

14 September 2018

Australian Pork Limited
ABN: 83 092 783 278

PO Box 4746
KINGSTON ACT 2604

P 02 6285 2200
F 02 6285 2288

www.australianpork.com.au

Mr Tim Anderson QC
Chair
State Planning Commission
Government of South Australia
PO Box 1815
Adelaide SA 5001

Via email: DPTI.PlanningEngagement@sa.gov.au

Dear Mr Anderson

Submission on Draft State Planning Policies for South Australia

Australian Pork Limited (APL) welcomes the opportunity to make this submission on the Draft State Planning Policies (SPPs) for South Australia. APL has prepared this submission in consultation with Pork SA, which is the peak industry organisation representing producers, and the corporate and commercial stakeholders, of the South Australian pork industry.

APL is the peak, national representative body for Australian pork producers. APL is a producer owned, not-for-profit company that delivers marketing, export development, research and innovation and strategic policy initiatives to secure a profitable and sustainable future for Australian pork producers.

Overall, APL congratulates the South Australian State Planning Commission on developing such a considered range of SPPs that seek to balance the needs of the environment, the community and industries.

APL has taken this opportunity to provide information and recommendations to the Commission to help ensure the needs, and the value of our industry, are considered at all levels of South Australia's planning system.

I. The South Australian pork industry

Pork production in South Australia makes a significant contribution to the state's economy:

- pork production contributed around \$385 million (value-added) to the South Australian economy in 2015-16, with revenues of \$385 million representing 0.4 percent of gross state product
- the pork industry supported 2,485 full-time South Australian jobs in 2015-16 representing 0.34 percent of all jobs in the state with these jobs generating \$188 million in household incomes
- pork production also has a significant positive impact on regional communities in South Australia:
 - at a local level, a family farm with 250 sows will inject around \$850,000 into the local economy annually and
 - for every 1000 sows added to a typical piggery in a typical regional community, around 21.4 full-time equivalent jobs are created.

South Australia's pork producers supply quality product to the state's two large export-certified abattoirs. As such South Australian producers have a high uptake of voluntary on farm quality assurance (QA) with over 90 percent of South Australian pork production covered by the Australian Pork Industry Quality Assurance Program (APIQ[✓]®). APIQ[✓]® requires producers to be independently audited annually against industry standards for food safety, animal health, animal welfare and environmental protection.

APL believes the innovative nature of the pork industry and the positive impacts it has on South Australian communities must be acknowledged and considered at all levels of the planning system. As a national body, it is APL's experience that planning issues associated with licencing and approval of piggeries in South Australia are less frequently encountered than in other states. APL believes this is in part due to the lower population density of South Australia, considering planning issues often relate to perceived amenity impacts on surrounding areas, and in part, due to positive outcomes from the current planning system.

2. APL's comments on the draft SPPs

Noting the pork industry's positive experience with the current planning system in South Australia, APL welcomes this review to ensure the system remains relevant, efficient and effective, and encourages sustainable and innovative development of our industry. APL therefore supports the intent of these SPPs to ensure the principles of good planning within the new *Planning and Development and Infrastructure Act 2016* (SA) are carried through to all levels of the state planning system.

Considering that these SPPs will become the highest-order planning documents in South Australia's planning system, APL acknowledges the difficult and important challenge facing the Commission. APL notes that the key to meeting this challenge is ensuring that the needs of industry, the environment, and the community are considered and balanced.

APL supports the SPPs in principle. However, APL considers that the positive impact of these SPPs will depend on how well the SPPs are implemented throughout the planning system. Their value will be measured by their impact on industry and community, noting the important positive impact that industries have on communities. Fundamentally, this will require continued consultation with industry (and other stakeholders) during the reform process to ensure that the insights and tools offered by industry can be utilised.

APL has considered the draft SPPs below in the context of their potential to empower or hinder the efficiency and sustainability of the Australian pork industry. In this submission APL presents issues for consideration from the pork industry's perspective covering regulatory burden and cost, innovation adoption, design solutions, and amenity impacts.

2.1. Regulatory burden and cost

The Australian pork industry is highly regulated under state and local environment and planning legislation. In South Australia and in most jurisdictions, the keeping of pigs requires a planning or development permit, which involves a time-consuming application process. Producers often need assistance from APL and /or an experienced consultant to complete applications for new facilities or to upgrade existing facilities. In South Australia a one-off lodgement and application fee is charged and if a development/planning consent is approved, producers then incur significant annual license fees to operate. These fees, and the time-consuming application process, form a significant barrier to entry, expansion and innovation in our industry, and may provide a disincentive to participation in the planning process, thus posing compliance risks to the producer.

