



19 December 2016

LBL Review
Regulatory Reform and Advice Branch
Environment Protection Authority
PO Box A290
Sydney South NSW 1232

Dear Sir/Madam,

Review of Load Based Licencing Scheme

Reference is made to the above review.

Central Coast Council (CCC) has reviewed the Load Based Licencing (LBL) documents and makes the following comments;

- Council has a concern that the biggest impact of the LBL changes will be an increase in current fees without any other real benefits accruing such as improved treatment performance. The primary objective of any change should be an environmental benefit.
- Council has concerns over the current methodology in setting load limits as there appears to be a degree of inconsistency within EPA.

As an example Central Coast Council has recently requested a review of load limits for a wastewater treatment plant given that the original limits are now arguably inappropriate. Discussions with the EPA over an extended period have revealed that there are at least two methods "in play" for considering and setting load limits i.e.

- An average of the last 3 years of load limit data and the addition of a somewhat opaque "adjustment factor" that apparently takes into account the reason/justification for the increase such as population change or
- Determining the capability of the receiving environment to receive pollutants.

Council's view is that it is essential that EPA develops a consistent and transparent methodology to determine load limits. This methodology needs to be achieved through consultation with industry and other stakeholders.



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- The “blanket” addition of additional pollutants to the current LBL scheme will only serve to increase compliance costs (sampling and monitoring) for industry for no discernible benefit, environmental or otherwise. Council would only support an option where thresholds are applied before monitoring is required (similar to the NPI scheme)
- The removal of LBL fees on some pollutants but retention of the corresponding load limits does not really simplify the scheme to any great extent as loads unavoidably still need to be monitored and calculated. This is where the complexity and cost in the process lies.
- Reference is made the issue of pollutant weightings and critical zone weightings as they relate to the LBL scheme responsiveness to the impacts of pollutants. For example if a waterway can be shown to have the capacity to receive more pollutants will this allow any concessions financial or otherwise if for example Council transfers pollutants from an environmentally sensitive area to a less sensitive area. This is already a factor for CCC(North) where we have already invested capital to transfer pollutants from a sensitive location to a less sensitive waterway i.e. discharge to ocean in lieu of Lake Macquarie or Tuggerah Lakes.
- Any increased focus on the impacts of metals discharged to receiving waters should be viewed in the context of the significant costs to remove these metals at the wastewater treatment plant stage. The EPA needs to be aware that these cost increases may need to be passed on to trade waste dischargers.
- A catchment approach to weightings will need a consistent and transparent NSW wide methodology subject to periodic review. To do otherwise this could introduce some inconsistency across EPA regions.
- Council agrees with the removal of FRT’s – just use critical zones.
- In principle Council agrees with the concept a technical panel to review and determine LBL issues across NSW. This will ensure a high level of consistency. It is to be hoped that licence holders will not be expected to fund this panel as an extra to historic fee levels.
- **EPA Question - Are you incurring high compliance costs in relation to pollutants that you do not emit, or that you emit in very small quantities? Please give details.**

Council response – Yes, heavy metals and pesticides incur higher compliance costs for sampling than LBL fees

- **EPA Question - Would an online LBL portal for calculating and reporting loads reduce processing time and compliance costs for your business? What functionality would you like to see in such a system?**

Council response – Yes, this would assist in particular with monthly reporting functionality to track loads as the reporting period progresses.

- **EPA Question - How could the Load Calculation Protocol of the LBL scheme generally be improved to reduce compliance costs?**
- Council response – A load discharge threshold factor would potentially filter and decrease the number of pollutants needing to be reported.
- **EPA Question - Would access to an EPA LBL Technical Unit assist you in working through technical questions? What services should this unit provide? Would you be prepared to pay for some specialist services?**

Council response – Yes, a Technical Unit would assist licence holders in working through LBL issues. One role for the Unit is to articulate the basis of load limits, review applications to increase limits and to ensure that there is a reasonable level of consistency between licences.

In relation to “who pays” Council’s view is that funding for this (essentially an EPA staffing cost) is a responsibility of government and not licence holders.

- In relation to a third party independent certification of Annual Licence Returns it is assumed that Council would be expected to fund and support this process. Not only will this increase compliance costs it outsources a role and responsibility that the EPA should realistically be undertaking. In this regard attention is drawn to Page 81 of the Issues Paper wherein it is stated that “LBL licensees also expect the EPA to monitor and enforce compliance.....”
- Council would support the simplifying of current effluent reuse requirements to make it easier for licensees to use effluent reuse in appropriate and environmentally sensitive ways to achieve a fee discount. For example this approach would allow CCC (North) to discount the loads from recycled water plants at Toukley and Bateau Bay. At this point, LBL fee discounts have no impact on total fees paid as the administration fee is higher than LBL fee.
- Load limits are assessed against actual loads. There is no incentive for the Council to undertake environmentally beneficial effluent reuse activities by transferring the loads for reuse beyond the Council licensed premises. Typical effluent reuse customers (golf courses and sporting fields etc.) are not licenced premises, so pollutant loads discharged to these customers do not reduce the actual loads. Load limits should be assessed against weighted loads.

Yours faithfully



Mark Coleman
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