

**Health Safety
Environment
& Community
Report 2007**



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Managing Director's Message

Incitec Pivot Limited is a company with a vision to grow. We know that to be a great company, growth must be economically and environmentally sustainable.

We will regress if we don't respect the health and safety of employees and other people on our sites, care for our environment and have mutually beneficial relationships with our communities.

We are empowered by two of our company values: Care for the Community and the Environment, and Zero Harm for Everyone Everywhere.

In 2006/07 in Health Safety Environment and Community (HSEC), we have made substantial progress in establishing systems and processes and, statistically, in key measures of performance.

In safety at our sites – a fundamental commitment to our people – we reduced both the number of injuries and the severity and potential severity of injuries in general. A highlight during the year was Reset 07, the major maintenance project at Gibson Island, which involved 1059 workers and 286,000 man-hours with only one injury requiring medical treatment.

In relation to the environment, we reduced our environmental licence non-compliance rate by 25 per cent across the company. Despite these advances, it is clear that we must improve to meet the standard to which we aspire: zero injuries, zero health impacts and zero environmental incidents.

Among the most important sustainability issues for Incitec Pivot are the efficient use of water in the world's driest inhabited continent, the effective use of fertiliser, and energy efficiency/emissions management so we contribute positively to a carbon-constrained society.

In relation to water, we have introduced a range of innovations at our plants at Gibson Island (Brisbane), Geelong, Portland and Phosphate Hill (near Mt Isa).

At Gibson Island, we have invested \$7 million and developed a range of water-saving projects highlighted by a desalination plant which saves one million litres a day of Brisbane's water supply.

Encouraging the responsible use of fertiliser is a priority so that we can contribute to minimising the impact of run-off on waterways and coastal ecosystems.

In relation to carbon emissions, our approach extends from manufacturing to end-use. Not only do we seek to improve performance at our plants, our research and development programs are developing new products which are designed to slow the release of greenhouse gases from fertiliser.

I'm pleased to advise that these matters receive attention at the highest levels of the company. As well as being a compulsory subject of discussion at each meeting of the management team, the Incitec Pivot board has established a committee to strengthen the board's interface with HSEC.

It is this approach driven by people of commitment, expertise and experience at the strategic and operational levels of the company, plus effective and professional systems and processes which give me confidence about our performance in HSEC.

Julian Segal
Managing Director & CEO

Values



Own Breakout Deliver



Incitec Pivot



We will:

- Listen to and work with the community
- Treat water as a precious resource
- Minimise environmental impacts and leave no legacies



We will:

- Promote safe behaviours
 - Think safe
 - Act safe
 - Be safe
- Train and follow safety systems and procedures
- Identify and control hazards
- Look after ourselves and each other



Health, Safety, Environment & Community Policy

In getting things done, at Incitec Pivot we are committed to:

- **Zero harm for everyone, everywhere.**
- **Caring for the community and our environment.**

We believe that all work related injuries, illnesses and environmental incidents are preventable, and we want to be a valued member of the communities in which we operate.

In particular, we will:

Health & Safety

- Provide a safe and healthy working environment for employees, contractors and visitors, and promote safe behaviours - think safe, act safe, be safe.
- Establish and maintain health and safety management standards and systems in compliance with relevant industry standards and regulatory requirements.
- Identify and assess hazards to safety and health and control them as part of a total risk management process.
- Require every employee and contractor working for us to comply with relevant legislation and the health and safety management standards and systems, and we will provide them with the necessary training to enable them to have the knowledge and skills to undertake that work in a safe and healthy manner.

Environment & Community

- Conduct our operations in compliance with all relevant environmental licences and regulations.
- Promote the efficient use of resources and energy.
- Strive to minimise our impact on the environment.
- Strive to be a valued corporate citizen in the communities in which we operate.
- Respect our neighbours, their values and cultural heritage, and be considerate to them in carrying out our operations.

On each of these areas, we will:

- Strive to continually improve.
- Report on the progress made on our health, safety, environment & community performance.
- Encourage everyone to carry our commitment to health, safety & environment to their homes and to the community.

We make this commitment to our employees, contractors, customers, shareholders and the community as we work towards Zero Harm for Everyone, Everywhere and Caring for the Community and our Environment.

Julian Segal
Managing Director & CEO
29 May 2007



Incitec Pivot reached a new stage in its development when it became part of the S&P/ASX 200 index in September 2006. This year its progress continued and, in August, Incitec Pivot joined Australia's leading companies in the S&P/ASX 100 index.

Incitec Pivot – an overview

Incitec Pivot is a chemical manufacturer supplying agricultural fertilisers and industrial chemicals for Australian and overseas markets.

The company operates a phosphate mine in Queensland, plants in Queensland, New South Wales and Victoria, and has a distribution network stretching from the Northern Territory to Tasmania

By supplying more than 50 per cent of Australia's agricultural nutrient needs, our company plays an essential role in helping farmers increase productivity and remain internationally competitive.

Our manufacturing strength gives the company unequalled capacity to meet the market's needs across a wide product range serving all major farming sectors. The products include urea, ammonium phosphates, superphosphate and anhydrous ammonia, which are variously applied as solids in granulated form, as liquid nutrients or as gas injected into the soil.

These Australian-manufactured fertilisers, along with imported products, are sold through a comprehensive network of 450 strategically located business partners.

Supporting Incitec Pivot's manufacturing, distribution and product strengths is our NATA-accredited Nutrient Advantage soil, plant and water testing laboratory and highly regarded agronomic services.

