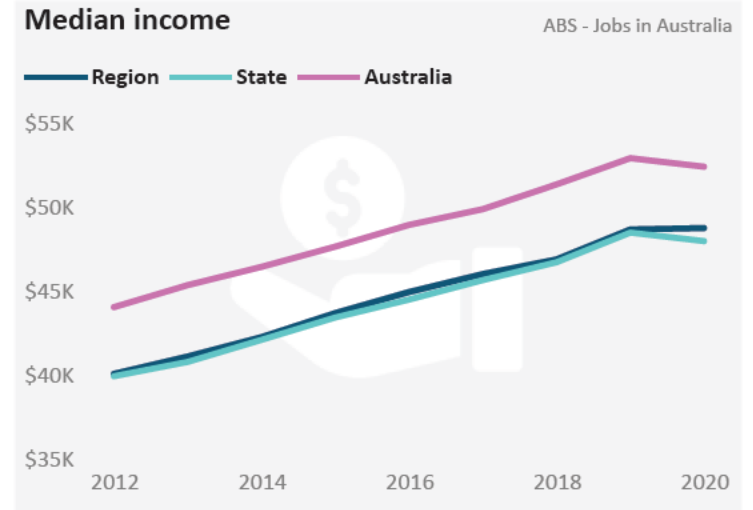
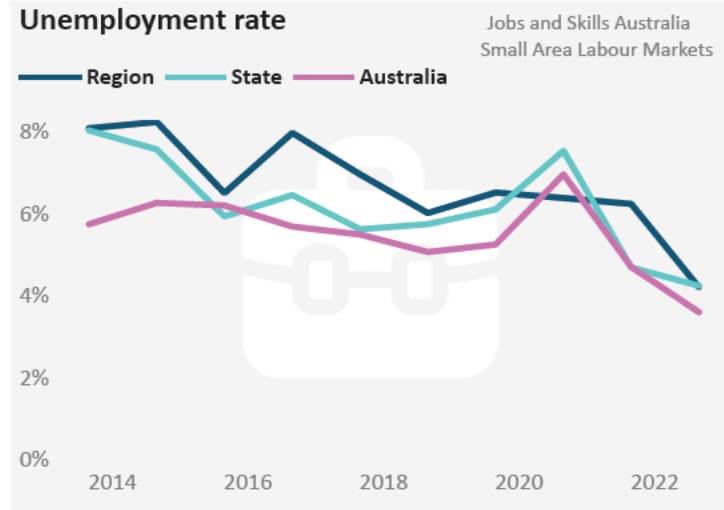
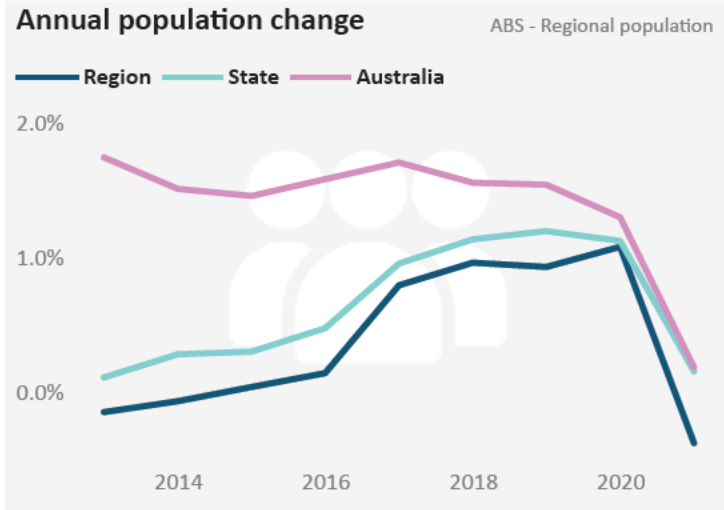
## Top Grants

Business Grants Hub, Mar 2023

Financial year	Programme name	Agreed grant amount
2021-2022	Building Better Regions Fund - Infrastructure Projects Stream - Round 5	\$7,572,903
2022-2023	Waverley Mills Upgrade	\$6,000,000
2021-2022	Black Summer Bushfire Recovery Grants Program	\$451,390
2022-2023	Energy Efficient Communities - Food and Beverage Manufacturing Business Grant - TAS	\$125,000



# Launceston



REGION REPORT

# Launceston

SA2 Name	Population	Population change 2020-21	Indigenous Australians	Born overseas	Completed year 12	Labour force total	Unemployment rate	Unemployment rate change 2021-22	Median income	Business count
Invermay	3,210	-0.7% ↓	4.3%	22.5%	40.7%	1,900	6.9%	-3.8% ↓↓	\$42,300	430
Kings Meadows - Punchbowl	4,650	-0.1% ↓	3.5%	15.2%	37.0%	2,500	4.0%	-2.6% ↓↓	\$49,700	380
Launceston	5,160	-3.6% ↓↓	2.0%	23.9%	55.2%	3,300	4.7%	-2.5% ↓↓	\$51,700	2,010
Legana	4,560	1.6% ↑↑	2.7%	15.3%	34.4%	2,500	1.6%	-1.1% ↓↓	\$51,000	280
Mowbray	4,000	-1.7% ↓↓	5.1%	33.1%	37.9%	1,900	8.7%	-3.1% ↓↓	\$36,300	240
Newnham - Mayfield	10,060	0.2% ↑	6.1%	23.5%	31.2%	4,400	7.7%	-3.1% ↓↓	\$40,800	360
Newstead	5,510	-1.0% ↓	2.8%	16.7%	43.5%	2,800	2.4%	-1.6% ↓↓	\$53,200	400
Norwood (Tas.)	3,930	-1.2% ↓	2.7%	12.8%	38.8%	2,000	2.3%	-0.9% ↓	\$50,100	180
Prospect Vale - Blackstone	6,610	-0.2% ↓	2.8%	12.3%	33.4%	3,700	2.2%	-1.3% ↓↓	\$51,200	380
Ravenswood	3,570	0.2% ↑	10.7%	7.2%	22.1%	1,600	13.2%	-5.0% ↓↓	\$40,300	70
Riverside	6,920	0.6% ↑	2.4%	17.7%	41.3%	4,000	2.4%	-1.2% ↓↓	\$50,900	450
South Launceston	4,790	-1.1% ↓	2.8%	19.6%	43.9%	2,700	4.1%	-2.0% ↓↓	\$50,300	360
Summerhill - Prospect	4,990	0.9% ↑	3.9%	10.6%	32.2%	2,700	2.8%	-1.3% ↓↓	\$50,200	220
Trevallyn	4,710	-0.3% ↓	2.4%	16.7%	47.6%	2,800	2.3%	-1.2% ↓↓	\$53,800	280
Waverley - St Leonards	3,680	0.7% ↑	5.1%	7.3%	28.0%	2,000	5.0%	-2.4% ↓↓	\$49,900	230
West Launceston	4,220	-1.2% ↓	2.5%	16.6%	46.7%	2,600	2.9%	-1.4% ↓↓	\$50,800	250
Youngtown - Relbia	4,670	-0.4% ↓	3.1%	10.8%	35.2%	2,700	2.3%	-1.9% ↓↓	\$50,900	330

REGION REPORT

# Launceston



Region	Population	Population change 2020-21	% Indigenous	% Born overseas	% Completed year 12	Total labour force	Unemployment rate	Unemployment rate change 2021-22	Median income	Business count
Launceston	85,240	-0.4% ↓	3.8%	16.9%	38.1%	45,900	4.2%	-2.0% ↓↓	\$48,700	6,840
TAS	541,300	0.1% ↑	5.4%	16.3%	38.0%	302,500	3.5%	-1.6% ↓↓	\$47,900	40,700
Australia	25,738,100	0.2% ↑	3.2%	29.3%	46.4%	14,261,100	3.4%	-1.1% ↓↓	\$52,300	2,402,300

## Data sources and last updates

ABS - 2021 Census [Aug 2021](#)

ABS - Counts of Australian Businesses, including Entries and Exits [Jun 2022](#)

