

# Sustainability Assessment – sewerage schemes

28 February 2012

## 1 Introduction

This fact sheet is relevant to sewerage schemes under the *Water Industry Competition Act 2006* (the WIC Act) which are required to produce a sewage management plan,<sup>a</sup> but not if the sewage is directly disposed of to another utility's infrastructure.

This fact sheet summarises IPART's recommended processes for sustainability assessments of sewerage schemes to help WIC Act licensees and auditors to plan their assessments and audits.

This fact sheet updates our approach to the audit framework for sewerage schemes under the WIC Act. This new approach will increase regulatory certainty for licensees in relation to the design and construction of schemes and reduce the risk of additional costs and time being incurred.

## 2 Background

Under the *Water Industry Competition (General) Regulation 2008* (the WIC Reg), network operator licensees for sewerage schemes are to prepare a sewage management plan.

The sewage management plan and an audit report on the plan are to be provided to us before commercial operation of the scheme. The audit report is about the adequacy of the network operator's licence plans.

The Minister has the power to require amendments to the plans where for example he/ she considers that the plans are inadequate. If the amendments require changes to the infrastructure and the infrastructure is already constructed, there may be additional (and possibly significant) costs in complying with the amendments.

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<sup>a</sup> If the scheme has an Environmental Protection Licence under the *Protection of the Environment Operations Act* then a licensee providing sewerage services is not required to develop a sewage management plan.

### 3 What is a sustainability assessment?

This is a new element of the audit framework. The sustainability assessment is an audit of part of the sewage management plan. We consider an early assessment of the following aspects of the sewage management plan will help determine whether the proposed infrastructure will provide sewerage services which are sustainable and do not present risk to the environment. The sustainability assessment should cover:

- The water balance calculations for the scheme, covering all disposal paths, including production of recycled water, disposal to land and water
- A land capability assessment where there is disposal to land, and hence the sustainable rate of application of treated effluent
- The type of treatment and the capacity of the technology to remove contaminants
- The capacity of storage and buffering infrastructure of the scheme, including wet weather storage capacity.

The remaining aspects of the sewage management plan can all be audited after construction has started, and are less likely to present a risk of unforeseen costs.

### 4 When do the audits happen?

Audits are broken up into 2 parts to be undertaken at the following times:

- Sustainability assessment as outlined below - done prior to detailed design, or at the latest before construction
- Licence plans audits – done when construction of the infrastructure is completed or substantially completed.<sup>b</sup>

Licensees have advised that before construction it is difficult to complete licence plans. This meant that licence plans were being audited for adequacy as construction neared completion. The timing of such an audit incurs risks of additional costs if the plans are assessed as inadequate requiring alteration to the infrastructure/ treatment process.

In light of this, we now strongly recommend that licensees break up these audits into 2 parts, as outlined above.

### 5 What is the process for undertaking the audit?

The process for undertaking a sustainability assessment is the same as any audit under the Act. The process is outlined in the *Audit Guideline – Water Industry Competition Act* at:

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<sup>b</sup> This may be combined with a new infrastructure audit. For this to happen construction must be at a stage (i.e. completed or substantially completed) where an auditor can certify that the infrastructure complies with the licence, the Regulations and is capable of operating safely in accordance with the licence plans.

[http://www.ipart.nsw.gov.au/Home/Industries/Water/Private\\_Sector\\_Licensing\\_WICA](http://www.ipart.nsw.gov.au/Home/Industries/Water/Private_Sector_Licensing_WICA)

## 6 Who will conduct the audits?

IPART has established an audit panel, the Water Licensing Audit and Technical Services Panel (the Panel). A [list of approved auditors](#) on the Panel is available on IPART's website.

Not all sewage management auditors can undertake the assessment. Auditors who are qualified to undertake the specific aspects of sewage management in the sustainability assessment are identified by an alpha symbol ( $\alpha$ ) in the panel.

Provided there have been no changes to the information provided during construction, an auditor may be satisfied that these parts of the licence plans do not need re-auditing to provide a report about the adequacy of the licence plans.

For further details on the whole audit framework (not just the sustainability assessment covered in this fact sheet), as well as the approved auditors, see Fact Sheet "[Summary of audit framework under the \*Water Industry Competition Act 2006\*](#)".