In all of its activities, Incitec Pivot takes its environmental and community responsibilities seriously across the manufacture and handling of our products and their sustainable use on farm. To this end the company is fully accredited with the Fertilizer Industry Federation of Australia's national training and accreditation program, Fertcare.

In addition to sales across eastern and southern Australia, Incitec Pivot exports significant volumes of fertiliser to overseas markets through its newly established trading arm, Southern Cross International. In 2007, the company increased its international trade substantially, including the sale of 120,000 tonnes of superphosphate to new markets in South America.

Incitec Pivot was created with the merger of Pivot and Incitec Fertilizers in 2003, but the business has roots going back to the early part of last century when Australian superphosphate production was pioneered.

First listed on the Australian Securities Exchange in 2003, Incitec Pivot reached a new stage of its development when it became part of the S&P/ASX 200 index in September 2006. This year its progress continued and in August Incitec Pivot joined Australia's leading companies in the S&P/ASX 100 index.

Incitec Pivot has a balanced mix of domestic and overseas shareholders, as well as retail shareholders, including some who live in rural Australia and maintain the company's links with farming families built up over many years.

Key

- Major manufacturing and distribution sites
- Distribution sites

ktpa: kilotonnes per annum



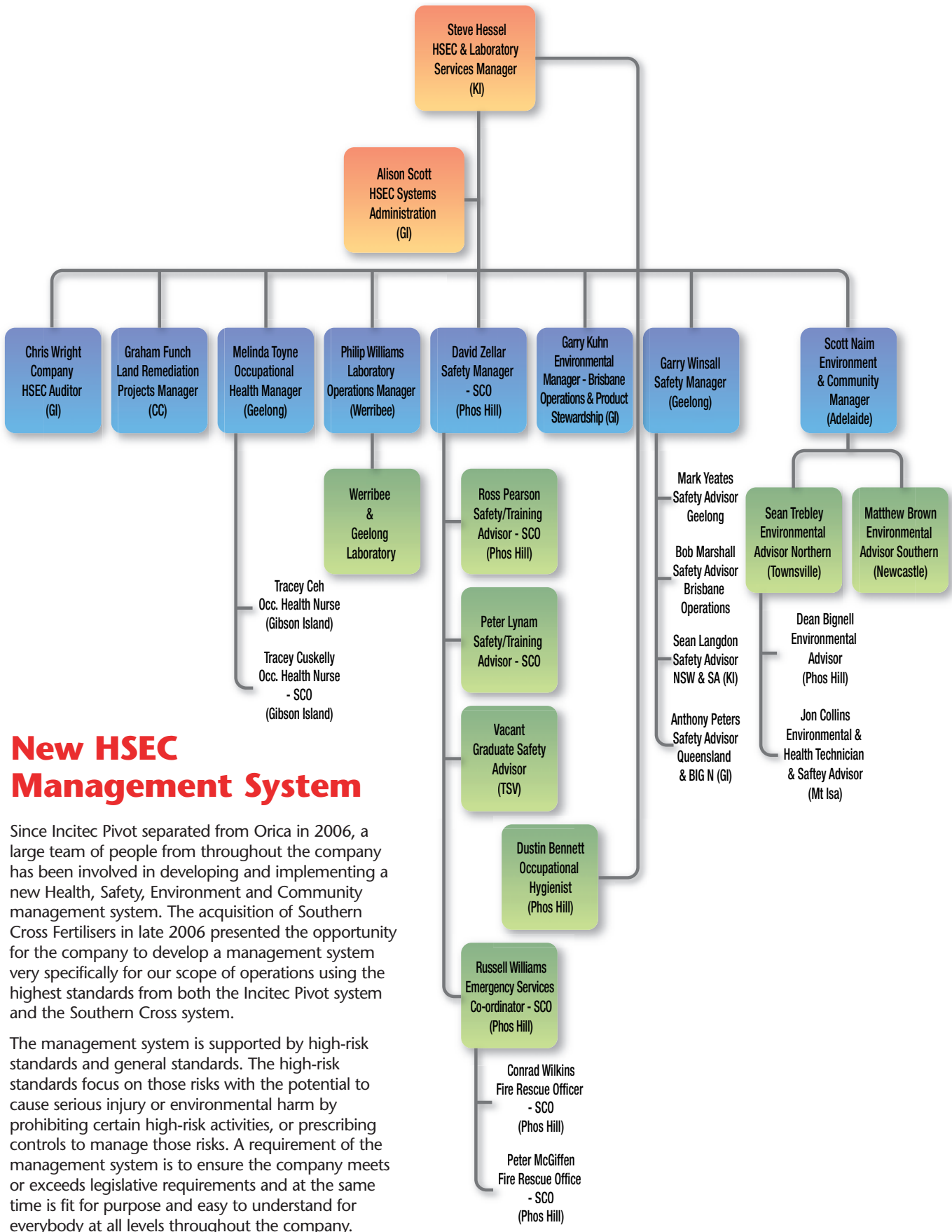
Portland, Victoria
Superphosphate: 250 ktpa