ABS - Jobs in Australia [Jun 2020](#)

ABS - Labour Force, Australia [Nov 2022](#)

ABS - Personal Income in Australia [Jun 2020](#)

ABS - Regional population [Jun 2021](#)

Business Grants Hub [Mar 2023](#)

Jobs and Skills Australia - Small Area Labour Markets [Sep 2022](#)



## REGION REPORT Burnie - Ulverstone



The Burnie - Ulverstone region is comprised of the following Statistical Area 3 (SA3) boundaries:  
Burnie - Ulverstone

**49,230**

Population

ABS - Regional population, Jun 2021

**+0.0%**

Population change (2020-2021)

**8.6%**

Indigenous Australians

ABS - 2021 Census, Aug 2021

**10.2%**

Born Overseas

ABS - 2021 Census, Aug 2021

**23,000**

Labour force total

Jobs and Skills Australia - Small Area Labour Markets, Sep 2022

**5.1%**

Unemployment rate

**\$48,900**

Median income

ABS - Personal Income in Australia, Jun 2020

**3,040**

Business count

ABS - Counts of Aus Businesses, Jun 2022

### Top 5 Industries by Number of Jobs

ABS - Jobs in Australia, Jun 2020  
ABS - Counts of Australian Businesses, including Entries and Exits, Jun 2022

ANZSIC Division	Number of jobs	Business count
Health Care and Social Assistance	4,890	230
Retail Trade	3,220	230
Manufacturing	3,100	150
Education and Training	2,360	20
Administrative Support Services	2,320	100

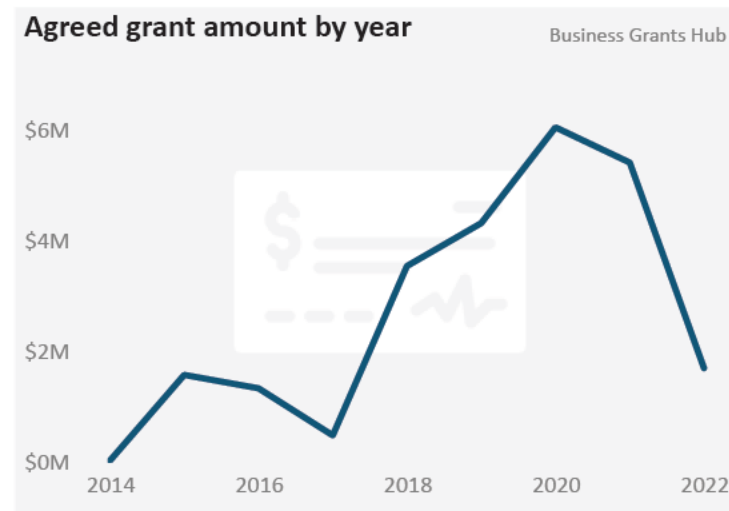
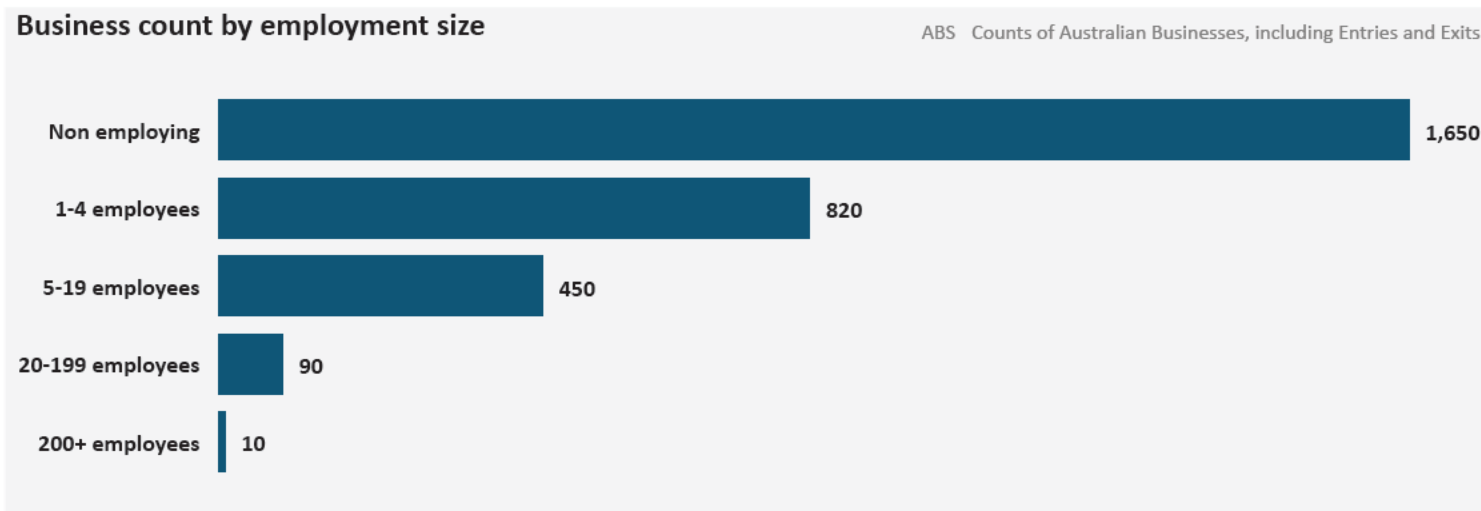
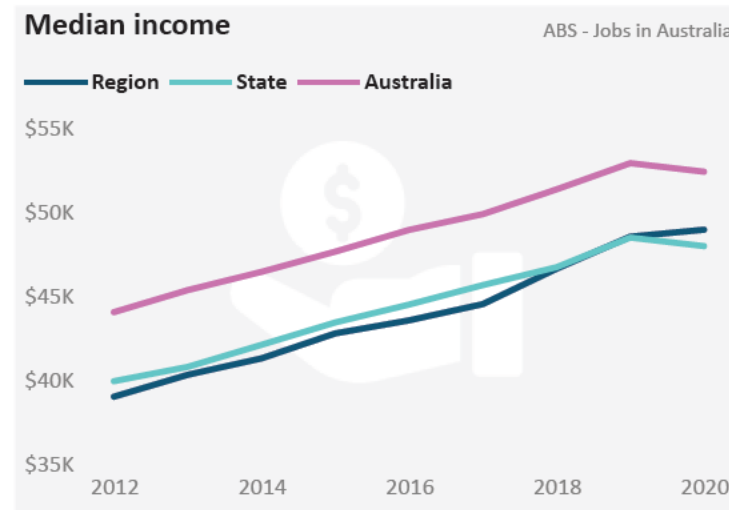
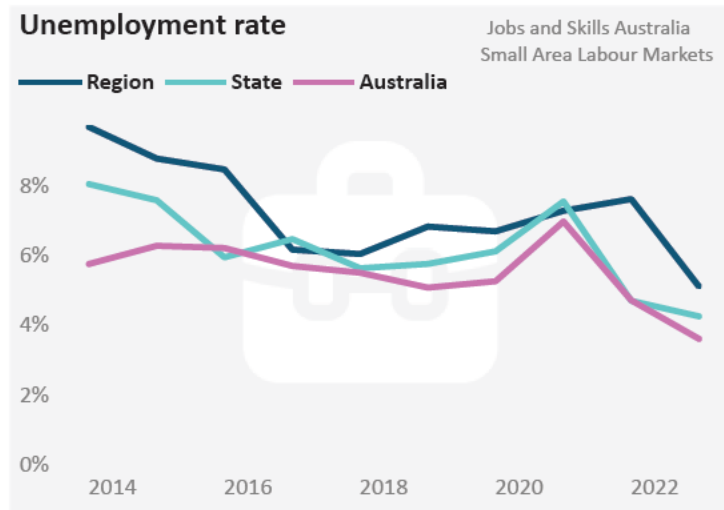
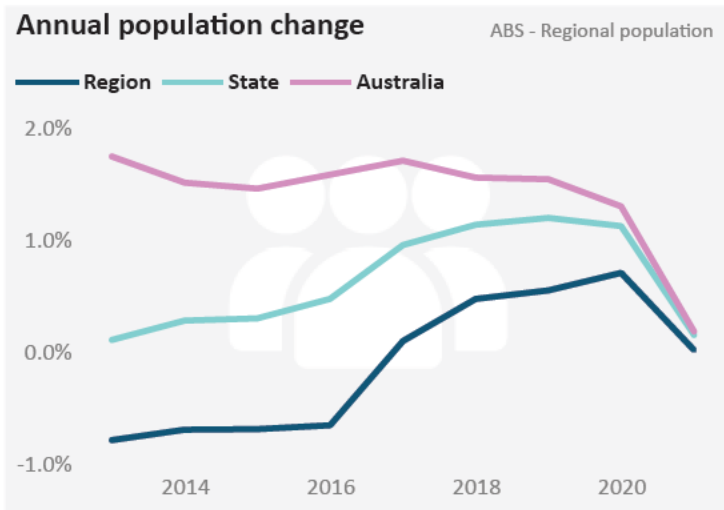
### Top Grants