Pork producers that trigger certain thresholds are also required to report environmental emissions to the National Pollutant Inventory (NPI) and to the National Greenhouse Gas (NGHG) Inventory. In addition, there are many other regulatory burdens and costs imposed on pork producers. They must hold a permit to keep pigs, have a Property Identification Code (PIC), have a brand or other accredited device to identify pigs, and must use PigPass, including the PigPass National Vendor Declaration (PigPass NVD), to track and

record all movements of pigs. It is also a requirement of export markets and many domestic markets that pork producers participate in on farm quality assurance programs like APIQ[✓]®, which ensures producers meet regulations and industry standards.

In *SPP 8 - Primary Industry*, the Commission acknowledges the contribution of primary industries to South Australia cannot be taken for granted. APL concurs. In relation to *SPP 8* it is also noted that primary industries are experiencing continual pressure for change and that increasing demands and community expectations are being placed on valuable land and water resources that are essential for primary production. This is especially true for intensive pork producers who are currently suffering through a profitability crunch arising from a domestic production oversupply exacerbated by drought and higher feed prices. Considering this alongside the amount of regulation our producers already face, APL believes it is important that any reforms in the planning space result in reduced regulatory burden.

APL concurs that *SPP 8 - Primary Industry*, must:

- create local conditions that support new investment in primary industry and
- enable business growth adaption, innovation and diversification that is ecologically sustainable.

APL seeks that the Commission considers that for primary industries to be innovative, ecologically sustainable, and to attract new investment, they must be profitable. To this end, planning policy that reduces regulatory burden on primary industries and reduces barriers to entry, is essential. APL recommends this should be reflected in *SPP 8* to emphasise the importance of reducing regulatory burden, cost and overlap and make provision for a co-regulatory approach to be used where appropriate.

2.2. Design quality

APL agrees that design quality is important to ensure facilities are sustainable and have minimum impact on the environment and the amenity of surrounds. APL draws your attention to the materials and tools APL has developed together with governments, producers and independent experts that provides industry best practice standards and guidelines on design and planning of production facilities. These materials and tools are informed by science and regularly reviewed and updated as the science changes.

Documents such as the National Environmental Guidelines for Indoor Piggeries (NEGIP)¹ released May 2018 and the National Environmental Guidelines for Rotational Outdoor Piggeries (NEGROP)² revised 2013, provide standards and guidance information to producers to ensure their development and operations are planned, designed and managed in a way that is sustainable and meets the requirements of all state and territory government authorities.

APL has also developed a user-friendly electronic template to assist producers in developing their own Environmental Management Plan (EMP). The EMP focuses on the general management of a whole farm, taking into account the environment and associated risks. It documents design features and management practices, identifies risks and mitigation strategies and documents monitoring plans to ensure impacts are minimised.

¹ Tucker, RW 2018. National Environmental Guidelines for Indoor Piggeries - Third Edition, APL Project 2015-2221, Australian Pork Limited, Kingston, ACT, Australia.

² Tucker, RW and O'Keefe, MF, 2011, National Environmental Guidelines for Rotational Outdoor Piggeries, Project 2011/1039 (2013), Australian Pork Ltd, Barton, ACT, 2600 (revised).

APL welcomes the South Australian Environment Protection Authority's (EPA) use of APL's standards and guidance material. This provides regulatory certainty to producers in their planning and management approach. As such, APL would encourage the South Australian Government to utilise these materials more broadly in the design and implementation of the SPPs. These documents are available on APL's website. Please contact the APL office for further explanation and hard copies of the documents.

For your reference, APL also made a submission on the Technical Discussion Paper - South Australia's Planning and Design Code – How Will It Work?³ which provides more detail on our views in relation to implementing good planning and design principles.

2.3. Amenity impacts

APL supports the intent of *SPP 8 – Primary Industry* to equitably manage the interface between primary production and other land users. This is especially important for intensive pork producers where amenity impacts such as odour, dust, and noise associated with facilities must be considered and managed to ensure effective co-existence with the community.

APL is pleased to see the issue of urban encroachment onto rural lands well addressed in the SPPs. APL believes reducing urban encroachment via effective planning policy, plays an important role in reducing unnecessary complaints arising due to perceived amenity impacts of existing piggeries. This is also supported by good planning and design of facilities and planning policy that encourages rather than stifles innovation.

The NEGIP and NEGROP referred to above, provides guidance on facility design to effectively mitigate amenity impacts. APL has also led development of a National Odour Guideline in consultation with government and industry, which was released in 2018 as an appendix to the NEGIP.

2.4. Innovation adoption and uptake

APL agrees with the intent of *SPP 5 - Climate Change* to reduce greenhouse gas emissions and promote development that is climate ready. APL and the pork industry has made, and continues to make, significant investment in research and innovation aimed to reduce the environmental footprint of the pork industry, and to ensure it is climate ready.