Lara, Victoria
Bagging & Distribution

Oyster Cove, Victoria
Bagging & Distribution

Geelong, NSW
Superphosphate: 450 ktpa

HSEC Organisational Chart January 2008



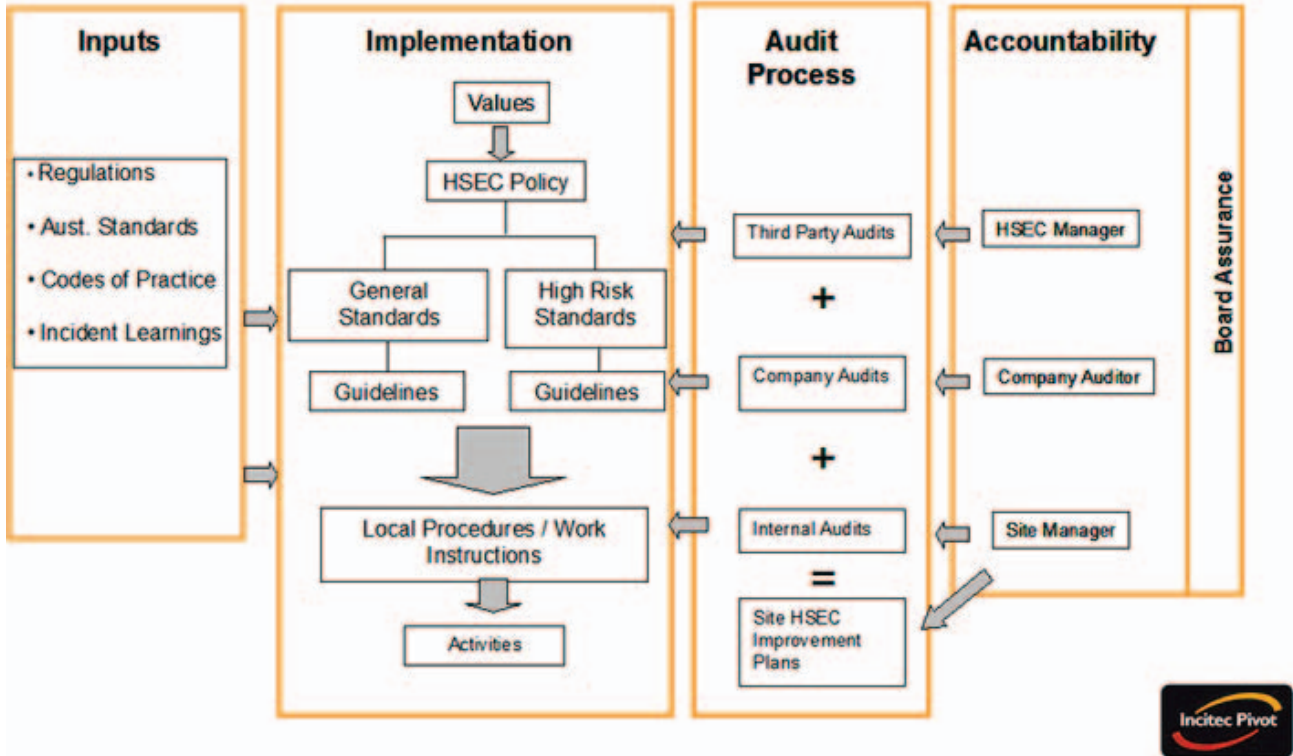
New HSEC Management System

Since Incitec Pivot separated from Orica in 2006, a large team of people from throughout the company has been involved in developing and implementing a new Health, Safety, Environment and Community management system. The acquisition of Southern Cross Fertilisers in late 2006 presented the opportunity for the company to develop a management system very specifically for our scope of operations using the highest standards from both the Incitec Pivot system and the Southern Cross system.

The management system is supported by high-risk standards and general standards. The high-risk standards focus on those risks with the potential to cause serious injury or environmental harm by prohibiting certain high-risk activities, or prescribing controls to manage those risks. A requirement of the management system is to ensure the company meets or exceeds legislative requirements and at the same time is fit for purpose and easy to understand for everybody at all levels throughout the company.

Auditing:

IPL HSEC Management System



Formalising checks and balances in the workplace

Incitec Pivot works to create and maintain safe and healthy work environments and to provide an injury management system for employees and contractors, based on Health, Safety, Environment and Community standards. Audit programs help to measure performance and identify opportunities for improvement.

The company audit process assesses site and business compliance to Incitec Pivot's HSEC management systems

and standards, as well as to federal and state regulatory occupational health and safety requirements, using both internal and second-party auditing.

Auditing is critical to providing both site and executive management with assurance that the HSEC aspects of the business are being managed effectively. They also provide an opportunity to build understanding of HSEC requirements among employees and contractors.

Auditing – continued

Conducting an audit

- Consultation between senior management, line managers, relevant committees and auditors is critical to the success of the audit program, to assist with identification, analysis and prioritisation of risks.
- The timing, nature, extent and coverage of the audit program is determined by risk. Different activities may require annual, cyclical or continuous audit programs.
- Audits are conducted by suitably qualified people who carry out the work or function and provide a professional opinion regarding conformance and compliance.

The audit process assesses whether performance indicators have been met, including:

- ✓ Compliance with HSEC standards key requirements, HSEC legislation and system conformance to relevant Australian and performance standards.
- ✓ Assurance that HSEC management systems are aligned with business management outcomes.
- ✓ Assurance that staffing and resources are available to support and maintain HSEC systems.
- ✓ Management plans and action plans for operation, maintenance, training and monitoring used to implement appropriate HSEC systems.
- ✓ The review processes of all aspects of the HSEC management system.

Evaluation – results & action

Following each audit a review is conducted to focus on outcomes and processes and to consider areas for improvement.

During the reporting year, 13 company HSEC management system audits and nine physical security audits have been conducted. The audits assessed implementation and compliance of HSEC management systems and standards with a focus on the nine high-risk standards for operating and maintaining plant and equipment.