Business Grants Hub, Mar 2023

Financial year	Programme name	Agreed grant amount
2021-2022	Manufacturing Integration Stream - Resources Technology and Critical Minerals Processing Priority R1	\$5,168,560
2020-2021	BBRF - Infrastructure Projects Stream Round 3	\$3,206,006
2020-2021	BBRF - Infrastructure Projects Stream Round 2	\$2,500,000
2021-2022	ERF - Threatened Species Strategy Action Plan - Priority Species Grants	\$347,229

REGION REPORT

# Burnie - Ulverstone



REGION REPORT

# Burnie - Ulverstone



SA2 Name	Population	Population change 2020-21	Indigenous Australians	Born overseas	Completed year 12	Labour force total	Unemployment rate	Unemployment rate change 2021-22	Median income	Business count
Acton - Upper Burnie	3,350	-0.7% ↓	10.2%	9.4%	25.4%	1,400	8.0%	-4.5% ↓↓	\$46,200	90
Burnie - Ulverstone Region	5,100	0.9% ↑	7.6%	9.2%	26.9%	2,800	2.6%	-1.2% ↓↓	\$47,500	560
Burnie - Wivenhoe	3,650	-1.6% ↓↓	8.0%	13.3%	32.3%	1,800	8.9%	-4.4% ↓↓	\$47,600	500
Parklands - Camdale	6,690	0.0%	8.4%	11.9%	31.5%	3,000	6.3%	-2.4% ↓↓	\$52,100	300
Penguin - Sulphur Creek	5,400	0.8% ↑	7.7%	10.7%	29.7%	2,600	3.4%	-1.7% ↓↓	\$50,100	330
Romaine - Havenview	3,440	0.6% ↑	9.3%	8.8%	28.6%	1,800	3.9%	-2.3% ↓↓	\$52,200	100
Somerset	4,010	0.0% ↑	8.0%	8.5%	23.6%	1,900	4.4%	-2.8% ↓↓	\$50,700	170
Ulverstone	6,970	-0.5% ↓	8.6%	9.3%	26.5%	3,100	4.6%	-2.6% ↓↓	\$46,200	480
West Ulverstone	4,240	-1.1% ↓	9.4%	9.6%	25.2%	1,900	5.2%	-2.0% ↓↓	\$46,500	160
Wynyard	6,380	0.9% ↑	9.7%	10.8%	26.7%	2,700	5.3%	-2.7% ↓↓	\$49,400	350
Burnie - Ulverstone	49,230	0.0% ↑	8.6%	10.2%	27.7%	23,000	5.1%	-2.5% ↓↓	\$48,900	3,040
TAS	541,300	0.1% ↑	5.4%	16.3%	38.0%	302,500	3.5%	-1.6% ↓↓	\$47,900	40,700
Australia	25,738,100	0.2% ↑	3.2%	29.3%	46.4%	14,261,100	3.4%	-1.1% ↓↓	\$52,300	2,402,300

## Data sources and last updates

ABS - 2021 Census Aug 2021

ABS - Counts of Australian Businesses, including Entries and Exits Jun 2022

ABS - Jobs in Australia Jun 2020

ABS - Labour Force, Australia Nov 2022

ABS - Personal Income in Australia Jun 2020

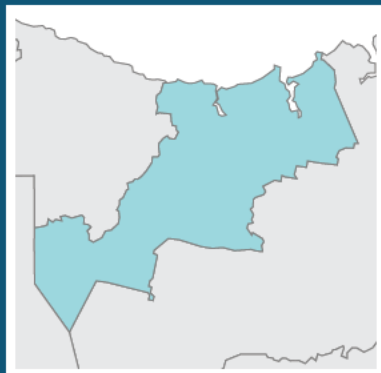
ABS - Regional population Jun 2021

Business Grants Hub Mar 2023

Jobs and Skills Australia - Small Area Labour Markets Sep 2022



## REGION REPORT Devonport



The Devonport region is comprised of the following Statistical Area 3 (SA3) boundaries:

Devonport

**47,280**

Population

ABS - Regional population, Jun 2021

**+0.6%**

Population change (2020-2021)

**6.9%**

Indigenous Australians

ABS - 2021 Census, Aug 2021

**11.7%**

Born Overseas

ABS - 2021 Census, Aug 2021

**22,500**

Labour force total

Jobs and Skills Australia - Small Area Labour Markets, Sep 2022

**4.5%**

Unemployment rate

**\$46,300**

Median income

ABS - Personal Income in Australia, Jun 2020

**3,360**

Business count

ABS - Counts of Aus Businesses, Jun 2022

### Top 5 Industries by Number of Jobs

ABS - Jobs in Australia, Jun 2020  
ABS - Counts of Australian Businesses, including Entries and Exits, Jun 2022

ANZSIC Division	Number of jobs	Business count
Health Care and Social Assistance	4,100	190
Retail Trade	3,100	250
Administrative Support Services	3,060	120
Agriculture, Forestry and Fishing	2,960	550
Accommodation and Food Services	2,480	150

