

**SUBMISSION TO IPART'S REVIEW OF SYDNEY WATER CORPORATION
(SWC) OPERATING LICENCE**

Lynda Newnam 8 March 2024



IPART Draft for Consultation

https://www.ipart.nsw.gov.au/sites/default/files/cm9_documents/Draft-Operating-Licence-Sydney-Water-Operating-Licence-Review-December-2023.PDF

I attended the Public Hearing 15th February 2024: Transcript

https://www.ipart.nsw.gov.au/sites/default/files/cm9_documents/Transcript-Public-Hearing-Review-of-Sydney-Water-Operating-Licence-2023-24.PDF

IPART have relied on the following submissions and state that “These submissions informed our draft recommendations for the Sydney Water operating licence and our draft proposals for the reporting manual.”

- Sydney Water
- the Department of Planning and Environment (DPE) on behalf of the NSW Government
- NSW Health
- the Environmental Protection Authority (EPA)
- Fire and Rescue NSW (FRNSW)
- the Council of the Ageing (COTA)
- the Energy and Water Ombudsman (EWON)
- the Public Interest Advocacy Centre (PIAC)
- the Scotland Island Residents Association
- Northern Beaches Council
- The Tenants' Union of NSW
- 2 individual anonymous submissions.

My concerns are:

1. Greater good/Public Interest
2. Informed Public Participation/Consultation
3. Best Practice in Water Management, building SWC reputation as leader in 'all things water'.
4. Transparency and Accountability

Greater Good/Public Interest

I agree with what Mr Paul Byleveld, NSW Health when he stated at the Hearing:

“NSW Health considers the licence to be the most appropriate mechanism to set out **key government requirements of public interest** in a succinct and accessible form.”

I would add that there should also be a list of works in priority order with rationale for position on list. The list would be subject to revision so suffice to refer to a list which is prominently displayed on the SWC website with the relevant items also appearing on Council websites.

I note the absence of submissions from stormwater and waterways managers, Councils and Alliances, Crown Lands, National Parks.

IPART has been informed by a very limited number of submitters. While access to affordable clean drinking water and wastewater systems is essential for a fair society there is disproportionate representation from special interests above 'greater good'. If I lived on Scotland Island I would probably lobby Northern Beaches Council, SWC and IPART but is this a priority for SWC or should the focus be on Northern Beaches Council and another part of State Government to broker a solution that requires contributions from individuals and Council or by special grant. Living in water access only areas/areas remote from major centres is a choice. Could there be incentives for compostable toilets and local recycled water.

The problem primarily rests with the Northern Beaches or Planning, whichever approved occupation, not with SWC which has responsibilities to address mainstream priorities throughout Greater Sydney.

The Scotland Island segment of the Public Hearing took more time than the EPA yet SWC are arguably the most prominent polluter in Greater Sydney that the EPA deals with.

I have extracted service orders and enforceable undertakings from the 2021, 2022 and 2023 Annual Reports of the NSW EPA (see Appendix B). This is only the tip of the iceberg as there is a limit to EPA resources for prosecution/enforceable undertakings action and other aspects of licence regulation and of course this doesn't include approved wet weather overflows.

Healthy waterways/beaches are important public resources, but these are not prioritised. Frenchman's Beach on Botany Bay is very popular with families, particularly from Western Sydneyⁱ yet according to the 2023 Beachwatch Annual Report is only swimmable 71% of the time in dry weather. It has the worst rating in the Randwick LGA which has 29km of coastline to manage. The standard warning is not to swim within 3 days of rain. Sydney averages around 90 days with rain annually.

The worst rated beach in Botany Bay is Foreshore, swimmable 68% in dry weather. The local LGA, Bayside, along with a number of political representatives waged a campaign against SWC when the approval to pollute was extended in 2021. The image, above, came from local MP, Mr Hoenig who is now Minister for Local Government. The image below is from the former Mayor of Bayside.



Last week Bayside voted to continue the campaign as the new licence is up for renewal again:

*The overflow point is directly upstream to Foreshore Beach, **the only local beachfront for residents in the eastern side of the Bayside LGA.***

***Botany Bay is an important recreational fishing area** and Council is also concerned about the health impacts of eating fish from a waterway impacted by regular sewage overflows.*

<https://www.bayside.nsw.gov.au/news/council-continues-mill-stream-campaign>

As to other equity issues, these would be better dealt with by Government through various departments, where incentives could be applied, and localised actions taken. Why is the burden shifted to SWC to address special interests? Surely the full focus should be on providing drinking water, waste water services, stormwater management (along with Councils), cleaning up legacy problems which are damaging the environment and impacting human amenity and potentially human healthⁱ, and meeting the challenges of a growing population, eg. changing public attitudes so flushing potable water is no longer tolerated.