Strategies have been put in place to ensure that identified non-conformances are addressed. There has been a progressive approach by HSEC advisers to review all items identified from the audit outcomes with all sites being reviewed annually post the initial audit to verify completion. The compilation and completion of corrective and preventative actions from all audits are included in the monthly reporting regime.

The average level and range of conformance for each standard and HSEC elements is assessed and calculated to determine a level of compliance.



The Gibson Island facility. An HSEC highlight during the year was Reset 07, the major maintenance project which involved 1059 workers and 286,000 man-hours with only one injury requiring medical treatment.

Creating a drug- and alcohol-free workplace

Under workplace health and safety legislation in all states and territories, employers have a duty of care to take reasonable steps to provide a safe working environment for all employees, contractors and visitors to their workplaces.

Incitec Pivot recognises that the misuse of drugs and alcohol is a significant community problem. The consequences of alcohol and other drug misuse or abuse affects not only the individual who consumes the substances, but also their colleagues and the broader community. This has the potential to impact on the health and safety of all personnel on site, the safety of the company's operations, as well as the potential to harm the environment.

Incitec Pivot understands that impaired judgment as a result of the misuse of drugs or alcohol can also have significant negative impacts on operational and business decision-making during working hours.

The new Incitec Pivot drugs and alcohol standard defines requirements to minimise risks to the safety and health of people at Incitec Pivot sites and risks to the environment as a result of the misuse of legal and illicit drugs and alcohol.

To date, the drugs and alcohol workplace standard and procedure has been rolled out to Gibson Island, Newcastle and Big N Operations. More than 600 employees and permanent contractors have attended the information sessions. As part of the recruitment process potential new employees must undergo a drug and alcohol test, conducted in compliance with Australian Standard AS/NZS 4308:2001.

We are committed to the concepts of prevention, counselling, rehabilitation and confidentiality. Assistance is provided through our employee assistance program and ensures that all employees who are deemed unfit for work are managed in an effective, fair and constructive manner. The prevention program through education and awareness is an integral part of the ongoing success. By September 2008 the Incitec Pivot drug and alcohol standard will be in place at all Incitec Pivot sites.

Company hygiene program

IPL has an objective to identify and evaluate health hazards within its workplace and implement suitable controls, to manage the health and well-being of workers and the community.

The occupational hygiene function is to minimise risks of ill-health caused by the working environment, by assessing and controlling chemical, physical and biological hazards in the workplace that have the potential to cause illness or discomfort.

At Incitec Pivot sites, this is conventionally done by assessing the workplace for health hazards, then quantitatively analysing the workplace using a number of different methods, ie, attaching a portable monitor to an employee to assess a particular work area against national exposure standards. Once the hazard has been defined and the risk assessed, control measures can be implemented.

Sulfinol conversion to aMDEA project

An initiative at the Gibson Island ammonia plant has created a safer, more environmentally friendly and cost-effective process.

Since the Gibson Island ammonia plant was commissioned in the late 1960s, Sulfinol solution has been used to remove carbon dioxide from the process gas stream.

To rectify operating problems in the early years, Incitec Pivot began to use an arsenic-based solution as a corrosion inhibitor in the solvent system. This operation continued for almost three decades.

However, the DIPA chemical (sulfolane, di-isopropanol amine) that was part of Sulfinol became degraded during normal operation and required continuous removal from the solvent system.

Approximately 24 DIPA drums per week were needed to make up the losses from degraded product, requiring

regular manual handling of chemical-filled drums, including arsenic.

In order to reduce chemical costs and eliminate arsenic handling from the Gibson Island site, a project was initiated in 2005 to convert the Sulfinol system to BASF's activated methyl di-ethanol amine (aMDEA). This project was completed during the plant shutdown and maintenance in February 2007, thus ending 38 years of Sulfinol use.

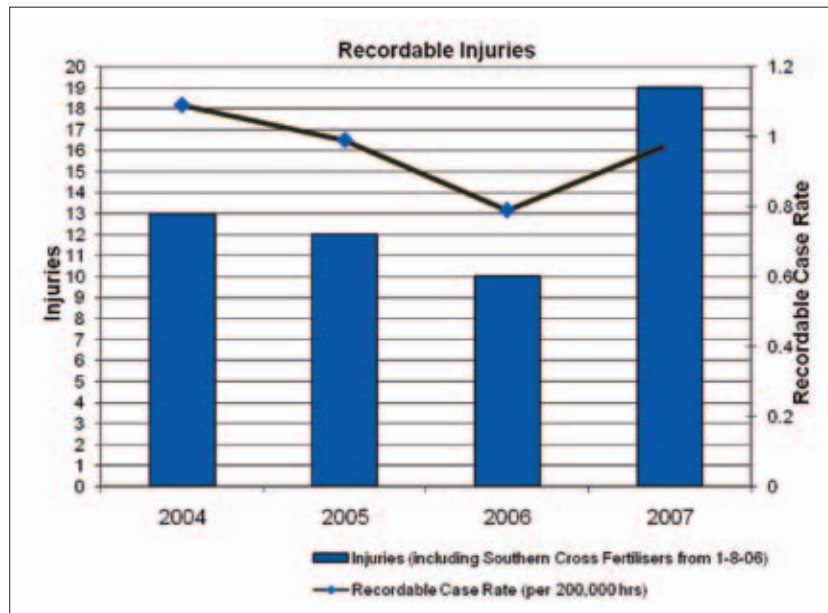
The end to the use of arsenic in this process has brought Incitec Pivot in line with heavy-chemical regulation in other states and ahead of the Queensland Government's regulatory requirements.