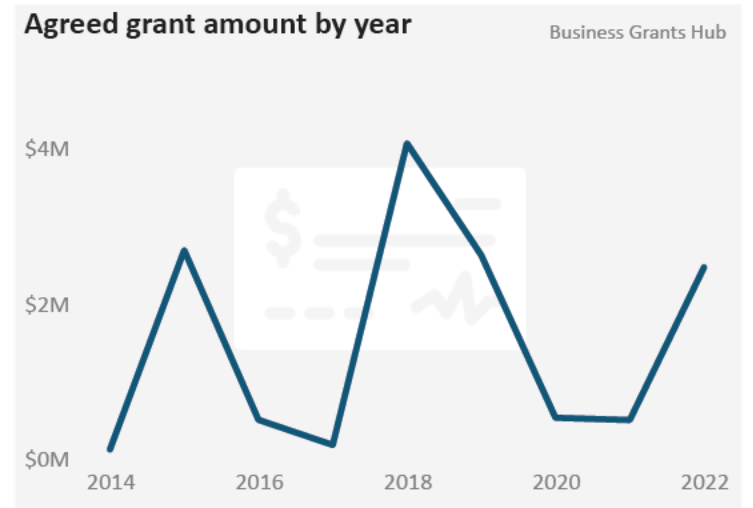
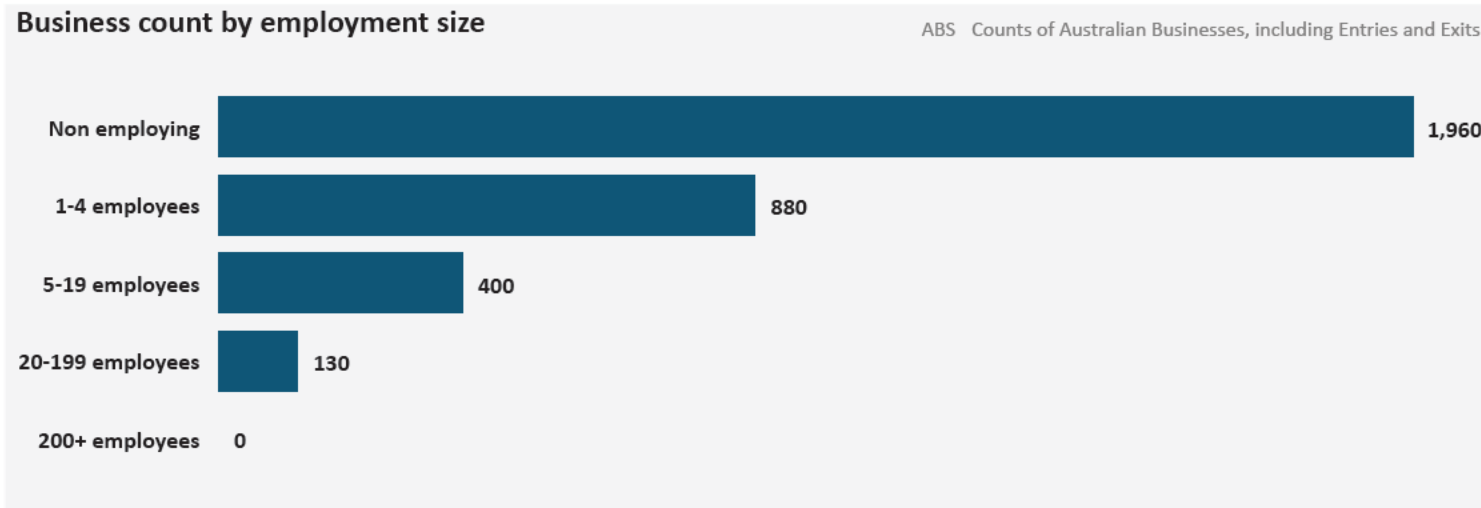
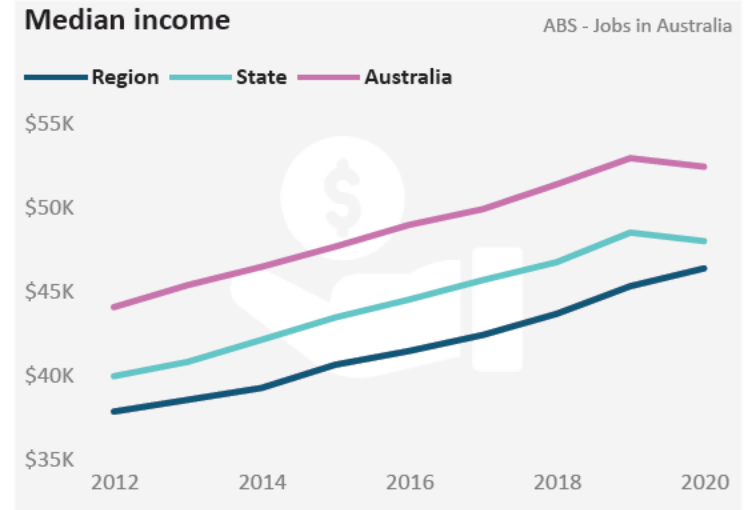
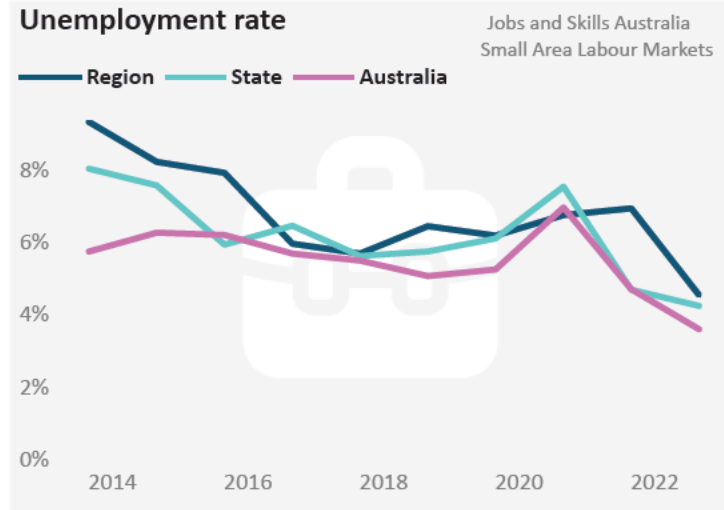
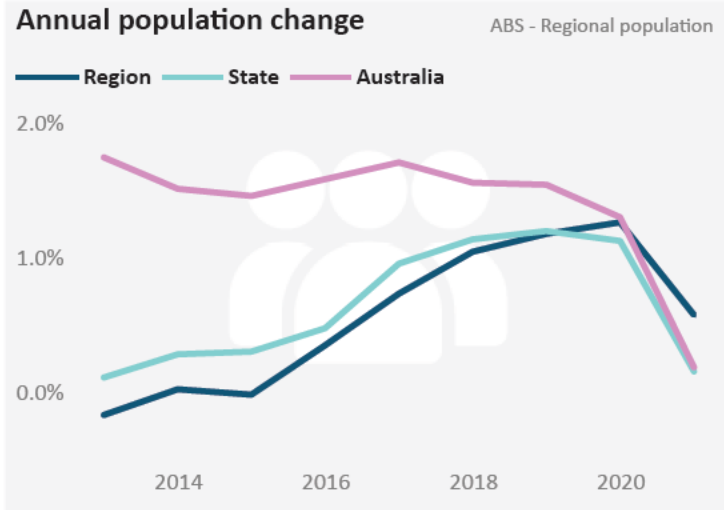
### Top Grants

Business Grants Hub, Mar 2023

Financial year	Programme name	Agreed grant amount
2021-2022	Safer Communities Fund Round 6 - Early Intervention	\$2,264,198
2020-2021	RJIP - Regional TAS - Business Innovation R1	\$300,000
2020-2021	Innovation Connections Grant	\$50,000
2021-2022	Innovation Connections Grant	\$50,000



# REGION REPORT Devonport





## REGION REPORT

# Devonport



SA2 Name	Population	Population change 2020-21	Indigenous Australians	Born overseas	Completed year 12	Labour force total	Unemployment rate	Unemployment rate change 2021-22	Median income	Business count
Devonport	14,040	-0.9% ↓	7.0%	12.0%	29.6%	6,500	7.0%	-3.1% ↓↓	\$45,300	1,000
East Devonport	4,800	-0.2% ↓	10.3%	13.6%	25.5%	2,000	8.4%	-3.4% ↓↓	\$39,000	260
Latrobe	5,110	2.5% ↑↑	7.5%	9.5%	24.2%	2,500	3.4%	-1.7% ↓↓	\$48,000	340
Miandetta - Don	3,820	0.6% ↑	6.4%	11.1%	31.4%	1,900	2.4%	-2.1% ↓↓	\$50,500	190
Port Sorell	6,570	2.0% ↑↑	5.0%	12.2%	28.3%	3,100	2.3%	-1.8% ↓↓	\$48,400	450
Quoiba - Spreyton	3,110	0.4% ↑	7.4%	8.4%	27.3%	1,700	2.8%	-1.8% ↓↓	\$52,100	280
Sheffield - Railton	6,430	1.3% ↑	6.0%	13.1%	27.6%	3,100	3.7%	-2.8% ↓↓	\$41,600	580
Turners Beach - Forth	3,400	1.2% ↑	6.2%	11.3%	32.3%	1,800	1.6%	-0.9% ↓	\$49,000	250
<b>Devonport</b>	<b>47,280</b>	<b>0.6% ↑</b>	<b>6.9%</b>	<b>11.7%</b>	<b>28.3%</b>	<b>22,500</b>	<b>4.5%</b>	<b>-2.4% ↓↓</b>	<b>\$46,300</b>	<b>3,360</b>
<b>TAS</b>	<b>541,300</b>	<b>0.1% ↑</b>	<b>5.4%</b>	<b>16.3%</b>	<b>38.0%</b>	<b>302,500</b>	<b>3.5%</b>	<b>-1.6% ↓↓</b>	<b>\$47,900</b>	<b>40,700</b>
<b>Australia</b>	<b>25,738,100</b>	<b>0.2% ↑</b>	<b>3.2%</b>	<b>29.3%</b>	<b>46.4%</b>	<b>14,261,100</b>	<b>3.4%</b>	<b>-1.1% ↓↓</b>	<b>\$52,300</b>	<b>2,402,300</b>

### Data sources and last updates

ABS - 2021 Census Aug 2021

ABS - Counts of Australian Businesses, including Entries and Exits Jun 2022

ABS - Jobs in Australia Jun 2020

ABS - Labour Force, Australia Nov 2022

ABS - Personal Income in Australia Jun 2020

ABS - Regional population Jun 2021

Business Grants Hub Mar 2023

Jobs and Skills Australia - Small Area Labour Markets Sep 2022

**DEPARTMENT OF INDUSTRY, SCIENCE AND RESOURCES**

MS22-000927

**To:** Minister for Industry and Science (For Decision)

**PROCESS FOR PROVIDING AD-HOC GRANT TO NYRSTAR'S HOBART ZINC SMELTER**

**Timing:** by 12 August 2022, ahead of the scheduled release of the exposure draft portfolio budget submission on 15 August 2022.