Informed Public Participation/Consultation

I thought what the EPA had to say at the Hearing was highly pertinent and would be of interest to the general community and Councils (see above) and was in the ‘greater public interest’:

*Hi, it's Laura Ansted. I'm from the NSW Environment Protection Authority. I understand that one of the recommendations made by IPART is to reinstate a 2-yearly state of the assets requirement in terms of reporting. The EPA (Environmental Protection Authority) holds concerns in relation to Sydney Water's rate of renewal for some of its assets, particularly its critical network assets, such as rising mains and pumping stations. **We understand that between approximately 2012 and 2021, Sydney Water renewed less than one kilometre of rising mains**, and we understand that that period of time was the period of time where the state of the assets report was being provided to IPART. We consider that greater oversight, visibility and accountability may be required in relation to rate of renewal, particularly in the context of an ageing asset base, with an end of service lives horizon. You do not want to get to a point where they all need to be renewed at once, and you do not have the capability to do that. We consider that potentially the reporting requirements under the state of assets report may need to be amended to provide greater visibility specifically for renewal of those assets to IPART.*

Andrew Nicholls: Thank you. Any comments or response?

Carmel Donnelly: Thanks, Laura. We'll take that on board. Thank you.

Yet there was no discussion. There was no comment from IPART, no comment from SWC, no comment from NSW Health. Outside scope?

I commend IPART for inclusion and transparency, however, I was disappointed not to have heard these issues discussed. I suggest that these are matters that should be discussed publicly so the challenge of aging assets is better appreciated within the community.

There is no magic pudding. It is about priorities/trade-offs. When the public are kept ignorant, they can't provide informed consent to whatever is presented by SWC or IPART.



Best Practice in Water Management, building SWC reputation as leader in ‘all things water’.

SWC provides a dividend to the NSW Government (Treasurer) each year. The Government could finance ‘social’ adjustments/promotions from the dividend and leave SWC to science/evidence-based decision-making. The extract below is from 2023 Budget Papers https://www.budget.nsw.gov.au/sites/default/files/2023-09/2023-24_01_Budget-Paper-No-1-Budget_Statement_Commercial-Performance-in-the-broader-public-sector.pdf

Note that in 2022-23 the dividend is \$140m compared to \$626m in 2025-26.

The combative relationship between two government agencies, i.e. NSW EPA and SWC, is not healthy. The Land and Environment Court is a waste of money and the only beneficiaries are lawyers and associates. There needs to be a better system. Enforceable Undertakings are better than ESOs but are not the answer. Prevention should be the focus. I’m not suggesting I have the answer, but surely the key stakeholders including EPA, IPART, Councils and SWC

would want a solution/work towards a solution if they genuinely cared about the ‘greater good’.

The relationships between local Councils and SWC are critical and yet there is so little interest shown in this current process. Why isn’t SWC accountable for all stormwater and the oversight of flood detention basins. Why do we have a hybrid system where the average person would have no idea who is accountable. If we are stuck with such a system can it be made intelligible and cooperation be seen as a key element, conspicuously visible to the public. The reputational and \$waste in buck passing is yet another externality, with ‘Monty Python type’ cases cited by frustrated members of the public on social media.

Table 7.1: Total dividend and tax equivalent payments from the PNFC and PFC sectors

	2022-23 Estimated Actual \$m	2023-24 Budget \$m	2024-25 \$m	2025-26 Forward Estimates \$m	2026-27 \$m
Public non-financial corporations					
Essential Energy	2	16	22	38	54
Forestry Corporation of NSW	33	3	9	14	42
Hunter Water Corporation	39	56	45	66	83
Landcom ^(a)	26	24	28	25	40
Port Authority of NSW	40	48	57	63	55
Sydney Water Corporation^(b)	140	361	386	626	637
Transport Asset Holding Entity of NSW	129
Water NSW	40	61	65	65	65
Public financial corporations					
NSW Treasury Corporation	161	183	203	219	236
Total Dividend and Tax Equivalent Payments in Revenue from Transactions section	612	752	816	1,116	1,212

Transparency and Accountability

I commend IPART however I do think there is a major problem with engagement which could in part be addressed at local government level. Councils have far greater outreach along with their local councillors and community groups.

I would also suggest the EPA and SWC explore possibilities for a Citizen Science program, similar to the former SWC Streamwatch, for engaging at local level for pollution alerts as well as community capacity building.

Finally, I am happy to clarify, amplify or stand corrected on anything I have written. Please don’t hesitate to contact me.

Regards, Lynda Newnam

Appendix A:

Background:

I have made 3 previous submissions to IPART SWC reviews and attended hearings/forums.

