

4 Nov 2022

To

NSW Customer Service

Policy & Strategy

WHS & Consumer Protection

Sydney NSW

Reg: Separation Distances for Solid Ammonium Nitrate in NSW

Discussion Paper Response

Background

In October 2022, the NSW Better Regulation Division, Department of Customer Service issued a discussion paper on prescribed separation distances for solid ammonium nitrate in NSW.

This note provides feedback on the proposals in the discussion paper on behalf of Solar Mining Services Pty Ltd (SMS).

About Solar Mining Services

SMS is a wholly owned subsidiary of Solar Industries Ltd, based in Nagpur India. SMS is a world class supplier of explosives products and aims to cater for the growing demand for commercial explosives products in Australia, for the mining, quarrying and civil construction sectors in NSW, Victoria and South Australia.

SMS have recently established an Ammonium Nitrate Emulsion (ANE) manufacturing and storage facility at the Bogan Gate Explosives Reserve (BGER), located at 3577 Henry Parkes Way, Bogan Gate, NSW. The SMS facility at the BGER is critical to SMS's sustainable business plan to provide a central manufacturing facility in NSW to distribute ANE to Eastern Australia customers by road.

Impact of the Proposal on SMS Business Operations

The proposal for prescriptive separation distances will have a significant impact on SMS' expansion plans on the BGER. It is expected that customer demand for SMS products will grow in future. This will require larger quantities of ammonium nitrate (AN) to be stored on site. In addition, SMS is also planning to store high explosives and detonators in new magazines on the site.

The proposal for prescriptive separation distances will limit the amount of AN that could be stored on the site and prevent additional storage of high explosives and detonators. To meet projected customer demand, SMS will need to find additional offsite AN storage and magazine storage for high explosives and detonators. This will increase truck movements on the road and increase SMS costs. This will severely constrain the capacity of SMS to meet future customer needs and have a severe impact on the commercial viability of the BGER facility.

SMS' parent company in India has made a significant investment in an ANE plant and storage facility on the BGER in the assumption that additional expansion in AN storage, high explosives and detonator storage will be feasible. The unintended consequence of the prescriptive separation distances will be to severely limit future expansion and reduce the return on the investment made by Solar Industries India in the BGER facility.

Recommendations

SMS is a member of the Australian Explosives Industry Safety Group (AEISG). **SMS recommends that a risk based approach should be used to determine separation distances as proposed in the AEISG Code of Practice, *Storage and Handling of Solid Ammonium Nitrate*, Edition 1, June 2022.**

SMS does not support prescriptive separation distances. This approach does not represent international best practice and will have a severe impact of SMS's ability to grow its business and meet customer needs in the mining, quarrying and civil construction industries.

Your Sincerely,

For Solar Mining Services Pty Ltd.



Vetkav Ramesh

Executive Director