Manual drum-handling risks to plant operators have been minimised with this change. In addition to chemical cost savings, the new solvent has helped Incitec Pivot to reduce mains water use in the Gibson Island cooling tower by about 80,000 litres per year.

Injury statistics

The increase shown in the total number of recordable injuries reflects the first full year of figures including Southern Cross Fertilisers. There have been seven fewer injuries this year than last year when compared with a full 12 months of operation for both Incitec Pivot and Southern Cross in 2006. There has been a significant decrease in both the severity and potential severity of injuries in general. This is in part reflected in the reduction of the lost workday case rate.

The reporting period also includes a major shutdown maintenance project at the Gibson Island facility involving 286,000 man hours, with 1,059 workers involved in the project, of whom 85 per cent were contractors. During this project there was one medical treatment injury.



SH&E injury performance summary

(including Southern Cross Fertilisers from 1.8.06)

	2007	2006	2005	2004
Recordable Injuries	19	10	12	13
Lost workday case rate	0.36	0.4	0.25	0.5
Recordable case rate	0.98	0.8	0.99	1.09

Definitions

Recordable injuries

Injuries which result in absence from work, restrictions from normal work activities, or are medically treated.

Recordable case rate is defined as the number of recordable injuries to all workers per 200,000 man hours worked.



A Safety Day seminar.

Safety Days

Incitec Pivot has developed a number of initiatives to improve the occupational health and safety of their various mining sites throughout Australia. One of these initiatives is Safety Days, which were held at a number of Incitec Pivot locations in 2007.

Safety days were held at Incitec Pivot sites at Cairns, Townsville, Mackay, Newcastle, Devonport and Adelaide throughout 2007. On the particular days, the sites were closed and all employees not on leave were required to attend. All casual and seasonal employees and all contracting companies were also invited to participate.

All the safety days received a strong response from all attendees, including many contracting companies. All sites had a range of workshops in plant modification, company HSEC systems and the format of new work instructions.

A number of presentations were given on such issues as management practices. Plans are well under way for a range of new safety days at various Incitec Pivot sites next year.

Gibson Island shutdown

The Gibson Island site scheduled maintenance shutdown saw an unprecedented amount of activity at the Brisbane site earlier this year.

A total of 800 additional people were employed on site, more than 100 temporary site huts were constructed and \$900 a minute was being spent on average over the 38-day period. During this period, when the urea and ammonia plants were shut down, Incitec Pivot offered a special incentive to its workers to work safely, by making a charitable contribution of \$500 for every injury-free day.

With all but one day of this period being injury free, Incitec Pivot donated a total of \$18,500 to the Brisbane Royal Children's Hospital Foundation.

"This is a fine achievement considering there were up to 800 additional people on site using heavy mobile equipment and often working at heights," said Damien Ziebarth, Brisbane Operations Manager.

Brisbane's Royal Children's Hospital will benefit from the dedication of all workers to working safely, and from Incitec Pivot's generosity, with the cheque being presented to Karanlee Spillane, CEO of the Royal Children's Hospital Fund.

"This donation will help the RCHF to continue to provide a vital role in building the hospital into a world-class centre of healing and care," Karanlee said.

Major hazard facility

The purpose of the *Dangerous Goods Safety Management Act* is to protect the safety of people and prevent harm to property and the environment from hazardous materials. This act encompasses the operations of Incitec Pivot's Gibson Island operations, due to the nature of materials used.

This legislation is solely administered by the Chemical Hazards and Emergency Management Services, under the Queensland Government's Department of Emergency Services. Its role is to ensure the safety of all individuals and property involved in the handling or manufacture of Schedule 2 Dangerous Goods as defined by the relevant legislation.

Incitec Pivot, along with many other Australian companies, manufactures and stores these products as they are a daily necessity in the community. From these hazardous materials a range of products such as petrol and plastics are manufactured for use by households.

This legislation regulates such facilities in order to reduce the likelihood of accidents and their adverse impact on people, property and the environment. IPL is strongly committed to these regulations and their purposes, and vigorously enforces them through regular audits of its facilities.



Boyd McMahon is pictured holding the king-size Gibson Island shutdown cheque with seven-year-old RCH patient Katherine Pegley. Boyd, our longest-serving employee, is now retired.

The IPL site at Gibson Island is also covered by the *Petroleum and Gas – Production and Safety Act* of 2004. While the *Dangerous Goods Safety Management Act* remains the primary piece of legislation, the Gas Act covers certain areas specific to the operations of Gibson Island.

Energy efficiency

At a global level, the release of carbon dioxide and other greenhouse gases into the atmosphere is receiving increased attention. The Federal Government has instigated a program called Energy Efficiency Opportunities.

This program aims to assist companies in integrating energy efficiency into both management and business reporting. The program targets Australia's largest energy users, which includes Incitec Pivot's two Queensland manufacturing sites at Gibson Island and Phosphate Hill.

The Australian Federal Government wants energy efficiency to become a major part of business culture and to receive the same attention as the environment and occupational health and safety.

Incitec Pivot is in the process of developing an assessment and reporting schedule for its Gibson Island and Phosphate Hill sites. This will allow Incitec Pivot to make available resources to investigate opportunities for energy-efficient practices at these sites, as well as other Incitec Pivot sites.

National Pollution Inventory (NPI)

The National Pollution Inventory (NPI) is a national environmental protection measure initiated so the general public has access to reporting of the storage and emission of chemical substances from business and industry.

