

Australian Pork Limited

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Environmental Protection Authority Victoria 200 Victoria Street Melbourne VIC 3000

By email: GHGGuideline@epa.vic.gov.au

Dear Chair

Draft Guideline for Managing Greenhouse Gas Emissions

Australian Pork Limited (APL) welcomes the opportunity to provide a submission to the draft Guideline for managing greenhouse gas emissions consultation process.

APL is the peak national representative body for Australian pig 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 Australian pork industry employs more than 36,000 people in Australia and contributes \$5.3 billion in gross domestic product to the Australian economy. There are around 200 commercial pig sites in Victoria.

Pork Industry Commitment to sustainability

The Pork Industry is committed to improving our environmental outcomes and supporting our producers in undertaking sustainable production. The <u>Australian Pork Limited Strategic Plan 2020-25</u> includes clear commitments to sustainability under the theme of Leading Community Social Licence. Our key program areas are leaders in animal care, biosecurity leadership, climate friendly farming, leaders in human nutrition and industry visibility.

These themes are further refined in the <u>Australian Pork Limited Sustainability</u> <u>Framework</u>. The framework sets out clear targets under the pillars of people, pigs (welfare and biosecurity), planet and prosperity. Around 90% of the Australian pig herd is already covered by the APIQ certification scheme that demonstrates the industry commitment to care for our animals, the environment and our customers. As a rural Research and Development Corporation, APL policies and programs, including APIQ are backed by current science and ongoing research and extension to ensure that our industry is continually improving.

The pork industry in Australia demonstrates strong environmental sustainability credentials with a low emissions footprint of 3.3 kgCO $_2$ -e/ kg live weight of pork, a reduction of over 60% since the 1980s. With key environmental targets of pork as a low emissions protein, and 60% of production using waste recycling and renewable energy technology, the industry is committed to further improving environmental sustainability measures.

Over 20% of production is currently carried out with biodigesters that reduce methane emissions and the industry is working to significantly increase uptake of emissions reduction technology and manure management opportunities over the next 3 years. The pork industry

is also investigating opportunities to reduce waste by maximising the value of non-edible food and agricultural waste as pig food or feedstock to optimise performance of digesters.

Feedback on the draft Guideline for managing greenhouse gas emissions and agriculture

APL supports outcomes-based regulation that is risk based, responsive and proportionate. Broad input-based regulations can impose unnecessary costs with little improvements in environmental outcomes. As noted by the Productivity Commission in their report on Regulation of Australian Agriculture, outcomes based regulations should be clear on the performance outcomes required and provide flexibility and control over how outcomes are achieved.

The current draft guidelines are general in nature and do not provide clear examples of expected actions for producers. The examples in the guideline and linked *Reasonably practicable guidelines* do not clearly articulate agricultural specific or industry specific examples, which will make it difficult for farmers to clearly understand what is required of them. Use of the guidelines in an agricultural context should be delayed until there are clear examples developed with industry to support understanding for farmers. Alternatively, the guidelines should explicitly state that they are not relevant to agriculture, and a separate set of guidance should be produced.

It is critical that both guidance materials and compliance approaches be developed in close consultation with industry to ensure that guidance is fit for purpose, and that compliance expectation and approaches are based on an understanding of standard agricultural practices and processes.

Risk Based compliance to support reduced red tape

The EPA Compliance and enforcement policy clearly articulates that the EPA has a role in supporting people to understand, own and address their impacts on human health and the environment. The current draft guidelines and associated Reasonably practicable guidelines do not between them provide sufficient detail or guidance to support understanding of risks or impacts in an agricultural context.

While it is recognised that the intent of risk-based regulation is to reduce unnecessary regulation and red tape, the lack of advice and support will result in an increased administrative and cost burden if producers are required to hire expert consultants to undertake extensive risk assessment processes.

The development of templates, worked examples and direct extension would significantly reduce costs for businesses and improve compliance. APL would be happy to provide support and advice in the development of pork industry specific examples.

Regulatory role of the Guidelines

International climate measures occur at the national level, and there are already national regulatory programs in place for high emitting premises and businesses. The addition of another layer of requirements, regulatory or otherwise, may result in inconsistencies between states and confusion around the interactions between programs and settings across all levels of government. For example, the Commonwealth Emissions Reduction Fund settings have a clear requirement that rules out projects that are required under legislation or regulation. Without a clear statement on the intent of the guidelines and overarching General Environmental Duty, Victorian producers and businesses across all industries may be excluded from national carbon credit schemes, and potential international trade should it eventuate. These schemes provide valuable income to support the costs involved with installing emissions reduction technology, and regulatory barriers are likely to have a perverse outcome of reducing uptake of these programs and achievement of reduced emissions.

While there is a disclaimer at the start of the guideline noting that it does not impose compliance obligations, the disclaimer also notes that guidance is designed to restate or clarify the EPA approach to statutory obligations. This suggests that the EPA does have compliance expectations around greenhouse emissions reduction, but the guideline provides little detail on what this would mean for individual producers.

State of Knowledge

The stated intent of guideline is to contribute to state of knowledge on impacts from greenhouse emissions. State of knowledge as a term will mean little to producers and will not assist them in understanding what they are expected to do.

This guideline will add to a significant body of work already being undertaken by industry and all levels of government. The increasing volume of work in this space supports understanding for technical specialists and administrators in the area. The complex and dynamic nature of this space, and the range and technical nature of information makes it difficult to navigate for producers, for whom tracking discussions on carbon modelling and reporting is not a core part of their day-to-day activities. APL, and all agricultural industry groups, have undertaken significant work in detailing opportunities for producers to reduce emissions, however many of these opportunities impose significant economic costs and technical challenges. Industry is working to identify realistic and appropriate technologies to support producers in this area.

Without active education and extension support, and tailoring of messaging specific to industry, the expectation that individual producers will be aware of, and have acted on the guidelines, is unrealistic.

In support of this submission, APL offers the following recommendations.

Recommendation I

That the Victorian Environment Protection Authority (EPA) develop an agriculture specific guideline, or delay release of the current guideline, until there is engagement with the agriculture industry, including the pork industry, to ensure industry appropriate examples and templates are included.

Recommendation 2

That the Draft Guideline for managing greenhouse gas emissions be amended to provide clear confirmation that guidelines are a non-regulatory tool.

Recommendation 3

The Victorian Environment Protection Authority (EPA) recognise that the state of knowledge of industry groups does not reflect individual producer state of knowledge and should not be used as a base assumption for compliance action.

If you require further information or have any questions, please do not hesitate to contact Kirsty Cooper, APL Environmental Policy Manager on 0403 321 146 or Kirsty.cooper@australianpork.com.au

Yours sincerely

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Chief Executive Officer

Australian Pork Limited