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Dear Sir/Madam

### **NSW EPA Review of the Load Based Licensing Scheme**

Australian Pork Limited (APL) is the national representative body for Australian pig producers. It is a producer-owned, not-for-profit company combining marketing, research & innovation and policy development to assist in securing a profitable and sustainable future for the Australian pork industry. APL works in close association with key industry and government stakeholders.

APL welcomes the opportunity to comment on the NSW Environment Protection Authority's (EPA) Review of Load-based Licensing Scheme (LBL) Issues Paper (the LBL Issues Paper). APL provides comments primarily in relation to intensive animal industry: pig accommodation, although a small number of large piggeries are licenced by EPA under the relevant planning requirements.

Australian Pork Limited (APL) recognises that the NSW government aims to maintain a healthy environment while encouraging growth in agricultural activity. Applying the load-based-licencing (LBL) approach introduces polluter pays within a control, reduce, prevent framework. APL also recognises the shift to pollutant load as the unit of measure and the introduction of an annual reporting requirement, with annual licences calculated on the potential environmental impact rather than measured concentration levels. APL notes the lower the potential for environmental impact, the lower the fee. APL also notes that some large piggeries in NSW are captured under the load based licencing scheme however, pay annual fees, which are not calculated on assessable pollutants. Therefore, a large part of the Issues Paper is not particularly relevant to the Australian pork industry.

APL supports the NSW Government's desire to streamline and consolidate environmental protection legislation. Also noted within the Issues Paper EPA clearly states "*While not recommending specific changes to the LBL scheme, the issues paper includes description of significant and complex environmental issues in NSW that a strengthened and better targeted load-based licensing scheme may help address*".

APL notes the possibility of changes to the weighting of certain pollutants based on the proposed priority system. Given this context, during the next phase of the consultation process, the following outlines key considerations for Australia's pork industry in NSW.

1. **Assessable Pollutants.** The Issues Paper proposes a key shift away from prescriptive control mechanisms on industry to imposing environmental performance standards (covering air, water and noise pollution under a single licence) with an associated fee structure. Under this approach, pollution is mitigated at the site level. Under the *Protection of the Environment Operations Act 1997* (NSW) (the POEO Act), intensive livestock and livestock processing are scheduled activities with pig production being activities that produce pigs by way of rearing or fattening, and using live weight capacity to determine pollution. APL suggests that this approach be rescinded and replaced with industry best practice of calculating Standard Pig Units (SPU's), which is based on volatile solid outputs. This industry standard is much more accurate in assessing likely impact and risk to the environment within the site.
2. **Fee Structure.** In a comparison of the various state government environmental licensing fees, APL notes that NSW EPA licencing is the second most expensive compared to other licenced states (with the exception of Queensland where a methodology flaw has been identified). Therefore, APL suggests that EPA review the current fee structure and methodology for piggeries. A key issue is to identify what is the true risk of piggeries in NSW considering that piggeries are captured through other NSW regulatory tools such as under the planning scheme and the general provisions of the POEO Act. APL suggests improvements in the scale of partitioning relating to risk, as there is quite a large jump between 15, 50 and 100 pigs.

The LBL fees provide incentive to reduce pollutants and encourage environmental performance. As the pork industry fees are not based on assessable pollutants, the LBL does not do this in its present form. The Issues Paper suggestion to raise fees to encourage improvement should be assessed on an industry sector basis rather than a blanket approach. The Australian pork industry encourages environmental improvement and high standards through industry guidelines supported by planning tools and the general provision of the act to ensure high levels of management are achieved.

The Australian pork industry operates to high environmental standards and guidelines, supported by science, which enables producers to operate within the general provision of the POEO Act. APL supports the application of incentives for environmental improvements (e.g. biogas) in conjunction with the LBL to receive weight load discounts on fees.

APL supports the suggested grants program that uses proportions of the licence fees for funding improvements; however, APL prefers that the fees go back into the sector from which they were generated rather than support other critical zone or large emitters.

3. **Critical Zones.** EPA proposes an emissions threshold for each industry and for pollutants of most concern in critical zones. In addition, each licensee has an annual load limit for each type of pollutant. Load limits depend on the characteristic of the licenced activity, the pollutants it generates and the receiving environment at the site level that would be classified at the broader regional scale, especially those that are located within the "critical zones". APL is concerned that producers operating within critical zones may come under similar environmental licence conditions as extraction industries. APL would appreciate further clarification on this proposal. APL encourages the EPA to ensure this regulatory approach provides certainty for producers operating within these zones.

In addition, the Issues Paper suggests that emissions trading can be utilised where reductions in emissions are required across a whole group of emitters. APL wishes to clarify how the emissions trading proposals will interact with other pieces of governing planning and environmental protection legislation. APL is concerned that productivity may have to be "offset" in some form, adding substantial cost burdens on producers. In

addition, perverse outcomes may arise from State and Federal emissions reduction schemes potentially working in contradiction to each other in addition to 'double dipping' on perceived environmental benefit.

4. **Scheduled Activities.** APL draws attention to the lack of indicators and clarity within the Issues Paper. APL requires this information to assess any impact of the proposed reforms that may impact productivity and cost to industry.

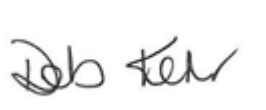
The Issues Paper suggestion to extend the LBL to all licenced premises would require industry to assess and review the methodology and input data to ensure that updated data on emissions/pollutants for example was included and that the methodology is representative of risk.

5. **Monitoring.** APL encourages the review of the monitoring requirements in association with scheduled activities and licence conditions. Producers can incur high compliance costs associated with monitoring of low emissions or low risk sites. Long-term trend data generated indicates that current monitoring of activities could be modified to reduce the number of incidences of monitoring activities undertaken.
6. **Load Limits** – APL seeks clarification on the operational costs to a producer under the proposed changes, in particular those producers located in the “critical zones”, with the possible inclusion of additional scheduled activities and pollutants.

APL welcomes the opportunity to comment and contribute to stage two of the review process. Assessment of potential impacts to industry and possible transitional arrangements will require ongoing consideration.

Should you have any questions regarding this submission, please do not hesitate to contact Ms Johanne McKiernan on 02 6270 8820 or via email [johanne.mckiernan@australianpork.com.au](mailto:johanne.mckiernan@australianpork.com.au).

Yours sincerely



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