**Recommendations:** That you:

1. **Agree** the department prepare a New Policy Proposal (NPP) for the Nyrstar grant that includes the revised funding profile discussed with the proponent, s 47C, s 47E(d)
  
2. **Agree** to send the attached letter of request to the Finance Minister for approval of the revised funding profile without offsets for delivery of the grant to Nyrstar

**Agreed / Not agreed**

**Minister:**

**Date:**

**Comments:**

<b>Clearing Officer:</b> Sent 2/08/22	Mark Weaver	General Manager Strategic Industry Policy Branch	s 22
Contact Officer:	s 22	Manager, Heavy Industry Policy	s 22

**Key Points:**

1. On 13 May 2022, the Government announced an election campaign commitment of \$50 million towards the \$400 million upgrade of the 100 year old Nyrstar Hobart zinc smelter that includes a range of renewal and efficiency initiatives. Nyrstar anticipates the project will commence in 2022-23, taking around 28 months to complete, and will employ 200 people at the peak of construction.

2. The Nyrstar grant funding profile, which is incorporated under the 'Local Industry Grants' election commitment in the '*Labor's Plan for A Better Economy, Better Budget, Better Future*' document, is \$10 million per financial year, commencing in 2024-25 with the final payment in 2028-29.
3. You have received a Budget authority letter from the Cabinet Secretary which has provided authority for you to bring forward, for consideration in the 2022-23 October Budget, a proposal seeking funding for the Nyrstar grant.

s 47C, s 47E(d)

#### *Budget process*

7. Under the interim Budget Process Operation Rules (BPORs) election commitment proposals that are costed in line with *Labor's Plan for a Better Future: Better Budget, Better Economy* are exempt from requiring financial offsets.
8. Given the revised Nyrstar grant funding profile proposal is different from that presented in the election commitment costing and would seek to bring funding from the out years into the forward estimates, the Department of Finance has advised DISR that this may require offsets under the interim BPORs. s 47C, s 47E(d)

9. s 47C, s 47E(d)

10. s 47C, s47E(d)

11.

12. A letter from you to the Finance Minister requesting the Finance Minister agree to the revised funding profile without offsets is attached for your consideration.

*Potential early announcement*

13. Finally, Nyrstar raised that they were hopeful of a finalised grant agreement from the Commonwealth Government by 1 September to commence their project as soon as possible. We noted the funding and timeframes are subject to Budget timelines and processes and are unlikely to provide this flexibility. We expect the earliest date for any potential grant agreement to take effect would be following the announcement of the 2022-23 October Budget on Tuesday 25 October 2022.
- a. Under the interim BPORs an announcement of funding could be made prior to Budget, however this would require approval through the Budget process. The department can provide you with further details of this option should you wish to explore it further.

**Sensitivities and Handling**

s 47E(d)

s47C

16. Nyrstar's intended commencement of the project in 2022-23 with anticipated completion within 28 months may not align with the Government's grant delivery timeframe.  
s 47E(d)

**Data referenced:** Nil

**Consultation:** Legal Services, Budget Policy Team, Department of Finance, AusIndustry, External Budgets

**ATTACHMENT**

- A:** Letter to Minister for Finance  
**B:** Background Information



**THE HON ED HUSIC MP**  
**MINISTER FOR INDUSTRY AND SCIENCE**

MS22-000927

Senator the Hon Katy Gallagher  
Minister for Finance  
Parliament House  
CANBERRA ACT 2600

Dear Minister

I write in relation to the Albanese Government's election commitment to provide \$50 million towards the Nyrstar Hobart smelter facility propose upgrade project. This project will implement a range of renewable energy and energy efficiency initiatives to improve the long term competitiveness of this facility. Nyrstar anticipates the project will commence in 2022-23, taking approximately 28 months to complete, and will employ 200 people at the peak of construction. It is an important project for Tasmania.

The Nyrstar grant funding profile, incorporated under the 'Local Industry Grants' election commitment in the *'Labor's Plan for A Better Economy, Better Budget, Better Future'* document, is \$10 million per financial year, commencing in 2024-25 with the final payment in 2028-29.

s 47C, s 47E(d)

I am advised the \$50 million grant would have been exempt from offsets for expenditure if the funding profile was not revised. As the revised funding profile will bring forward funding of \$30 million from the out years into the forward estimates, I request your written approval the revised funding profile is brought forward in the 25 October 2022 budget without the requirement for offsetting savings.

I look forward to continuing to work with you as we deliver on this important commitment.

Yours sincerely

Ed Husic MP

## ATTACHMENT B

### BACKGROUND

#### Proposed Nyrstar Hobart zinc smelter Project

- The 105 year old Nyrstar Hobart smelter is one of the world's largest zinc smelters, producing around 280,000 tonnes of refined zinc per year.
- The smelter sources the majority of inputs from Australian sources while primarily exporting to south-east Asia, supporting Australia's trade diversification.
- To enhance long-term sustainability and international competitiveness of the Nyrstar Hobart smelter, Nyrstar proposes a range of renewal, energy and production efficiency projects including replacement of the smelter 'Cellhouse' (the building and equipment required to conduct the electrolysis process to produce zinc).
- The Tasmanian Government committed to provide a further \$20 million, while Nyrstar is to provide the balance of \$330 million towards the estimated A\$400 million project.
- The Nyrstar Hobart zinc smelter is highly regulated, with the project proposal assessed and approved under Tasmanian planning and environmental management legislation.
- The Nyrstar Hobart smelter is clearly significant to Tasmania's economy, employing around 600 people, supporting valuable economy output and export earnings.
- The Nyrstar Hobart smelter has significant linkages with Nyrstar's Port Pirie multi-metals smelter in South Australia, which utilises Nyrstar Hobart's major metal containing by-products for further processing.
- Nyrstar is backed by its majority owner, Trafigura, a global multi-metals business with a market leading position in zinc and lead.

#### Australian zinc

- Australia is the third highest producer of zinc and the world's second largest zinc exporter in the world in 2021. Australia holds around 28 per cent of world zinc resources.<sup>1</sup>
- The Nyrstar Hobart smelter is one of only two zinc refineries in Australia - the other is owned by Sun Metals and located near Townsville, Queensland.
  - Both refineries have relatively comparable annual production capacities.
  - Sun Metals is currently undergoing expansion to produce up to 50,000 tonnes per annum incrementally, which is around a 20 per cent expansion.
- Export earnings from the two refineries is estimated to be around 40 per cent of Australia's total export revenue for zinc which was around \$3.3 billion in 2020-21.
- Zinc is primarily used in galvanising steel. Therefore, zinc consumption generally correlates with world steel production. Primary demand for zinc is therefore expected to continue to move with steel production.
- Australia's top five destinations for zinc in 2021 were China, South Korea, Chinese Taipei, Japan and Vietnam.

