



Phumela Hoza
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Ref: WCCT 059

24 January 2017

Lucky Star Limited
9th Floor, Oceana House
25 Jan Smuts Avenue, Foreshore
CAPE TOWN
8000

For Attention: Mr Suleiman Salle

Dear Sir,

Re: DECISION TO GRANT RENEWAL AND VARIATION OF ATMOSPHERIC EMISSION LICENCE AS CONTEMPLATED IN SECTIONS 46 AND 47, READ WITH SECTION 40 (1) OF THE NATIONAL ENVIRONMENTAL MANAGEMENT: AIR QUALITY ACT, (ACT NO. 39 OF 2004): LUCKY STAR LIMITED, HOUT BAY

The application for renewal and variation of your Atmospheric Emission Licence in terms of Sections 46 and 47 of the National Environmental Management: Air Quality Act, 2004, (Act No. 39 of 2004) ("the Act") dated 31 October 2017 refers:

1. DECISION

As the delegated Licencing Authority Air Quality Officer, I have considered your application form submission; public participation report and supporting documents, which included a Formalin Atmospheric Impact Report for the introduction of Formalin (Formaldehyde) to the fish rendering process; annual reports; compliance history, as well as your previously submitted Health Risk Assessment report, that was submitted as part of the review of your Atmospheric Emission Licence during 2017. Accordingly I have decided to grant your application for renewal and variation, to LUCKY STAR LIMITED, in terms of sections 46 and 47, read with Section 40 (1) of the National Environmental Management: Air Quality Act, (Act No. 39 of 2004), in respect of Listed Activity:

Category ID:	Animal Matter Processing
Sub-category :	N/A
Description:	Processes for the rendering cooking, drying, dehydrating, digesting, evaporating or protein concentrating of any animal matter not intended for human consumption.
Application:	All installations handling more than 1 ton of raw materials per day.

2. REASONS FOR DECISION

This decision to grant the application for renewal and variation of the Atmospheric Emission Licence was influenced by the following:

2.1 The Public Participation Process:

The Public Participation Process was conducted in terms of Section 38 of NEM: AQA, as amended and comprised of the following:

The placement of adverts in the Cape Times and Cape Argus on Monday 17 July 2017 and in the Sentinel on Friday 28 July 2017, notifying interested and affected parties (I&AP's) of the proposed renewal and variation of the AEL for Lucky Star Limited and of the opportunity to register for the public participation process as well as to provide comment.

The PPP report indicated that comments were received from 105 respondents that were divided as follows:

- 1) The number of respondents who objected to the application was 44 in total.
- 2) Respondents in favour or in acceptance of the application were 50 in total.
- 3) The outcome of a Petition that was submitted contained a total of 665 signatures that were in full support of the facility.
- 4) Previous Petitions were undertaken on the 25th August 2015 which contained a total of 1204 signatures which were received that were against the closure of the facility. .

The comments were categorised into those in support of the application; those against the application; and those whose comments were considered to be neutral by the Environmental Assessment Practitioner (EAP).

2.2 The Formalin Atmospheric Impact Report conducted by DDA Environmental Engineers dated October 2017, Ref No OHBF1710R01:

Detailed information contained in the Specialist Atmospheric Impact Study on the impact and risk of the introduction of Formalin (Formaldehyde), as conducted by DDA Environmental Engineers. The report demonstrated that the generally accepted carcinogen risk to the community for the introduction of Formalin (Formaldehyde) to the process, as a result of a worst case scenario, lifetime exposure to Formalin, was less than the ratio of 1:1000 000 , in that the risk was calculated at 0.4 : 1000 000, which was described as insignificant; this is coupled with fact that the beneficial impact of the use of formalin will potentially result in a reduction in odour emissions and the improved recovery of fish solids from the rendering process as a direct result of its use.

It is further noted that Formalin was previously used on site up until 2011 without incident or any known health impacts.

It was further noted that a Health Risk Assessment conducted of the West Coast Fishing Industry, by Infotox (Pty) Ltd, – Environmental Toxicologists, on behalf of the National Department of Environmental Affairs back in 2011, where the use of formalin was assessed, found that the carcinogen risk from the use of formalin was in the "De Minimis" range, further supporting the approval of its reintroduction to the process.

