



# Sector compliance report

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## Surface coating industry



# Surface coating compliance activity

## Industry in South Australia



**55** total sites licensed by the EPA

**40** licensees inspected (36 metro, 4 regional)

**10** mobile operations

**2** licences surrendered

**3** recently inspected, inspection not required




## What did we find

**520** total licence conditions\*

**13** facilities had multiple breaches

**28** breaches of licence conditions

Most common environmental issues:

-  Inappropriate storage of liquid chemicals (bundling)
-  Lack of knowledge regarding licence conditions
-  Poor housekeeping

**80%** of surface coaters undertake at least one or more activities of environmental significance

**95%** compliance with all licence conditions

\*All facilities have multiple licence conditions

## Compliance & enforcement outcomes



**14** Direction letters



**3** Non-compliance resolved during inspection

## Introduction

This report presents the key findings of the EPA review of the compliance status of surface coating licences in late 2019.

Inspections were conducted on facilities undertaking Activity 2(12) Surface Coating in accordance with Schedule 1 of the *Environment Protection Act 1993* (EP Act).

## Purpose

This report can be used by the surface coating industry to understand the key compliance issues identified by the EPA and assist in improving the overall environmental performance of the sector.

Additionally, this report will provide the general community with information regarding the environmental compliance of the surface coating industry.

## What is surface coating

The surface coating sector includes all industries that carry out metal finishing such as electroplating, spray painting, powder coating or hot dip galvanising. These activities are included in Schedule 1 of the EP Act. The activity of surface coating involves applying materials to another surface for either decorative and/or functional protective purposes. For example, applying paint may be for a decorative perspective, and also provide protection from rust corrosion.

The key environmental risks associated with surface coating arise from storage and use of chemicals in the process. All chemicals need to be banded appropriately to ensure no chemicals are able to cause contamination of soil, stormwater or groundwater. Other environmental concerns from the activity are noise and air quality impacts.

## Surface coating sector information

In accordance with Schedule 1 of the *Environment Protection Act 1993* (the Act) the surface coating sector comprises of three activities.

- 2(12)(a) – Works for metal finishing
- 2(12)(b) – Works for hot dip galvanising
- 2(12)(c) – Works for spray painting or powder coating.

A number of facilities undertake multiple surface coating activities including 2(12)(a) and (c). In addition, approximately 80% of surface coaters undertake at least one or more activities of environmental significance.

The EPA currently licenses 55 businesses in South Australia for the activity of surface coating. These sites are located throughout the state with the majority in the metropolitan Adelaide area.

Inspections were carried out at 40 of the 55 licensed facilities, to assess compliance against licence conditions.

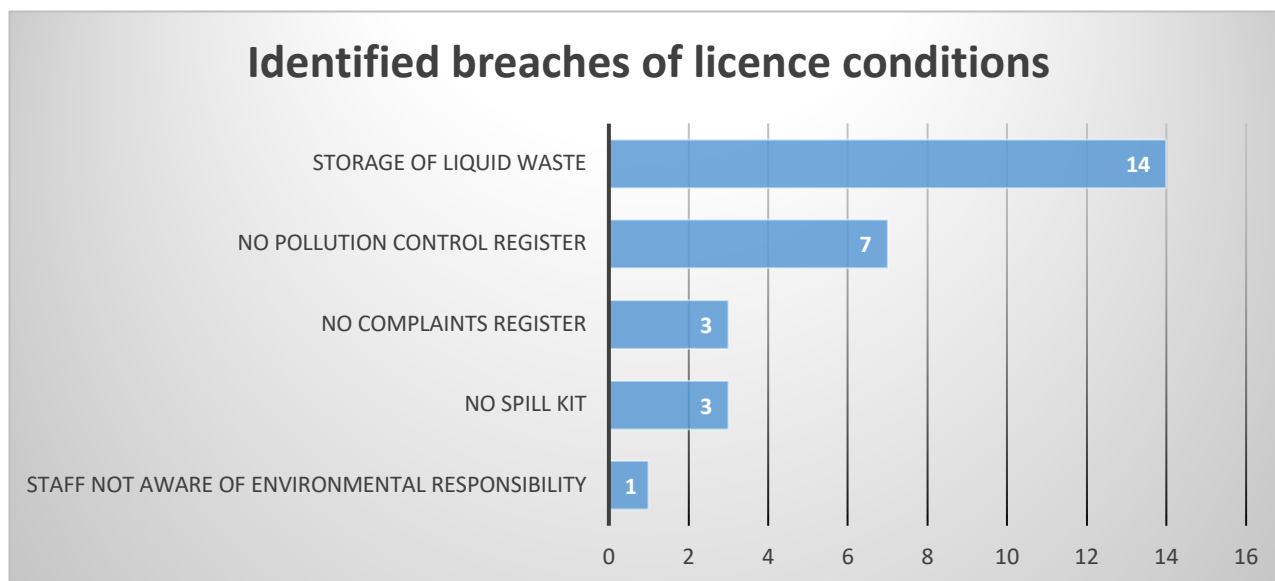
Of the 15 sites which were not inspected, there are 10 mobile operators that undertake surface coating from a non-fixed location and do not operate at all times.. Three sites have recently been inspected, and two are currently in the process of surrendering their licences.

## Compliance and enforcement outcomes

EPA Authorised Officers inspected 40 surface coating sites to assess compliance of their activities according to their licence conditions. Each licence has approximately 10 industry generic licence conditions which they must comply with. In total, 520 licence conditions are applicable across the 40 inspected sites.

The inspections identified 28 non-compliance issues in relation to current licence conditions, with 13 facilities recognised to have multiple breaches of a minor environmental risk.

A summary of the identified breaches of licence conditions is documented in Figure 1.



**Figure 1 Identified breaches of licence conditions**

The most common environmental issues found during inspection were:

- **Inappropriate storage of liquid chemicals (bundling)**

Non-compliance (50%) involved small amounts of chemicals not being contained in an appropriate bund. If a container is spilled and chemicals are not contained, they may contaminate soil or possibly groundwater (for larger spills).

- **Poor housekeeping and lack of knowledge regarding licence conditions**

50% of identified breaches were of an administrative nature, such as registers not in place to capture complaints or maintenance of pollution control equipment. It is important for licensees to capture information over time in order to ensure they review the issues and make continuous improvements.

Following the inspections, 14 facilities received letters from the EPA that identified the breach/s of licence condition and outlined action list and timelines required for the licensee to undertake in order to become fully compliance with their licence conditions. It is expected that all of these licensees will take actions to comply, to avoid further regulatory action.

The EPA also identified a number of surface coating licences require alterations to conditions which will lead to robust licence conditions that are easier to understand, more appropriate to the activity, and consistent across the sector.

## Future actions

- All licensees are expected to undertake correct action to ensure they comply with licence conditions.
- The EPA will continue to monitor these actions and licensees, and take further regulatory action for any ongoing non-compliance.
- The EPA will inspect all mobile surface coating businesses.
- Conditions on many surface coating licences will be updated to assist to achieve greater consistency in regulation of the surface coating industry.

## Further information

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