---

<sup>1</sup> U.S. Geological Survey, Mineral Commodity Summaries, January 2022

## Global zinc market

- Zinc prices averaged around US\$3,100 a tonne in 2021 - an increase of more than 30 per cent compared with 2020.
- As at 17 May 2022, zinc prices on the London Metals Exchange had reached US\$3,685 per tonne.
- This reflects disrupted supply from a number of major zinc mines due to the COVID-19 pandemic, as well as impacts to refined production due to energy supply issues in both China and Europe.
- Weakened supply has also come in the midst of quickly-recovering global consumption, as construction activity and new infrastructure investment rebounded from the pandemic.

DEPARTMENT OF INDUSTRY, SCIENCE AND RESOURCES

MB22-001017

To: Minister for Industry and Science

MINISTER HUSIC'S MEETING WITH NYRSTAR - 6 SEPTEMBER 22

Timing: 3:30 pm

Meeting with: Nyrstar

s 22

**Prior meetings:** Donna Looney, Head of Industry Growth Division, met with Nyrstar representatives on site at the Hobart smelter on 1 September 2022.

**Attending Minister's Office representative:** s 22

**Attending departmental representative:** Donna Looney

**What we want:** To assure Nyrstar you are taking the commitment of \$50 million towards the Nyrstar Hobart zinc smelter upgrade project forward.

1. **What they want:**

- Provide you a briefing on the Hobart zinc smelter upgrade, which includes a new Electrolysis Plant, and the importance of this for future of the smelter and Australian zinc metal production.
- Assurance of Government support for the project and delivery of the \$50 million grant as per the election commitment and possible early announcement of the grant to Nyrstar (prior to the 25 October Budget).

**Issues and Sensitivities:**

1. You are meeting with the s 22, Nyrstar and team, to discuss their Hobart Zinc smelter operations and proposed upgrade project. The project has received funding commitments from both Australian and Tasmanian State Governments. A fact sheet on the Nyrstar Hobart Zinc Smelter is at **Attachment A**.
2. The Nyrstar grant funding profile, which is incorporated under the 'Local Industry Grants' election commitment in the '*Labor's Plan for A Better Economy, Better Budget, Better Future*' document, is \$10 million per year from 2024-25 to 2028-29.
3. Nyrstar anticipates the project will commence in 2022-23, taking around 28 months to complete. Nyrstar therefore indicated they required the funds earlier than is outlined in the election commitment costing funding profile to match their project timeframes.
  - a. The Tasmanian Government has also committed \$20 million for the Nyrstar Hobart Smelter upgrade project (with no timeframe specified).

<b>Clearing Officer:</b> Sent: .2/..9/..22	Mark Weaver	General Manager Industrial Competitiveness and Strategy Branch	s 22
Contact Officer:	s 22	Manager, Heavy Industry Policy	s 22



4. s 47C, s 47E(d)

5. s 47G

- a. Under the interim BPORs an announcement of funding could be made prior to Budget, however this would require written approval from the Treasurer and Finance Minister.
6. The process of establishing an agreement to deliver the grant will involve a series of steps. This includes drafting a legislative instrument under s33 of the *Industry Research and Development Act 1986* (to reduce any constitutional risk associated with the grant) which cannot occur until authority for the grant has been confirmed through the Budget process.

#### **Consultation: Nyrstar and Tasmanian Government**

#### **Attachments**

- A: Fact Sheet: Nyrstar Hobart Smelter**
- B: Discussion points**
- C: Background**
- D: Biographies Nyrstar Management**



# Hobart

# Australia

## Fast Facts

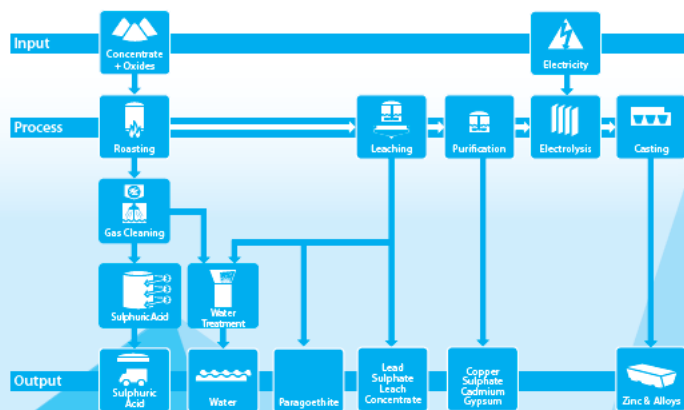
**LOCATION:** Hobart, Tasmania, Australia  
**TECHNOLOGY:** roast, leach, electrolysis (RLE) smelting  
**PRODUCTS:** special high grade (SHG) zinc, zinc alloys and sulphuric acid  
**EMPLOYEES:** 480



## Operation at a glance

Nyrstar's Hobart smelter is a large-scale zinc smelter located on the western bank of the Derwent River Estuary in Hobart, Tasmania. The facility uses the RLE process for zinc production. Hobart is closely integrated with the Nyrstar Port Pirie multi-metals smelter, which processes Hobart's paragoethite by-product as well as a relatively small volume of other leach by-products. The site has operated for more than 100 years and is one of the world's largest and most efficient zinc producers, with a capacity of 280,000 tonnes of market metal.

## PRODUCTION PROCESS AT HOBART



## OVERVIEW

The Nyrstar Hobart smelter is one of the world's largest zinc smelters in terms of production volume, focusing on high-value added products for export primarily to Asia.

The facility uses the RLE process for zinc production. Hobart's key products are SHG zinc, die cast alloys (branded 'EZDA') and CGG (continuous galvanising grade) alloys. In addition, the site also makes by-products of cadmium, copper sulphate, paragoethite, lead sulphate, leach concentrate, gypsum and sulphuric acid.

Hobart is closely integrated with the Nyrstar Port Pirie multi-metals smelter, which processes Hobart's paragoethite by-product as well as other leach by-products.

The site has been significantly upgraded and modernised, with improvements in the gas purification and acid plants in the roasting facility and in the leaching and purification processes; the introduction of mechanised zinc stripping in Electrolysis and the automation of the casting plant.

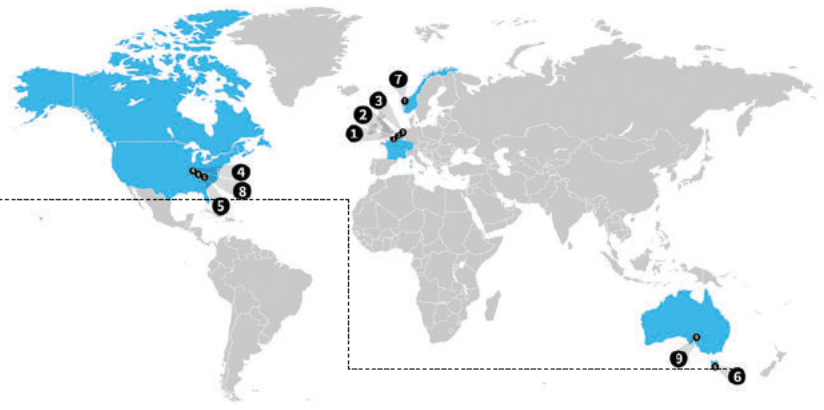
The Hobart site was the original base-load consumer for the development of hydro-electricity in Tasmania and it continues to be an energy-intensive business today.

The Nyrstar Hobart smelter has been part of the Hobart community for more than 100 years. The strong relationship the smelter has with its community has been forged over many years and continues through partnerships, sponsorships and community consultation.





## Hobart, Australia



- 1 **AUBY** Smelter, *France*
- 2 **BALEN / PELT** Smelter & Oxide Washing Plant, *Belgium*
- 3 **BUDEL** Smelter, *The Netherlands*
- 4 **CLARKSVILLE** Smelter, *USA*
- 5 **EAST TENNESSEE** Mine Complex, *USA*
- 6 **HOBART** Smelter, *Australia*
- 7 **HOYANGER** Fumer, *Norway*
- 8 **MID TENNESSEE** Mine Complex, *USA*
- 9 **PORT PIRIE** Multi-metals Processing Facility, *Australia*

## THE WORLD OF NYRSTAR

Nyrstar Hobart is part of Nyrstar, a global multi-metals business, with a market leading position in zinc and lead, and growing positions in other base and precious metals.