The NPI is a cooperative program implemented by the federal, state and territory governments. Around 4000 facilities from a wide range of industry sectors report annually to the NPI.

The NPI is a public database accessed via the internet and contains reporting of 93 substances of which more than 30 are relevant to IPL. Business and industry facilities are required to estimate emissions of substances to land, air and water if designated substance thresholds are triggered.

Any facility that triggers a threshold for a substance on the NPI reporting list must:

- Estimate the substance use.
- Identify triggered thresholds.
- Estimate emissions.
- Prepare a report that is then placed on the NPI database.

For 2007, the emissions and discharges from our major sites, (Phosphate Hill, Mount Isa, Townsville Port, Gibson Island, Kooragang Island, Cockle Creek, Geelong and Portland) were calculated using databases and spreadsheets to determine whether NPI substance thresholds had been triggered.

Where the thresholds were exceeded a report was produced and submitted to the relevant state authorities. All NPI reports produced for IPL sites met Environment Australia reporting specifications.

Information on substance emissions from our sites can be found at www.npi.gov.au. It should be noted that Phosphate Hill, Mount Isa, and Townsville Port currently report on a calendar year and that the remainder of the sites report on a July to June financial year. It is hoped to bring these into line next year.

Licence monitoring & compliance statistics

The significant improvement in environmental licence performance is reflected in a reduction from 12 to nine non-complying tests, even though 2006 figures only include two months of Southern Cross data.

	2007	2006	2005	2004
Distribution (Category 2+)	2	1	5	2
Losses of Containment (Category 2)	2	0	0	1
Environmental licence non-complying tests	9	12	69	82

Definitions:

Distribution incidents

Incidents not on a company site, arising from the transport or storage of raw materials, products, intermediates or wastes owned by the company or prior to delivery to the customer. A Category 2 incident is one in which there was significant loss of containment, injury and/or damage to equipment, property or the environment and/or major traffic disruption.

Losses of containment

Incidents where there is an unplanned release or spill on a company site of material from a vessel, tank, pipe pump, container or package in which it was designed to be contained. A Category 2 loss of containment is an incident which causes injury or damage, impacts the environment or causes concern in the surrounding community.

Environmental licence non-complying tests

Such non-compliance is an excursion outside statutory discharge or emission limits, as measured in a scheduled test.

National Packaging Covenant

Incitec Pivot became a signatory to the National Packaging Covenant (NPC) in 2007. The NPC aims to minimise the environmental impacts arising from the disposal of used packaging and facilitate the reuse and recycling of packaging materials.

Incitec Pivot promotes the use of bulk handling systems and the use of returnable flexible intermediate bulk containers (FIBCs). Single-use FIBCs comprise only five per cent of the FIBCs used.

FIBCs have a life of three years and on average are used on 12 occasions before they are disposed of. When FIBCs are taken out of service, Incitec Pivot exports the used FIBCs to China for recycling, as there are no recycling programs in Australia.

Gibson Island water-saving projects

Gibson Island has undertaken a number of significant measures over the past year in an effort to increase the level of water conservation and improve the site's overall water efficiency. Planned projects will result in a reduction of 100 million litres of fresh water usage per annum.

A \$1-million desalination unit was commissioned in May by Anna Bligh, the Queensland Deputy Premier at that time. The plant, which converts salt water from the adjacent Brisbane River into water suitable for use in its cooling towers and boilers during fertiliser production, reduces the levels of fresh water consumption by 15 per cent, or one million litres a day, freeing up significant amounts for local domestic use.

"To their credit, the company identified some years ago that their water use needed to be more efficient," Ms Bligh told official guests at the ceremony earlier this year.

Ms Bligh, who is now Queensland Premier, congratulated Incitec Pivot on being the leading company in south-east Queensland, if not in Australia, in water conservation and efficiency.

Managing Director and CEO Julian Segal said the desalination plant was an interim measure to reduce Gibson Island's dependence on town water until treated wastewater became available for site use.

"In the longer term, our target is to virtually eliminate the use of fresh water when the Queensland Government's Western Corridor recycled water project comes on line in the next year," Mr Segal said.

Incitec Pivot is working on two additional projects to further reduce town water consumption and improve overall water efficiency. In the second project, a water treatment plant will be used to both treat and reuse previously discarded stormwater and plant process water. Process water is water which has already been used in the plant process and cooling tower and was previously discharged into the Brisbane River.

The third project, involving the collection and the storage of stormwater for use in the plant will involve the construction of a plastic-lined 15 megalitre dam on the Gibson Island site.

Recycled water from the Western Corridor scheme, when combined with Incitec Pivot's own water conservation measures, has the potential to reduce the Gibson Island site's daily town water demand by six million litres a day.



Queensland's then-Deputy Premier Anna Bligh officially commissions the Gibson Island desalination unit. Ms Bligh is now Premier.

Geelong water-saving initiative

In recent years, Incitec Pivot has invested \$5 million in a range of water conservation measures to improve the water efficiency of its Geelong operations. Previously Incitec Pivot's Geelong site has used an average 80 megalitres a year.

By lowering the levels of water consumption at the Geelong site, Incitec Pivot aims to reduce the current reliance on mains water supply. As a result of this, significant amounts of water will be available for domestic and consumer use by the local community.

The installation of a stormwater collection and treatment system (combined with the use of this water in the plant process), together with the recycling of processed water, has enabled Incitec Pivot to significantly improve water efficiency at the Geelong site.

This has enabled the reduction of mains water consumption by 50 megalitres in an average rainfall year.

