



Decision Report

Application for Licence

Division 3, Part V *Environmental Protection Act 1986*

Licence Number	L9017/2016/1
Applicant	Mud Logic Fluid Solutions Pty Ltd
ACN	615 038 376
File Number	DER2016/002331-1
Premises	Mud Logic WA Unit 1, 35 Crocker Drive MALAGA WA 6062 Lot 9 on Plan 13931 Certificate of Title Volume 1631 Folio 412
Date of Report	04/12/2019
Status of Report	Final

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1. Definitions of terms and acronyms

In this Decision Report, the terms in Table 1 have the meanings defined.

Table 1: Definitions

Term	Definition
ACN	Australian Company Number
Applicant	Mud Logic Fluid Solutions Pty Ltd
ASIC	Australian Securities and Investments Commission
Category/ Categories/ Cat.	Categories of Prescribed Premises as set out in Schedule 1 of the EP Regulations
Decision Report	refers to this document.
Delegated Officer	an officer under section 20 of the EP Act.
Department	means the department established under section 35 of the <i>Public Sector Management Act 1994</i> and designated as responsible for the administration of Part V, Division 3 of the EP Act.
DWER	Department of Water and Environmental Regulation
EP Act	<i>Environmental Protection Act 1986 (WA)</i>
EP Regulations	<i>Environmental Protection Regulations 1987 (WA)</i>
Occupier	has the same meaning given to that term under the EP Act.
Premises	refers to the premises to which this Decision Report applies, as specified at the front of this Decision Report

2. Licence application assessment

2.1 Purpose and scope of this Decision Report

Mud Logic Fluid Solutions Pty Ltd (the Applicant) applied for a licence on 12 November 2016 (the Application) as it has completed works to establish a chemical manufacturing and chemical blending facility at Unit 1, 35 Crocker Drive, Malaga. Works were subject to the conditions of works approval W6016/2016/1 granted on 3 March 2017.

Recommended operational phase regulatory controls were determined in the assessment for the above-mentioned works approval. The scope of this assessment is to identify any potential changes to the risk profile from the previous assessment and whether the previously determined controls remain adequate.

The following guidance statements have informed the decision made on this amendment:

- *Guidance Statement: Regulatory Principles* (July 2015)
- *Guidance Statement: Risk Assessment* (February 2017)
- *Guidance Statement: Setting Conditions* (October 2015)
- *Guideline: Decision Making* (June 2019)
- *Guidance Statement: Licence Duration* (August 2016)
- *Guideline: Industry Regulation Guide to Licensing* (June 2019)

2.2 Background

The Applicant has completed works under works approval W6016/2016/1 to establish a chemical manufacturing and chemical blending facility for the production of drilling mud, drilling foam and drilling lubricants and includes storage and repackaging drilling mud powdered products from bulk to smaller bags or containers.

Key infrastructure associated with the prescribed activities are two 6,000 L mixing vessels. Further detail on the proposed infrastructure and operational aspects are documented in the works approval W6016/2016/1 decision report (Appendix 2).

2.3 Licence application

The Application for a licence was lodged concurrently with a works approval application on 12 November 2016 but put on hold pending completion of construction works.

2.4 Compliance documentation

The Applicant lodged a compliance document as required by condition 5 of the works approval. The Delegated Officer reviewed the compliance document and formed the view that works had been completed in accordance with the conditions of the works approval.

2.5 Risk assessment

The risks associated with the emissions and discharges from the operational phase of the premises have been assessed following the *Guidance Statement: Risk Assessment* in the works approval W6016/2016/1 decision report (Appendix 2). The key emissions identified in that decision report for the operational phase included odour, discharge of chemical contaminated process/wash water to ground and chemical discharge to ground through loss of containment. Emissions were not subject to detailed risk assessment for reasons including the small scale of the premises and design controls proposed. No changes to the risk profile have been identified through review of the compliance document or the Application.

2.6 Determined regulatory controls

Regulatory controls for the operational phase of the premises were previously determined in the works approval W6016/2016/1 decision report (Appendix 2). The Delegated Officer has had regard to the recommended regulatory controls in determining the licence conditions. The recommended operational phase controls can be summarised as infrastructure controls and administrative controls (i.e. record keeping and reporting).

2.7 Decision

The Delegated Officer has granted a licence, subject to a condition on the control of emissions and discharges from infrastructure as shown in Table 2 below.

Table 2: Infrastructure and equipment requirements

Site infrastructure and equipment	Operational requirement	Infrastructure location
Chemical manufacturing - one 6,000L mixing vessel	Fitted with batch controller and cooling system to ensure exothermic reaction is controlled	As depicted in Schedule 1, Figure 2: Map of infrastructure and equipment
Chemical blending - one 6,000L mixing vessel	Fitted with batch controller to prevent overflow of vessel	As depicted in Schedule 1, Figure 2: Map of infrastructure and equipment

The licence will also include conditions that are necessary and convenient for the effective administration of the licence (i.e. record keeping and reporting requirements). The Delegated Officer notes that the Department may review the appropriateness and adequacy of controls at any time and that, following a review, the Department may initiate amendments to the Licence under the EP Act.

The Occupier details on the licence have changed from those on the works approval (Mud Logic WA Pty Ltd to Mud Logic Fluid Solutions Pty Ltd) consistent with an ASIC company statement - 2019 provided by the Applicant.

The *Guidance Statement: Licence Duration* has been applied and the licence will be granted for a period of 20 years taking into consideration the overall low risk.

3. Applicant's comments

The Applicant was provided with the draft decision report and draft licence on 21 November 2019 for review and comment. On 28 November 2019 the Applicant advised they had no comments on the draft documents and waived the 21 day comment period.

4. Conclusion

Based on the assessment in this decision report, the Delegated Officer has determined that a licence will be granted, subject to conditions commensurate with the determined controls and necessary for administration and reporting requirements.

Chris Malley

A/Manager, Process Industries

Delegated Officer under section 20 of the *Environmental Protection Act 1986*

Appendix 1: Key documents

	Document title	In text ref	Availability
1.	Application for a works approval and licence	the Application	DWER record (A1323680)
2.	Works Approval W6016/2016/1	-	Accessed at www.dwer.wa.gov.au
3.	Compliance report	-	DWER record (A1837116)
4.	ASIC company statement	-	DWER record (A1838463)
5.	DER, July 2015. <i>Guidance Statement: Regulatory principles</i> . Department of Environment Regulation, Perth.	N/A	accessed at www.dwer.wa.gov.au
6.	DER, October 2015. <i>Guidance Statement: Setting conditions</i> . Department of Environment Regulation, Perth.		
7.	DER, August 2016. <i>Guidance Statement: Licence duration</i> . Department of Environment Regulation, Perth.		
8.	DER, February 2017. <i>Guidance Statement: Risk Assessments</i> . Department of Environment Regulation, Perth.		
9.	DWER, June 2019. <i>Guideline: Decision Making</i> . Department of Environment Regulation, Perth.		
10.	DWER, June 2019. <i>Guideline: Industry Regulation Guide to Licensing</i> . Department of Water and Environmental Regulation, Perth.		

Appendix 2: Works Approval W6106/2016/1 decision report