APL concurs with *SPP 5 – Climate Change*, which notes it is important that decision-making considers the impacts of climate change using the best information on climate risk available. Therefore, it is important that methods used to estimate greenhouse gas, and other emissions from industries are accurate and consistent. Importantly, the methods should allow producers to report a “net” rather than “gross” estimate of environmental emissions to ensure that emissions abatement activities by industries (like biogas systems) are encouraged. This is especially important considering that data collected via the National Pollutant Inventory (NPI) has been used to develop government policy and associated fee structures in other states. One example is the tiered licence fees employed under Queensland state planning regulations. Producers incur fees based on an inaccurate assessment of environmental risk based on inaccurate and gross NPI emissions data.

APL recently made a submission to the review of the NPI outlining the issues with current NPI reporting methodologies and noting inconsistencies between the National Greenhouse Gas Inventory (NGHG) methodology and NPI estimation techniques. APL encourages the

³ APL, 'Submission to Technical Discussion Paper - South Australia's Planning and Design Code – How Will It Work?', July 2018, available at: http://australianpork.com.au/wp-content/uploads/2018/07/APL_itr_SA_Planning-and-Design-Code_Technical-Discussion-Paper_20180723_....pdf.

Commission to refer to this submission.⁴ NPI data in its current form should not be used or relied on by legislators or regulators as an indicator of emissions from the pork industry when developing planning policy.

APL concurs with *SPP 12 – Energy* that planning policy must facilitate investment in green technologies. Biogas systems are one such solution employed in pork production to produce energy from pig waste including electricity, heat, and potentially fuel for motor vehicles. APL frequently receives feedback from frustrated pork producers trying to get planning approval to install biogas systems on farm. Many continue to meet barriers to approval under current local and state planning policy. APL urges South Australia to take the opportunity to rectify this issue to ensure innovation in green technologies is encouraged and not stifled under *SPP 12*.

Piggeries that have implemented biogas systems have significantly reduced their environmental footprint by capturing emissions from effluent ponds and generating their own electricity. APL has developed a risk-based Code of Practice for On-Farm Biogas Production and Use (Piggeries) in response to growing interest in biogas technology from Australian pork producers. This was developed to assist producers and regulators in taking a risk-based approach to establishing and managing biogas plants on piggeries in Australia.

Finally regarding *SPP 12 – Energy*, the ongoing provision of sustainable, reliable and affordable energy is critical to intensive pork producers. Despite continued energy efficiency across the sector, energy prices continue to rise, which is having an impact on the profitability of producers. Recently, the Australian Farm Institute published a research report, which compiled available data and estimated the overall cost of energy to agriculture and for sub-sectors and value chain components. This report estimated the annual cost of energy to the Australian agricultural sector at approximately \$5.85 billion.⁵

If the objective of *SPP 12* is to be met, APL believes consideration needs to be given as to how developments in energy assets and energy infrastructure corridors (suggested in *SPP 12*) will be funded, so that this does not result in increased energy prices.

In Summary

APL thanks the South Australian State Planning Commission for the opportunity to make a submission on behalf of the Australian pork industry. APL is supportive of the SPPs in principle, however APL recommends the Commission ensures that:

1. the SPPs minimise or reduce the regulatory burden and cost placed on producers and remove barriers to entry and innovation
2. there is scope to incorporate the pork industry's planning and environmental standards and guidelines into state planning regulations
3. appropriate allowances are made in the SPPs to facilitate the uptake of on farm renewable energy technologies
4. the deficiencies of the NPI in development of planning policy are noted and measures to resolve perverse impacts on producers considered and resolved and
5. consideration is given as to how energy infrastructure developments (suggested in *SPP 12*), are funded so that the result is reduced energy cost to pork businesses.

⁴ APL, 'Submission to the Review of the National Pollutant Inventory Discussion Paper', August 2018, available at: http://australianpork.com.au/wp-content/uploads/2013/11/APL_Submission-to-the-National-Pollutant-Inventory_Discussion-Paper_07082018-FINAL.pdf.

⁵ Heath, R, Darragh, L & Laurie, A, 2018, 'The impacts of energy costs on the Australian agriculture sector, Research Report', Australian Farm Institute.

APL hopes this feedback will be considered positively for improving the planning system in South Australia to foster a profitable and sustainable pork industry into the future.

APL would be happy to discuss the comments provided in this submission. To obtain copies of the industry standards, guidelines and tools mentioned above, if you require further information or have any questions, please contact Grantley Butterfield, Policy Manager – Planning and Environment, on 02 6270 8820 or grantley.butterfield@australianpork.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Deb Kerr', with a stylized flourish at the end.

Deb Kerr
General Manager Policy

cc: Mark McLean – chair@porksa.com.au

Andy Pointon – enquiries@porksa.com.au