

BLASTING INTO THE NEXT ERA OF MINING

BY IMPLEMENTING SEVERAL KEY INITIATIVES AND STICKING TO A COMPANY STRATEGY DURING THE MINING DOWNTURN, ACTION DRILL AND BLAST IS WELL PLACED FOR A TURNAROUND IN MARKET CONDITIONS. **BEN CREAGH** WRITES.

The mining downturn was difficult for drill and blast companies. Activity slid significantly as major mining companies in Australia, and globally, reduced their workload in this area.

For companies like Action Drill and Blast (ADB), however, it looks as though the worst of the conditions has passed. Miners are starting to lift production in key commodities like iron ore, coal and gold, and exploration activity is gradually rising around the country.

Despite recent challenges, ADB's management of the mining downturn has left it well placed for what is being considered as the start of a turnaround for the industry.

In fact, ADB expanded significantly in December 2016 following the acquisition of east coast drilling company, Hughes Drilling, by its parent company, NRW Holdings.

NRW acquired Hughes' operations, its fleet of 35 large drill rigs and more than 140 employees, all of which are currently being integrated into ADB's portfolio.

ADB now has one of the largest fleets in Australia and believes it has become the best-equipped contractor in the country to offer large diameter drilling capacity.

General manager Warren Fair told *Australian Mining* that the company had focused on continuing to provide a unique and superior service through the delivery of several key value adds and initiatives while activity was low.

The initiatives included an integrated drill and blast service offering in Queensland's coal industry, a flexible pricing model, a best-for-project approach, technical expertise and best practice quality, fleet maintenance and advanced safety systems.

"In the Queensland coal industry, we are the only company providing an integrated drill and blast contract service. Our contract pricing model is flexible and includes the option of a fixed price per blasted cubic metre (\$/bcm) rate with strict quality assurances," Fair said.

"The typical drill and blast model in coal is to contract separate drilling and blasting contractors on a price per

metre drilled or tonnes of explosives used basis.

"On a fixed \$/bcm rate, best-for-project solutions are developed to optimise blasts, resulting in reduced explosives use, less metres drilled and therefore less cost to our clients. The \$/bcm model places more incentive on the contractor to reduce overall drill and blast costs for the client."

Explosives alone can contribute more than 50 per cent of a drill and blast project's costs, Fair continued, so getting more value out of all explosive products to achieve the targeted result – rather than simply using more product – can have a significant impact on a client's profit margins.

Innovation focus

A common theme that emerged in the industry during the downturn was the need for mining, exploration and

services companies to be innovative to remain competitive.

ADB operates across several commodities, including lithium, coal, iron ore and gold, with each of these requiring a specialist approach to meet the needs of the industry and clients.

Fair said innovation was one of ADB's core values and this focus had helped it satisfy these needs.

"It's imperative that we have the expertise to successfully apply advanced technological solutions where we know they can deliver value, we are always considering alternate methods of work," Fair said.

An example of this is ADB's application of electronic initiation systems at the Middlemount coal mine in Queensland, which achieved exceptional results.

ADB's innovation was also exhibited through the utilisation of an Atlas Copco D65 drill at

the Greenbushes lithium mine in Western Australia to undertake production, pre-split and RC grade control drilling. This resulted in a reduction in the amount of equipment and personnel required on the project.

Fair added, "When it comes to maintenance, we have developed an industry-leading maintenance strategy underpinned by a whole-of-life approach to all of our equipment. Using computerised maintenance planning and work order systems ensures we adhere to our strict preventative maintenance program."

Fair said the ADB fleet achieves an average availability greater than 90 per cent – the industry accepted standard is 85 per cent.

Staff and training focus

While widespread redundancies and job cuts have been the norm in the mining industry in recent years,



ADB has used this situation as an opportunity to strengthen its focus on workforce development.

This has involved a common human resources trend to equip its staff to perform in several tasks or areas at its projects.

Fair said ADB's well-trained workforce and multi-skilling mandate was a point of difference that it had established.

"This means teams can perform multiple duties across the drill and blast operations, increasing productivity, efficiencies and safety, while reducing costs through efficiencies and less personnel," Fair said.

"The hands-on experience of crew members in different roles also allows them to be proactive in regards to safety across more areas of the drill and blast operation."

Fair said ADB had also retained the skills and experience of its workforce, with around 80 per cent of its leadership team having been with the company for more than six years. Most of the company's senior personnel also have more than 20 years' experience, he added.


Upcoming opportunities

With ADB in a strong position, Fair said the company was committed to maintaining its existing customer base, while also pursuing new opportunities that were being offered around Australia.

"During its seven years of operation, ADB has established long term partnerships with a number of key projects, executing long term contracts and contract extensions," Fair said.

"The most notable are the Middlemount and Isaac Plains coal mines in Queensland, and the St Ives gold mine, Greenbushes lithium mine and Cloudbreak iron ore mine in WA."

Fair added that the new opportunities it was targeting were primarily in WA and Queensland – a positive sign for the two states.

"Our estimating department is busy and we are certainly seeing more tenders being issued in the mining industry, in both WA and Queensland. We are hopeful of turning our share of these opportunities into business for the company," he concluded. 



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