<https://www.ipart.nsw.gov.au/sites/default/files/documents/online-submission-individual-l.-newnam-14-oct-2019-174200000.pdf>

https://www.ipart.nsw.gov.au/sites/default/files/cm9_documents/Online-Submission-Individual-L.-Newnam-19-Oct-2021-112835099.PDF

https://www.ipart.nsw.gov.au/sites/default/files/cm9_documents/Online-Submission-Individual-L.-Newnam-1-Sep-2022-164711816.PDF

Areas where I have engaged with Sydney Water:

Streamwatch volunteer 2002-2024; Malabar WTP Community Representative 2016-2022ⁱⁱⁱ

Interaction at industry CCCs – Botany Industrial Park and Port Botany CCC; SWC grant ‘Beat the Bottle’; academic research Chullora Wetlands; Botany Wetlands federal grant 2013; various ‘Community’ workshops.

Appendix B: EPA Annual Reports 2021,2022,2023

EPA Annual Report 2023: <https://www.epa.nsw.gov.au/-/media/epa/corporate-site/resources/about/23p4475-annual-report-2022-23.pdf>

Sydney Water Corporation	Pollute waters	Acquitted	LEC
Sydney Water Corporation	Pollute waters	Convicted/\$155,000 Ordered to pay \$45,000 to Fairfield City Council for the purposes of the Carramar Vegetated Swale Project, pay 50% of the fine as a moiety to the NSW EPA and publicise details of the offence in <i>The Daily Telegraph</i> , Facebook, Instagram and Twitter. Also ordered to cause a notice to be delivered to letterboxes of all properties which overlook and/or back onto Prospect Creek at Carramar and Lansvale and ordered to pay investigation costs of \$14,650	LEC
Sydney Water Corporation	Breach licence condition	Acquitted	LEC

Appendix C: Enforceable undertakings

Incident	Company	Agreed actions	Amount
<p>24 March 2021 – 25 March 2021</p> <p>A sewage overflow incident occurred from a section of a rising main located in Arnotts Reserve at Allen Street, Homebush. An estimated 3,000,000 to 5,000,000 litres of untreated sewage was discharged into the environment. The discharge impacted Arnotts Reserve, Powells Creek and the Parramatta River.</p> <p>The incident was caused by erosion of the internal concrete pipe lining, leading to internal corrosion of the metal pipe wall.</p> <p>Date of EU: 30 March 2023</p>	Sydney Water Corporation	<p>Monetary contribution towards the delivery of environmental related projects</p> <p>Print media notice in <i>Parramatta Advertiser</i>, <i>The Daily Telegraph</i>, Sydney Water Corporation's Facebook, Instagram and Twitter accounts</p>	\$347,100
<p>17 February 2020, 27 July 2020 and 24 March 2021</p> <p>The rising main situated under Wollongong Golf Club course failed on three separate occasions (due to holes and breakage in the rising main due to external corrosion), causing a discharge of approximately 2,872,000 litres of untreated sewage to flow over the golf course, to an unnamed canal and Gurungaty Waterway.</p> <p>Evidence suggests the rising main had not been maintained in a proper and efficient condition.</p> <p>Date of EU: 23 September 2022</p>	Sydney Water Corporation	<p>Monetary contribution towards the delivery of environment-related projects</p> <p>Print media notice in <i>The Illawarra Mercury</i>, Sydney Water Corporation's Facebook, Instagram and Twitter accounts</p>	\$1,250,000
<p>26 October 2022 – 30 October 2022</p> <p>A partial blockage formed in an oviform-shaped sewer and adjoining maintenance hole at Dawson Street, Naremburn. The blockage caused sewage to back up into, and overflow from, three upstream parts of the reticulation system in Naremburn, including a sewer and adjoining maintenance hole which were under repair, and two emergency relief structures.</p> <p>Date of EU: 14 February 2023</p>	Sydney Water Corporation	<p>Monetary contribution towards the delivery of environment-related projects</p>	\$500,000

2022 Annual Report Enforceable Undertakings <https://www.epa.nsw.gov.au/-/media/epa/corporate-site/resources/about/22p4157-annual-report-2021-22.pdf>

