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State Planning Commission
Government of South Australia
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Via email: DPTI.PlanningEngagement@sa.gov.au

Dear Sir/Madam

Submission on Productive Economy Policy Discussion Paper

Australian Pork Limited (APL) welcomes the opportunity to make a submission to the Productive Economy Policy Discussion Paper (the discussion paper). APL has prepared this submission in consultation with Pork SA, the peak industry body representing pork producers of South Australia. APL agrees there is an important discussion for industry and government to have around the role that the planning systems can play in enabling future industry growth and innovation.

APL is the peak national representative body for Australian pork producers. It is a producer-owned company combining marketing, export development, research and innovation and strategic policy development to assist in securing a profitable and sustainable future for the Australian pork industry. The pork industry employs more than 36,000 people nationally and contributes \$5.2 billion in gross domestic product.¹

APL has valued the opportunity to participate in South Australia's planning reforms process to date by providing submissions to the following discussion papers:

1. South Australia's Planning and Design Code – How Will It Work?²
2. Assessment Pathways: How will they work?³
3. The Draft State Planning Policies for South Australia⁴ and
4. Integrated Movement Systems.⁵

¹ Acil Allen Consulting, 'Economic Contribution Report: Pork Industry in Australia - 2015-16, November 2017, http://australianpork.com.au/wp-content/uploads/2018/01/ACILAllen_PorkIndustryEconomicImpactReport_Final_17Nov2017_corrected.pdf

² http://australianpork.com.au/wp-content/uploads/2018/07/APL_ltr_SA_Planning-and-Design-Code_Technical-Discussion-Paper_20180723_....pdf

³ http://australianpork.com.au/wp-content/uploads/2013/11/APL_SA-Assessment-Pathways-How-will-they-work-Technical-Discussion-Paper_151018_FINAL.pdf

⁴ http://australianpork.com.au/wp-content/uploads/2013/11/APL_Submission-to-Draft-State-Planning-Policies-for-South-Australia_14092018_FINAL.pdf

⁵ http://australianpork.com.au/wp-content/uploads/2013/11/APL-Submission_SA_Integrated_Movement_Systems_Policy_Discussion_Paper_03122018_FINAL.pdf

These earlier submissions raise many subjects involved in this discussion and provide APL's views on the proposed planning reforms to date.

Economic contribution of the pork industry

Pork production in South Australia makes a significant contribution to the state's economy. This is demonstrated by pork production contributing \$385 million (value-added) to the South Australian economy in 2015-16, which represents 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. These jobs generated \$188 million in household incomes. Pork production also has a positive impact on regional communities in South Australia. At a local level, a family farm with 250 sows injects around \$850,000 into the local economy each year.⁶

South Australia has two large export-certified abattoirs that process most of the pork produced in the State, along with processing pigs from other states. This pork goes to both export and domestic markets. Pork is also produced for the local market, via domestic abattoirs, smaller butchers and processors. Some producers have found a niche in the local fine food market, value adding to their product by manufacturing premium smallgoods.

Pork production has a long and dynamic history in South Australia. The innovative nature of the industry in conjunction with good planning systems, will enable its growth and support an even greater contribution to the South Australian economy into the future. APL expands on this view in a discussion of themes 1 and 2 from the discussion paper below.

Theme 1 - Supporting and growing key industries

It is encouraging to see agribusiness identified in the discussion paper as a key area of competitive advantage for South Australia. APL notes that pork production is no exception. An independent economic study commissioned by a local council in NSW recently identified pork production as a key industry with unexploited potential to bring economic growth to the community.

This was based, in part, on the fact that protein consumption continues to grow, and consumer preferences are changing. In 2015, pork overtook beef consumption to become the second most consumed meat per capita in Australia after poultry. Reasons for this include change in price making pork comparatively cheaper; continuity of supply considering that intensive production processes make it easier to manage supply levels; and, change in consumer taste.

To maintain this competitive advantage, planning systems and policies must be designed to enable rather than hamper the growth potential of the pork industry.

Protecting important agricultural land

It is also encouraging to see "*the need to protect land for agriculture and food production and managing this land's interface with urban areas*"; identified as a key issue in this policy conversation (page 43 of the discussion paper). This is of particular importance for pig production, where site selection is critical to the success of the operation.

When choosing a site suitable for intensive pork production, a multitude of factors must be considered including:

⁶ Acil Allen Consulting, 'Economic Contribution Report: Pork Industry in Australia - 2015-16, November 2017, http://australianpork.com.au/wp-content/uploads/2018/01/ACILAllen_PorkIndustryEconomicImpactReport_Final_17Nov2017_corrected.pdf

1. Environmental – such as soil type, catchment protection, nutrient management, and local land heritage
2. Economic – including efficient access to feed, water, labour, road access, processing facilities and markets
3. Biosecurity – ensuring adequate separation distances between pork production sites to reduce the risk of disease spread between sites, and
4. Community – including separation distances to manage potential amenity (odour, dust, noise) impacts on surrounding communities and industries.