Nyrstar has mining, smelting and other operations located in Europe, the United States and Australia and employs over 4,000 people.

The company's global operations are located close to key customers and major transport hubs to facilitate delivery of raw materials and distribution of finished products.

In July 2019, Nyrstar's operating business became majority owned by Trafigura, one of the world's leading independent commodity trading companies. Visit [www.nyrstar.com](http://www.nyrstar.com).

## HISTORY

Nyrstar's Hobart zinc smelter has a rich history spanning more than a century. The site has been one of Tasmania's largest industries since 1916 and is one of the state's leading exporters by value. The plant grew from a small-scale test unit in 1916 before expanding in 1917 and moving to a 100 tonne per day operation by 1921.

In the 1920s the expanding community was almost an extension of the site as the smelter's housing scheme was constructed. The smelter also founded a co-operative council that provided supplies including firewood and meat at low cost to employees, along with an insurance scheme.

The workforce peaked at 3000 employees in the 1960s, while the 1990s saw huge improvements in environmental practices including the cessation of ocean dumping of jarosite.

Significant advances in technology and safety practices and numerous expansions and modifications mean that today's plant has a production capacity of 280,000 tonnes.



## Contact Information

**Nyrstar Hobart**  
 Postal Address: GPO Box 377, Hobart, Tasmania 7001, Australia  
 Street Address: Risdon Road, Lutana, Tasmania 7009, Australia  
 T +613 6278 4444  
[www.nyrstarhobart.com](http://www.nyrstarhobart.com)

For more information please visit [www.nyrstar.com](http://www.nyrstar.com)  
 Learn about career opportunities at [nyrstar.com/careers](http://nyrstar.com/careers)

Please visit [nyrstar.com](http://nyrstar.com) for more information

© Nyrstar – December 2020

## ATTACHMENT B

### Discussion points

1. The Australian Government supports sustainable and globally competitive zinc manufacturing in Australia, and we recognise the important contribution the Hobart Zinc smelter makes to the national economy and to Tasmania. Your operations in Hobart are an important driver of local jobs and business activity.
  - a. I appreciate Nyrstar's operations, both in Hobart <sup>s 22</sup> play a significant global role in the production and supply of metals such as zinc, lead, silver and copper.
2. The Australian Government's \$50m commitment to support the upgrade of the Nyrstar Hobart Zinc Smelter (total cost \$400m) is an important investment in the future of Tasmania's manufacturing capability.
  - a. The Government also welcomes the Tasmanian Government's \$20m commitment to this project and that Nyrstar will provide the balance.

s 47C, s 47E(d)

## ATTACHMENT C

### BACKGROUND

#### Proposed Nyrstar Hobart zinc smelter Project

- The 105 year old Nyrstar Hobart smelter is one of the world's largest zinc smelters, producing around 280,000 tonnes of refined zinc per year.
- The smelter sources the majority of inputs from Australian sources while primarily exporting to south-east Asia, supporting Australia's trade diversification.
- To enhance long-term sustainability and international competitiveness of the Nyrstar Hobart smelter, Nyrstar proposes a range of renewal, energy and production efficiency projects including replacement of the smelter 'Cellhouse' (the building and equipment required to conduct the electrolysis process to produce zinc).
- On 13 May 2022, the Government announced an election campaign commitment of \$50 million towards the \$400 million upgrade of the Nyrstar Hobart zinc smelter. Nyrstar anticipates the project will commence in 2022-23, taking around 28 months to complete, and will employ 200 people at the peak of construction.
- The Tasmanian Government committed to provide a further \$20 million, while Nyrstar is to provide the balance of \$330 million towards the estimated A\$400 million project.
- The Nyrstar Hobart zinc smelter is highly regulated, with the project proposal assessed and approved under Tasmanian planning and environmental management legislation.
- The Nyrstar Hobart smelter is clearly significant to Tasmania's economy, employing around 600 people, supporting valuable economy output and export earnings.
- The Nyrstar Hobart smelter has significant linkages with Nyrstar's Port Pirie multi-metals smelter in South Australia, which utilises Nyrstar Hobart's major metal containing by-products for further processing.
- Nyrstar is backed by its majority owner, Trafigura, a global multi-metals business with a market leading position in zinc and lead.

#### 1. Australian zinc

- Australia is the third highest producer of zinc and the world's second largest zinc exporter in the world in 2021. Australia holds around 28 per cent of world zinc resources.<sup>1</sup>
- The Nyrstar Hobart smelter is one of only two zinc refineries in Australia - the other is owned by Sun Metals and located near Townsville, Queensland.
  - Both refineries have relatively comparable annual production capacities.
  - Sun Metals is currently undergoing expansion to produce up to 50,000 tonnes per annum incrementally, which is around a 20 per cent expansion.
- Export earnings from the two refineries is estimated to be around 40 per cent of Australia's total export revenue for zinc which was around \$3.3 billion in 2020-21.
- Zinc is primarily used in galvanising steel. Therefore, zinc consumption generally correlates with world steel production. Primary demand for zinc is therefore expected to continue to move with steel production.
- Australia's top five destinations for zinc in 2021 were China, South Korea, Chinese Taipei, Japan and Vietnam.

---

<sup>1</sup> U.S. Geological Survey, Mineral Commodity Summaries, January 2022

## Global zinc market

- Zinc prices averaged around US\$3,100 a tonne in 2021 - an increase of more than 30 per cent compared with 2020.
- As at 17 May 2022, zinc prices on the London Metals Exchange had reached US\$3,685 per tonne.
- This reflects disrupted supply from a number of major zinc mines due to the COVID-19 pandemic, as well as impacts to refined production due to energy supply issues in both China and Europe.
- Weakened supply has also come in the midst of quickly-recovering global consumption, as construction activity and new infrastructure investment rebounded from the pandemic.



# Australian Government

---

## Department of Industry, Science and Resources

PDR ID MB22-001325

### ***EVENT SUMMARY***

#### ***Minister for Industry and Science***

### **Nyrstar Hobart Zinc Smelter grant funding announcement**

<b>Event and purpose</b>	Nyrstar Hobart Zinc Smelter grant funding announcement
<b>Date</b>	23 October 2022
<b>Time</b>	10:25 AM
<b>Location</b>	Nyrstar Hobart Smelter, Risdon Road, Lutana, Tasmania
<b>Speakers</b>	Minister Husic <b>s22</b> Nyrstar <b>s22</b> Minister Julie Collins, Federal MP for Franklin

#### **Key message(s)**

- The Australian Government is backing local manufacturing and rebuilding Australia's industrial base through its plan for 'A Future Made in Australia'.
- The Government is formally announcing that the October 2022 Federal Budget will deliver on its election commitment to provide \$50 million towards the upgrade of Nyrstar Zinc Smelter in Hobart.
- This upgrade will create an advanced manufacturing facility producing zinc, an essential metal for the transition to net zero
- Australia's future prosperity and wellbeing relies on us adding value at home, delivering secure, well-paid jobs and skilling up for technologies of the future
- About 90% of Nyrstar's raw material zinc feed is from Australia
- 1000 jobs during the construction phase.
- Upgrade secures 1600 jobs at Nyrstar, supports 5000 jobs in Tasmania and regional South Australia through linked operations at Port Pyrie
- This funding recognises the importance of this project for the future of the Nyrstar smelter, for the Tasmanian economy and for Australian zinc metal production.



**Issues/sensitivities**

- The Nyrstar Hobart Zinc Smelter project has received funding commitments from both Australian and Tasmanian State Governments.
  - The Tasmanian Government has also committed \$20 million for the Nyrstar Hobart Smelter upgrade project.
  - Nyrstar has stated that, with this support from the Australian and Tasmanian governments, it will proceed with the \$400 million upgrade project.
- Nyrstar anticipates the project will commence later in 2022, taking around 28 months to complete.
- s 47C, s 47E(d)
- There is an ongoing enterprise agreement process with the AWU
- It is expected that the new facility will mean fewer workers. We don't have numbers. This is being negotiated with unions and so far no compulsory redundancies are envisaged.