Remediation

Incitec Pivot is currently completing remediation projects on a number of key legacy sites¹ throughout their Australian operations.

The legacy program is an integral aspect of Incitec Pivot's drive towards a sustainable future. This includes ensuring that business activities do not degrade the land and environment and that past activities on a site, whether by the company or inherited by the company, are managed effectively to minimise impact on the environment.

At Parafield Gardens in South Australia, Incitec Pivot has a number of key developmental projects under way. With the soil restoration now complete, groundwater projects will be under way for between three and five years.

At Kooragang Island in New South Wales, Incitec Pivot has completed all remediation projects and has begun a divestment process. At the Pinkenba site in Queensland, Incitec Pivot has begun investigating the site for potential remediation works. This initial investigation is being completed with the assistance of the Queensland Environmental Protection Agency.

In April 2006 Incitec Pivot announced plans to begin remediation works at the Cockle Creek site in NSW in an effort to improve the environmental quality of the land. With all site investigations complete the process of community consultations is now under way.

IPL has also carried out site inspections on 17 regional service centre sites in South Australia, New South Wales and Queensland with further progress under way on three sites. Incitec Pivot has also removed three underground storage tanks from the Monument site.



Scott Nairm checks out the groundwater treatment plant at Parafield Gardens.



The Hughes chimney stack at Wallaroo.

Wallaroo remediation

The \$9-million remediation of Incitec Pivot's former distribution site at Wallaroo in South Australia is well under way, with heritage and ecological risk assessments and a remediation action plan now finalised.

The site has a history of heavy industrial use dating back to 1861, when ore mined on the Yorke Peninsula was treated there. The Wallaroo site was later used to manufacture and store fertiliser.

Today, this once bustling industrial site is deserted, with many of the buildings now slowly deteriorating. A heritage assessment was undertaken to determine which sections should be retained. Structures such as the Hughes chimney stack, which was built in 1861 and is the oldest square Cornish stack in the Southern Hemisphere, and the main office buildings, are likely to be incorporated into any future developments.

Scott Nairn, Incitec Pivot's Environment and Community Manager, said: "It is time for Incitec Pivot to exit this site as its location within the town precinct is no longer appropriate for this type of industrial activity. It is likely that the site will be developed for a mix of residential, commercial and heritage use."

¹ Legacy site: A site which has contamination caused by historical operations of the company, or inherited by the company from predecessors or neighbouring activities.

Bringing new products to the market

Incitec Pivot is creating new products which not only help the farmer but also the environment

Incitec Pivot has added Green Urea™ and Entec® to the product range. Treated with award-winning urease inhibitor, Agrotain®, Green Urea minimises gaseous ammonia losses. Entec stabilises nitrogen products to reduce leaching and denitrification losses. The more efficient use of nitrogen leads to productivity improvements.

Biophos® is a low water solubility phosphorus fertiliser, produced using a patented composting process. Independently assessed by the Victorian Department of Primary Industries, Biophos has been shown to provide similar responses to conventional water-soluble phosphorus fertilisers when applied to irrigated pasture, tomatoes and cereals.

Fertiliser Industry Federation of Australia

As Australia's largest fertiliser supplier, Incitec Pivot plays a key role in the Fertiliser Industry Federation of Australia (FIFA), the peak industry association representing Australia's fertiliser industry.

In December 2002, FIFA signed an eco-efficiency agreement with the Federal Department of the Environment. The agreement provided a framework for a range of environmental initiatives to be undertaken by the industry, including public environment reporting. Member surveys are conducted each year and an annual report prepared. FIFA is engaged in a variety of activities, but has four main key platforms, which include environment and food safety, import and logistics, regulatory affairs and communication.

Selective Catalytic Reduction Urea

The most common use for urea is as a nitrogen-rich fertiliser used on crops, but it is also the key component of stockfeed for cattle in the north of Australia.

Through the work of Incitec Pivot's Industrial Chemicals Business, urea now has another industrial use in the cleaning of diesel exhaust fumes. Incitec Pivot's Industrial Chemicals Business is currently marketing the new product known as Selective Catalytic Reduction (SCR) Urea, which is manufactured primarily at Gibson Island.

SCR technology offers a range of environmental advantages as it reduces nitrous oxide concentrations by more than 90 per cent.

"As Australia's only urea producer, Incitec Pivot is uniquely positioned to produce SCR Urea," said Shane Murphy, Incitec Pivot's Industrial Business Manager. "It represents a new non-agricultural business opportunity for Incitec Pivot that builds on our existing manufacturing capabilities and expertise."

Gibson Island is currently scaled to manufacture 100,000 litres of SCR Urea every month. This urea is then being supplied via Incitec Pivot's distribution partners for trial use in vehicles throughout Australia.

Small quantities of urea have also been supplied, for similar trial use in New Zealand, Singapore and South Korea.

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Royal Flying Doctor Service

Incitec Pivot mining engineers Neil Tyson and Tom Hodgson used their passion for motorbikes and their connection to rural Australia to raise money for the Royal Flying Doctor Service (RFDS).

Earlier this year, the pair travelled for eight weeks across remote parts of Australia visiting mining communities and raising funds for the Dig for Doctors appeal.

When Incitec Pivot's Community Relations Adviser Julia Shadlow-Bath welcomed them at the RFDS base in Mount Isa they had already raised more than \$20,000 for the appeal. Incitec Pivot staff from the Mount Isa and Phosphate Hill sites contributed a further \$600 to their cause.