Primary industries are experiencing continual pressure for change and increasing demands and community expectations are being placed on valuable land and water resources that are essential for agriculture. It is therefore important that adequate provisions are made at both local and state levels to enable growth and development of the pork industry into the future.

Such provisions may include:

1. Setting aside specific areas for intensive livestock production in Local Environmental Plans (LEPs)
2. Mapping and zoning of important agricultural land and land appropriate for intensive production to protect it from other uses, and
3. Controlling subdivision on the fringes of important agricultural land to prevent urban encroachment.

APL can point to current examples where planning instruments are being used to enable growth in intensive livestock production in other states, including:

1. The Important Agricultural Land Mapping project being undertaken by New South Wales Department of Primary Industries.⁷
2. Intensive agricultural precincts zoned in some Victorian local government areas setting aside areas of land reserved for intensive agriculture.⁸
3. The economic study of the Hilltops area undertaken to inform the development of a new LEP. This identified intensive pork production as a key industry with potential to contribute to growth in the local economy.

APL encourages the South Australian Government to consider these examples and learnings from other states when implementing the proposed planning reforms.

Theme 2: Facilitating innovation and investment

Planning policy must facilitate rather than stifle innovation and investment to enable future growth and development of industries. Two examples are provided below that demonstrate how planning policy can be a hinderance to investment and innovation.

Example 1 - Biogas development in the pork industry

Renewables SA notes that increased attention on bioenergy as an energy source offers significant opportunities to use untapped resources for energy production in South

⁷ <https://www.dpi.nsw.gov.au/agriculture/lup/agriculture-industry-mapping/important>

⁸ <https://www.goldenplains.vic.gov.au/business/intensive-agriculture>

Australia.⁹ Biogas systems can now be used profitably by pork producers and processors to capture methane and generate energy and heat from waste using covered anaerobic digestion ponds. This reduces the production system carbon footprint, while reducing odour impacts.

APL often receives feedback from frustrated pork producers across Australia trying to obtain a planning approval to install biogas systems. Many continue to meet barriers to approval under current local and state planning regulations. Barriers observed include issues with classification of biogas. For example, in the absence of an agreed definition, biogas is often lumped into categories designed for unrelated production systems such as waste disposal tips and sewage treatment plants. Gas safety regulations in some states also stifle profitability of biogas due to overly cautious risk assessment. Both these issues lead to prohibitive fees which unfairly stifle biogas uptake in the pork industry.

APL urges South Australia to take the opportunity to resolve this issue by including a specific definition for biogas in future regulations and planning policy. APL can provide information and examples of definitions that could be adopted such as that provided in the APL Code of Practice for On-Farm Biogas Safety and Use (Piggeries)¹⁰ and the National Environmental Guidelines for Piggeries.¹¹ Such an approach would facilitate appropriate regulatory requirements and fees relevant to biogas systems used in the pork and similar industries. This will help to ensure innovation and investment in green technologies is encouraged and not stifled by South Australia's new planning system.

Example 2 - Regulatory burden and cost

The cost and administrative burden of regulatory compliance can be a significant barrier to attracting investment and growth to industry. 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 time-consuming and costly application processes. 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 the industry. Reducing the cost of the planning process should be considered as part of these reforms. APL is currently undertaking an independent economic analysis to determine the full regulatory burden associated with planning and development applications in the pork industry Australia-wide and would be happy to discuss the results of this study with government.

In summary

APL recognises the importance of effective planning policy and regulation to support strategic growth in industries and communities into the future. APL encourages the South Australian Planning Commission to consider ways of reducing the regulatory burden associated with planning and development in the pork industry. This includes reducing fees and administrative burden, ensuring emerging innovative technologies are appropriately defined and regulated, and ensuring important agricultural lands are protected.

⁹ <http://www.renewablessa.sa.gov.au/topic/bioenergy>

¹⁰ http://australianpork.com.au/wp-content/uploads/2013/10/2011_1013-423-CoP-Final-April15.pdf

¹¹ <http://australianpork.com.au/industry-focus/environment/national-environmental-guidelines-for-piggeries/>

APL would be happy to discuss any of the comments provided in this submission. If you require further information or have any questions, please contact Grantley Butterfield, Policy Manager – Planning & Environment on 02 6270 8820 or grantley.butterfield@australianpork.com.au.

Yours sincerely

A handwritten signature in black ink that reads "Deb Kerr". The signature is written in a cursive, slightly slanted style.

Deb Kerr
General Manager, Policy

cc: Mark McLean – chair@porksa.com.au
Andy Pointon – enquiries@porksa.com.au