2.3 The Annual Report dated 30 November 2017.

2.4 The compliance history of the facility:

A full compliance inspection conducted by Environmental Management Inspectors from the City of Cape Town of the Lucky Star Hout Bay factory held on the 2nd of November 2017, showed that the premises is in compliance with the Atmospheric Emission Licence.

2.5 The installation of a new, large capacity Chemical scrubber:

- Lucky Star commissioned at great cost, a new, high capacity chemical scrubber on the 7th of July 2017.
- Lucky Star has demonstrated and proven the efficiency of the scrubber in reducing H₂S from 5mg/NM³ at the scrubber inlet to 2mg/NM³ at the scrubber outlet to atmosphere.

The odour abatement technologies installed at the factory constitute best available technology.

2.6 National Environmental Management Air Quality Act, Act 39 of 2005, Listing Notice 893 of 2013: Category 10 Animal Matter Processing - Minimum Emission Standards:

It was further considered that the National Minister of Environmental Affairs has not deemed it necessary to identified specific pollutants, or prescribed minimum emission standards for pollutants from Animal Matter Processing facilities in the said Listing Notice.

2.7 Submission of annual stack emissions testing report also conducted by DDA Environmental Engineers:

- Compliance with the Minimum Emission Standards for the Declared Controlled Emitter Small Boilers on-site as demonstrated in the annual stack emission monitoring report Reference No **LSEM 191017-R01 dated October 2017**.
- Compliance with the recommended Hydrogen Sulphide (H₂S) emission rate at the Chemical Scrubber stack outlet of below 5mg/NM³ in that 2mg/NM³ was achieved at the scrubber outlet to atmosphere.

2.8 Socio-Economic impact of the facility:

Positive Impacts: Lucky Star plays a significant role in the local economy of Hout Bay through the direct jobs created for the employees of the factory and indirectly through the benefits to the dependants of each of the 91 employees and; local contractors and suppliers; to the local community and schools in the area through their Corporate Social Investment Programmes; and on the economy of the Region through its product exports.

Negative Impacts: Some stakeholders have alleged that Lucky Star is impacting negatively on the economy of Hout Bay through the impacts on the Tourism, the Hospitality and Restaurant trade, as a result of the malodourous emissions. No proven statistical evidence was submitted in this regard.

In assessing these impacts, it is however also necessary to weigh up the potential impacts on the poorest section of the Hout Bay area if it was decided to refuse this application.

This section of the community does not have the same level of resilience as the broader more affluent community, who have more resources and options at their disposal to address their living circumstances.

The fact that this factory has been in existence at its present location since the mid 1960's is also taken into consideration. In spite of the nuisance odour it potentially generates, Hout Bay's more affluent areas continue to develop in all the more closer proximity to the Factory.

LEGAL IMPLICATIONS

The Atmospheric Emission Licence is to be issued subject to the conditions of authorisation and requirements to be set out in the Atmospheric Emission Licence and which will be binding on the holder of the Atmospheric Emission Licence, namely Lucky Star Limited ("the holder").

In line with the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000), the decision to grant the Variation and Renewal of the AEL to Lucky Star Ltd, to operate in terms of Section 40(4) (b) of NEM:AQA, the applicant, through the appointed Environmental Assessment Practitioner, must notify any persons who have objected to the application. In order to ensure that all interested and affected parties (I&AP's) are informed of the decision, the notification must be placed in the same newspapers that were used during the public participation process.

In addition, the applicant must also notify I&AP's in writing of the appeal provisions contained in Section 62 of the Municipal Systems Act.

APPEALS

Should the applicant or an I&AP wish to appeal any aspect of the decision to grant the Atmospheric Emission Licence, a written notice of intention to appeal with reasons, must be lodged in terms of Section 62 of the Municipal Systems Act (Act No. 32 of 2000) to the City Manager within 21 days from the date of receipt of notice of the issuing of this licence.

Post: The City Manager
P.O. Box 298
Cape Town
8000

Yours faithfully,



CITY OF CAPE TOWN: AIR QUALITY OFFICER