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Planning approval for Orica ammonium nitrate plant: Kooragang Island

Planning approval has been given for expansion of the Orica ammonium nitrate manufacturing plant at Kooragang Island.

Minister for Planning, Tony Kelly, said the project will inject $300 million into the Hunter economy, and support creation of 270 new jobs. Planning approval has been granted for:

- An upgrade of the existing ammonia plant;
- Establishment of a fourth nitric acid plant and third ammonium nitrate plant; and
- An increase in production of ammonium nitrate from 500,000 to 750,000 tonnes per annum.

“This expansion will boost production at the plant by 50 per cent, while at the same time reducing its greenhouse gas emissions by 20 per cent,” Mr Kelly said.

“This is a fantastic environmental outcome for this site, which has now been producing ammonium nitrate – a key raw material needed for mining and quarrying – for more than four decades.

“Newcastle City Council and Orica have struck an agreement that will see levies collected from the new facility used to fund the completion of the Corroba oval upgrade,

“The NSW Government is also contributing to the upgrade of the oval as providing a parcel of land from Hunter Water as well as contributing funding for the upgrade.

Mr Kelly said more than 250 jobs will be created during construction, and an additional 20 operational jobs - on top of the existing workforce of around 200 staff – will be created once the project is completed.

As part of the planning approval, 53 conditions have been placed on the project which will deliver considerable safety improvements for the plant. These include:

- Reconfiguring the ammonium nitrate storage to reduce the quantities stored;
- Eliminating timber pallets in the storage area;
- Implementing additional ammonia detection and isolation systems; and
- Reducing storage quantities of liquid ammonia.

Greenhouse gas reductions will be achieved via nitrous oxide abatement technology in both new and existing nitric acid plants, as well as through energy efficiency improvements to the ammonia plant.

Planning Department assessments found that emissions from the plant would comply with relevant air quality criteria. Orica will still lodge a validation report within six months of operation commencing.

Orica will also be required to report regularly on its progress of investigating the use of recycled water on site as part of a Water Efficiency Program. Further conditions of approval require Orica to:

- Implement a Construction Traffic Management Plan, to minimise impacts on local road traffic;
- Update its Remediation Action Plan to manage any newly identified contaminated material; and
- Investigate options for screening the site from Stockton using native vegetation.