



24 September 2024

Committee Secretary  
Select Committee on the Tasmanian Freight Equalisation Scheme  
PO Box 6100  
Parliament House  
Canberra ACT 2600  
Via email: [tfes.sen@aph.gov.au](mailto:tfes.sen@aph.gov.au)

Dear Secretary

Thank you for the opportunity to make a submission to the Select Committee on the Tasmanian Freight Equalisation Scheme (TFES).

As members of the Committee are aware, Nyrstar is an international producer and refiner of critical minerals and metals essential for a low carbon future. Our Hobart Zinc Works in Tasmania is one of the world's largest zinc refineries and the largest exporter of refined zinc metal from Australia.

As a major Tasmanian exporter, Nyrstar supports the continuation of the TFES and believes that a properly functioning TFES is an essential component of ensuring the global competitiveness of industry in Tasmania.

This is especially important during periods of challenging global external markets – such as what we are experiencing today.

Due to increasingly concentrated global markets for mineral concentrates, we are seeing abnormally low treatment charges (the charge paid by the mine for processing). This is having a significantly negative impact on smelter margins.

At the same time, the cost of operating our business and managing logistics across multiple modes of transport – road, rail and ship – has increased over recent years.

While these costs have increased, the flat rate per container has not been reviewed recently. We believe this should be considered to ensure the TFES is fit for purpose and supports the underlying competitiveness of Tasmanian industry.

We also believe that consideration should be given to how to improve the administration of the scheme and the Australian Government should work with participants to ensure administration does not contribute to the burdensome levels of red tape impacting Tasmanian businesses.

Thank you for the opportunity to make this submission and Nyrstar looks forward to seeing the outcomes of the Committee's work in this important area.

Yours sincerely

**Todd Milne**  
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