**See attachments:**

Talking points are included in this pack.

A separate media release has been prepared for the announcement (draft release is at [Attachment A](#)).

<b>Clearing Officer:</b> Sent: 21/10/22	James Flick	A/g General Manager, Industrial Competitiveness and Strategy Branch	s 22	
Contact Officer:	s 22	Manager - Heavy Industries Team	s 22	



### About the event

- Nyrstar Hobart Zinc Smelter grant funding announcement
- 23/10/2022 at 10:00 AM
- Nyrstar Hobart Smelter, Risdon Road, Lutana, Tasmania

### About the host organisation

#### *Proposed Nyrstar Hobart zinc smelter project*

- The 105 year old Nyrstar Hobart smelter is one of the world's largest zinc smelters, producing around 280,000 tonnes of refined zinc per year.
- The smelter sources the majority of inputs from Australian sources while primarily exporting to south-east Asia, supporting Australia's trade diversification.
- To enhance long-term sustainability and international competitiveness of the Nyrstar Hobart smelter, Nyrstar proposes a range of renewal, energy and production efficiency projects including replacement of the smelter 'Cellhouse' (the building and equipment required to conduct the electrolysis process to produce zinc).
- The Nyrstar Hobart smelter is significant to Tasmania's economy, employing around 600 people, supporting valuable economy output and export earnings. Nyrstar expects up to 200 additional people will be employed during the construction phase of the project.
- The Nyrstar Hobart smelter is operationally linked to Nyrstar's Port Pirie SA multi-metals smelter, which utilises Nyrstar Hobart's major metal containing by-products for further processing.
- Nyrstar is backed by majority owner Trafigura, a global multi-metals business with a market leading position in zinc and lead.

#### *Australian zinc production*

- Australia is the third highest producer of zinc and the world's second largest zinc exporter in the world in 2021. Australia holds around 28 per cent of world zinc resources.
- Zinc is primarily used in galvanising steel. Therefore, zinc consumption generally correlates with world steel production.
- Australia's 2021 top zinc destinations were China, South Korea, Chinese Taipei, Japan and Vietnam.

#### *Global zinc market*

- Zinc prices averaged around US\$3,100 a tonne in 2021 - an increase of more than 30 per cent compared with 2020.
- As at 20 October 2022, zinc prices on the London Metals Exchange were just under US\$2,900 per tonne.

- Earlier in 2022, higher prices (approaching \$US4,600) reflected disrupted supply from a number of major zinc mines due to the COVID-19 pandemic, as well as impacts to refined production due to energy supply issues in both China and Europe.
- Weakened supply has also come in the midst of quickly-recovering global consumption, as construction activity and new infrastructure investment rebounded from the pandemic.

### **Previous portfolio involvement**

#### *Prior meetings:*

- You met with Nyrstar representatives [s 22](#) [s 22](#), [s 22](#)  
[s 22](#)  
on 6 September 2022
- Donna Looney, Head of Industry Growth Division (DISR), met with Nyrstar representatives on site at the Hobart smelter on 1 September 2022 for an overview of the smelter operations and the upgrade project.



**THE HON ED HUSIC MP**

Minister for Industry and Science

**NYRSTAR HOBART ZINC SMELTER GRANT FUNDING ANNOUNCEMENT**

**23 October 2022**

***NYRSTAR HOBART SMELTER***

***Risdon Road***

***Lutana***

***Tasmania***

## **KEY MESSAGES:**

- The Australian Government is backing local manufacturing and rebuilding Australia's industrial base through its plan for 'A Future Made in Australia'.
- The Government is announcing that the October 2022 Federal Budget will deliver on Labor's election commitment to provide \$50 million towards the upgrade of the Nyrstar Zinc Smelter in Hobart.
- This upgrade will create an advanced manufacturing facility producing zinc, an essential metal for the transition to net zero
- Australia's future prosperity and wellbeing relies on us adding value at home, delivering secure, well-paid jobs and skilling up for technologies of the future
- About 90% of Nyrstar's raw material zinc feed is from Australia
- At its peak, the project will employ 200 construction workers
- The upgrade secures 650 jobs at Nyrstar Hobart, a further 1000 at the linked facility at Port Pirie, South Australia.
- Modernised facility will support up to 5000 jobs in direct supply chain companies in Tasmania and regional South Australia.
- This funding recognises the importance of this project for the future of the Nyrstar smelter, for the Tasmanian economy and for Australian zinc metal production.

## **Introduction and welcome**

Acknowledgement of Country (Lutruwita land) LU-TRUE-WEE-TA; acknowledgement of colleagues and VIPs

### **1. Nyrstar Hobart zinc smelter upgrade budget funding announcement**

- On 13 May 2022, the Government announced an election campaign commitment of \$50 million towards the \$400 million upgrade of the 100 year old Nyrstar Hobart zinc smelter that includes a range of renewal and efficiency initiatives.
- I am pleased to formally announce that the October 2022 Federal Budget will deliver on the Government's election commitment to provide \$50m over 4 years to this upgrade project. Nyrstar anticipates the project will commence later this year.

### **2. The importance of the Nyrstar smelter**

- The 100 year old Nyrstar Hobart smelter is one of the world's largest zinc smelters, producing around 280,000 tonnes of refined zinc per year.
- The Nyrstar Hobart smelter is clearly significant to Tasmania's economy, employing around 600 people, supporting valuable economy output and export earnings.

- The Nyrstar Hobart smelter is operationally linked to Nyrstar's Port Pirie SA multi-metals smelter, which utilises Nyrstar Hobart's by-products for further processing.
- The smelter sources the majority of inputs from Australian sources while primarily exporting to south-east Asia, supporting Australia's trade diversification.
- Nyrstar has an important global role in the production and supply of metals such as zinc, lead, silver and copper

### **3. The importance of this funding commitment**

- This project has received funding commitments from both the Australian and Tasmanian State Governments, a level of commitment which recognises the importance of this project for the future of the Nyrstar smelter, and for Australian zinc metal production.
- This upgrade will create an advanced manufacturing facility producing low-carbon zinc, helping to secure a long-term future of zinc metal refining in Australia.
- This investment will help strengthen Australia's sovereign manufacturing capability of valuable metals necessary to our transition to net zero by 2050.

### **Conclusion**

- Congratulations to Nyrstar on their efforts to upgrade an important and historic – more than 100 year old - manufacturing capability and to future-proof both the smelter operation and zinc smelting in Australia into the future.







**ED HUSIC MP  
MINISTER FOR INDUSTRY AND SCIENCE**

**DRAFT MEDIA RELEASE**

**HOBART ZINC SMELTER UPGRADE TO BOOST TASSIE ECONOMY**

**XX October 2022**

The Government is helping to strengthen Australia’s manufacturing capability of valuable metals by providing \$50 million to Nyrstar to upgrade its Hobart zinc smelter in Tasmania.

This initiative delivers on an election commitment and is part of the Government’s Local Industry Grants initiative.

The measure is designed to help boost local industry and help Australian companies develop domestic manufacturing capabilities and upskill the manufacturing sector workforce.

Minister for Industry and Science Ed Husic said the Nyrstar Hobart zinc smelter was an important contributor to the Tasmanian economy, providing and sustaining local jobs.

“Nyrstar has an important global role in the production and supply of metals such as zinc, lead, silver and copper,” Minister Husic said.

“This upgrade will create an advanced manufacturing facility producing low-carbon zinc, helping to secure a long-term future of zinc metal refining in Australia.”

Zinc is a key input for critical supply chains, including energy infrastructure, construction materials, and anti-corrosion coatings on steel.

The project will commence late in 2022 with construction set to conclude in 2024-25.

Both the Australian and the Tasmanian governments will be providing funds to support project.

“This investment will help strengthen Australia’s sovereign manufacturing capability of valuable metals necessary to our transition to net zero by 2050,” Minister Husic said.

- **Media contact:**