<p>9 January 2020 – 24 February 2020</p> <p>Seven sewage overflow incidents occurred from arising main in Grasmere and Glenmore due to certain sections of the rising main pipeline having been impacted by internal corrosion caused by hydrogen sulphide gas in sewage. During the incidents, an estimated 88,000 litres of untreated sewage was discharged into the environment impacting a wet-weather gully, an unnamed pond and a quarry dam.</p> <p>Date of EU: 13 March 2022</p>	Sydney Water Corporation (Grasmere)	<ul style="list-style-type: none"> Measures to prevent future incidents Monetary contribution towards funding the 'Detection of Rising Main Breaks Research Project' Monetary contribution towards the delivery of environmental related projects to Camden Council and Wollondilly Council to benefit the community Print media notice in the <i>Camden Advertiser</i>, the <i>Macarthur Chronicle</i>, the <i>Wollondilly Advertiser</i>, Sydney Water Corporation's Facebook, Instagram and Twitter accounts 	\$620,800
<p>28 July 2020</p> <p>Approximately 430,000 litres of untreated sewage was discharged from a rising main due to external corrosion that extended through the wall of the pipe. The sewage consisted of residential sewage and some commercial trade waste that flowed into and damaged properties. The sewage also flowed into the stormwater system and into a creek as well as Shellharbour Beach South, which is used for primary recreation.</p> <p>Date of EU: 13 March 2022</p>	Sydney Water Corporation (Shellharbour)	<ul style="list-style-type: none"> Monetary contribution towards the delivery of environmental related projects including the 'Shellharbour Beach Dune Restoration Project' and 'Detection of Rising Main Breaks Research Project' Print media notice in the <i>Illawarra Mercury</i>, Sydney Water Corporation's Facebook, Instagram and Twitter accounts 	\$613,600

2021 EPA Annual Report <https://www.epa.nsw.gov.au/-/media/epa/corporate-site/resources/whoweare/21p3355-epa-annual-report-2020-21.pdf>

Sydney Water Corporation	Pollute waters	Ordered to pay \$97,175 to the City of Parramatta Council for the purposes of the project titled 'Parramatta River Fish Lift Refurbishment and Fish Habitat Improvement Proposal' and \$24,325 to the City of Parramatta Council for the purposes of the project titled 'Toongabbie Creek Riparian Restoration Project Proposal'. Also ordered to publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Daily Telegraph</i> and the <i>Parramatta Advertiser</i> , and on Facebook, Twitter and Instagram. Also ordered to pay investigation costs of \$11,447	LEC
Sydney Water Corporation	Pollute waters	Ordered to pay \$54,000 to the City of Parramatta Council for the purposes of the project titled 'Toongabbie Creek Riparian Restoration Project Proposal' and to publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Daily Telegraph</i> and the <i>Parramatta Advertiser</i> , and on Sydney Water Corporation's Facebook page, Twitter account and Instagram account. Also ordered to pay investigation costs of \$11,447	LEC
Sydney Water Corporation	Breach licence condition	Ordered to pay \$62,500 to Sutherland Shire Council for the purposes of the Watercourse Rehabilitation and Bush Regeneration Project at Sabugal Gully, Engadine, pay a fine of \$42,500 (with a 50% moiety payable to the EPA), and publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Daily Telegraph</i> and <i>The Leader</i> , and on Facebook, Twitter and Instagram. Also ordered to pay investigation costs of \$5,379	LEC
Sydney Water Corporation	Failure to comply with clean-up notice	Ordered to pay \$37,500 to Sutherland Shire Council for the purposes of the Watercourse Rehabilitation and Bush Regeneration Project at Sabugal Gully, Engadine, pay a fine of \$42,500 (with a 50% moiety payable to the EPA), and publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Daily Telegraph</i> and <i>The Leader</i> , and on Facebook, Twitter and Instagram. Also ordered to pay investigation costs of \$5,379	LEC
Sydney Water Corporation	Breach licence condition	Ordered to pay \$63,500 to the NSW National Parks and Wildlife Service for the purposes of the Proposal for Bush Regeneration within Lane Cove National Park, pay a fine of \$9,000 (with a 50% moiety payable to the EPA), and publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Daily Telegraph</i> and the <i>North Shore Times</i> , and on Facebook, Twitter and Instagram. Also ordered to pay investigation costs of \$12,185	LEC
Sydney Water Corporation	Pollute waters	Ordered to pay \$63,500 to the NSW National Parks and Wildlife Service for the purposes of the Proposal for Bush Regeneration within Land Cove National Park, pay a fine of \$9,000 (with a 50% moiety payable to the EPA), and publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Daily Telegraph</i> and the <i>North Shore Times</i> , and on Facebook, Twitter and Instagram. Also ordered to pay investigation costs of \$12,185	LEC

ⁱ Note temperatures for Western Sydney are higher, access to clean swimmable places is limited (both chemical and biological contamination an issue) and distance (including toll fees) present as a barrier to equitable access. I note this as an equity issue that is not currently addressed.

ⁱⁱ The problem with polluted waterways - it is difficult to trace back responsibility for symptoms that get presented to local GPs and then taking action is near impossible without a critical number of cases. What GPs have time and how would the data be collected?

ⁱⁱⁱ I resigned from the Committee after a meeting where I was expected to stand outside the plant in cold and wind. There were other issues and this was the last straw. I received no response to my resignation, which I put down to another example of the 'tick a box' approach to consultation.