

Comment by Whamcorp Pty Ltd on Draft Research Report "Chemicals and Plastics Regulation"

Draft Report p 239:

"However, not all of the reduction in the availability of SSAN fertilisers can be attributed to the introduction of the SSAN regulations. The main domestic producers of SSAN fertilisers decided to cease supplying the product for commercial reasons prior to the commencement of the 2002 Review of Hazardous Materials (SCCHRM 2004)."

Comment

This statement attributes the wrong reasons and the date appears wrong, as announcement was made in April 2004. While public statements were about safety, not commercial reasons, the decision was made when the writing was on the wall, and regulation was getting close – COAG agreed in June 2004. Commercially, AN fertiliser sales were a small component and would be partly replaced by blends and alternative products, so there was relatively small commercial impact. The whole of the reduction can be attributed to the issue of regulation being seriously considered.

2004 Media reports

Date of lodgement: **29-Apr-2004**

Title: **Open Briefing. Incitec Pivot. MD on H1 04 Results**

Record of interview:

"corporatefile.com.au

In April you announced Incitec Pivot would stop selling ammonium nitrate fertiliser. Given the government is currently only considering legislation to tighten regulation of the sale and storage of this product, why did you decide to act ahead of any regulatory requirement? What are the costs associated with your withdrawal from ammonium nitrate?

MD & CEO Greg Witcombe

We decided to withdraw from the ammonium nitrate fertiliser market in the interest of public safety following widespread concern that the product might be used by terrorists. Given suitable alternative fertilisers are now available for farmers, we believe continuing to sell the product while further regulation is being considered creates an unnecessary risk.

Ammonium nitrate fertiliser accounts for less than 1 percent of our sales. The withdrawal will have no material financial impact."

http://www.incitec.com.au/zone_files/PDFs/MD_on_H1_04_Results_29_04_04.pdf

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Australian Broadcasting Corporation. The 7:30 Report

TV PROGRAM TRANSCRIPT

LOCATION: <http://www.abc.net.au/7.30/content/2004/s1081679.htm>

Broadcast: **05/04/2004**

Incitec stops selling ammonium nitrate

"Yet, for 16 months, state and federal ministers have been unable to agree on a regulatory framework that would impose tighter controls on the sale of a common fertiliser that has been used to devastating effect in some major terrorist explosions"

"After 16 months, not exactly dynamic action from any quarter.

Well today, Australia's biggest fertiliser supplier, Incitec Pivot, has announced, of its own accord, it will stop selling ammonium nitrate fertiliser immediately.

It says it already has several other chemical substitutes available.

Suddenly, it all seems so simple"

<http://www.abc.net.au/7.30/content/2004/s1081679.htm> Downloaded 23 Apr 2008.