The RFDS provides Australia-wide coverage of regional and remote communities, including the mining operations of Incitec Pivot. The RFDS provides an essential service in maintaining the health and safety of these isolated communities.

Monument project – explorers camp

During research undertaken by a Phosphate Hill staff member it was discovered that explorers Burke and Wills had passed through the Monument area at Incitec Pivot's Phosphate Hill site, 140km south-east of Mt Isa.

With 2010/2011 marking 150 years since the travellers explored the vast Australian landscape a committee was formed to preserve the memory of the legendary journey.

"The project is about raising awareness of the achievements of Burke and Wills," committee spokesman Peter Lynam said. "When you think that Burke and Wills were here only a couple of generations ago and now we're travelling by jets instead of camels, it really does emphasise that their explorations were quite significant accomplishments."

Intent on sharing their ideas with others, representatives from the committee attended the Burke and Wills conference in Birdsville in August.

Left to right: Tom Hodgson (Dig for Doctors), Incitec Pivot's Community Relations Adviser Julia Shadlow-Bath, Karen Spicer (Manager of Mount Isa's Royal Flying Doctor Service) and Neil Tyson (Dig for Doctors) photographed at the RFDS in Mount Isa as the boys made a quick stopover on their way through the north-west.



November

Incitec Pivot's commitment to this very worthy cause continued in the 2006/07 reporting period through the efforts of the fundraising teams at Phosphate Hill, Koorang Island and Townsville. A total of \$14,500 was raised for the 2006 November, with a further \$500 raised by staff at the Southbank office. The company generously contributed a further \$3000, taking the final figure to \$18,000.

Kerry Gleeson, Company Secretary and General Counsel, said: "Phosphate Hill introduced Incitec Pivot to Movember, with Newcastle and Townsville sites taking up the challenge. Following the success of the 2006 event I am sure more sites will put their shavers away for a month for Movember 2007."

Movember, the Australian moustache growing charity initiative, is an annual event held in November. Incitec Pivot has continued its commitment into the 2007/08 reporting period, with more than 100 'Mo Bros' participating across eight sites in November 2007. The funds are distributed to beyondblue and the Australian Prostrate Cancer Research Foundation.

Relay for Life

Three members of the HSEC team at Phosphate Hill participated in the 2007 Relay for Life at the Townsville Sport Reserve to help raise funds for the Cancer Council Queensland. Jon Collins, Russel Williams and Peter Lynam, along with 2,000 other people from 150 different teams, helped raise more than \$200,000 for cancer research.

Collectively, Jon, Russell and Peter raised well over \$3,000, with generous contributions from their Incitec Pivot colleagues, as well as financial and moral support from family and friends.

The Relay for Life is an annual charity event held across Australia which includes a candlelight vigil with hundred of candles lining the track in memory of those who have lost their battle with cancer.

beyondblue

Throughout 2007, Incitec Pivot and beyondblue: the national depression initiative formed a working partnership to increase the awareness of depression in rural communities and draw attention to the support services available.

The partnership organised a series of 40 local forums focused on the issues of depression, anxiety and alcohol. This formed part of beyondblue's wider 'Don't Beat About the Bush' national drought campaign.

Noel Trevaskis, Incitec Picot's Area Sales Manager for the Southern New South Wales tablelands, was the company's ambassador for the awareness program.

"I have no doubt we helped many people take heart from discovering that they were not alone in dealing with depression," Noel said. "In addition, dealing with the condition is more manageable when families are aware of the huge range of support services available."

The forums were successful in reducing the often negative stigma experienced by mental illness sufferers in rural communities.

The partnership was met with an extremely positive response, with a mixture of depression sufferers and members of their families coming forward at every community forum to share their stories and encouraging others with difficulties to seek help.

Information about depression is available on the beyondblue website (www.beyondblue.org.au) or on the beyondblue info line 1300 22 4636 (local call).

North-West Queensland School Sport Board

A total of 200 children, some as young as 10, were able to participate in the Athletics Outback Carnival in Longreach, thanks to the generous support of Incitec Pivot's Southern Cross Operations.

Thanks to \$10,000 in sponsorship provided by Incitec Pivot, the event was professionally staged with children from rural areas receiving a contribution towards their travel costs.

Coordinated by the North-West School Sport Board in conjunction with the Longreach Athletics Club, the event was held at the Longreach State High School over two days in August.

The winners of the event had the opportunity to represent the North-West District at the state athletics carnival held in Cairns in October 2007.

Bouli War Memorial

After a discussion between returned servicemen about the poor state of the local war memorial, a community campaign was initiated.

Collaborating with the Bouli Shire Council, the sub-branch of the Townsville Vietnam Veterans Association was instrumental in the removal of the town's dilapidated war memorial and installation of a beautifully crafted replacement.

The new war memorial was constructed then transported more than 1,000 kilometres to the Bouli town centre, to be unveiled in time for Armistice Day, November 2006.

Southern Cross Operations proudly provided air transport from Townsville and overnight accommodation for the Vietnam veterans to participate in the unveiling ceremony.



Author Margaret Ah Sam, photographer Margaret Dale Rackham and IPL's Jon Collins.

Bush Tucker Book

The first comprehensive book documenting the indigenous people's knowledge and connection to the north-west Queensland region was launched in November 2006 with the generous support of Incitec Pivot's Southern Cross Operations.

Margaret Ah Sam's much anticipated book, *Mitakoodi Bush Tucker* was launched in front of a large audience from the local community.

Sadly, Margaret passed away early in 2006 after an ongoing struggle with asthma. It is fitting that her work has now been recorded for future generations of Australians to learn from.