



Mark Speakman
Minister for the Environment

MD16/4849
D16/26205

Mr Hugo Harmstorf
Chief Executive Officer
Independent Pricing and Regulatory Tribunal
javier_canon@ipart.nsw.gov.au

Dear Mr Harmstorf

Licence application submission under the water industry competition act 2006 (NSW)

Thank you for your letter inviting comment in relation to Flow Systems Operations Pty Ltd (FSO)'s and Flow Systems Pty Ltd (FO) licence application under the Water Industry Competition Act 2006 (WICA) for a proposal at Meadowbank in Sydney.

I have considered your request and offer the following comments:

1. *Has the applicant (FSO) or its parent company (FS) breached the POEO Act? If so, please provide details of any breaches.*

The Environment Protection Authority (EPA) has no record of FSO nor FS having breached the POEO Act as these companies and their activities are not regulated by the EPA. Local councils are the appropriate regulatory authority under the POEO Act for activities carried out by the private sector that do not require a licence. The EPA does not hold information about any breaches where a council is the appropriate regulatory authority.

2. *Is our understanding of the approvals that have been or are required to be obtained under the POEO Act correct (as outlined below), for the activities the licence would authorise if granted? If not, what approvals are required to be obtained?*
 - a. *Approvals obtained: None.*
 - b. *Approvals required: None.*

The EPA advises that no approvals are required under the POEO Act.

3. *Has FSO or FS been subject to any of the following enforcement actions under the EP&A Act; negotiated outcome, warning letter, enforceable undertaking, an order from the Minister, court order or successful prosecution? If so, please provide details of the enforcement action(s).*
4. *Is our understanding of the approvals that have been and/or are required to be obtained under the EP&A Act correct for the activities licence would authorise, if granted? If not, what approvals have been or are required to be obtained.*

The EP&A Act is not administered by the EPA. The Department of Planning and Environment should be approached for advice on FSO's compliance with that Act.

5. *Are you aware of any unacceptable risks to the environment posed by the activities to be licensed? If so, what are these risks?*

Any risks to the environment from the proposed development need to be managed appropriately. Ryde City Council should be approached to discuss its assessment of the risks and local planning requirements, particularly for the proposed irrigation of effluent. The *Environmental Guidelines: Use of Effluent by Irrigation* provides guidance and is available at www.epa.nsw.gov.au/resources/epa/effguide.pdf.

The operators will need to ensure by careful and ongoing monitoring of treated water that chemical impurities, for example salt and by-products of disinfection in the treated water do not over time exceed relevant recycled water guidelines or cause incremental accumulation of pollutants in soils.

The EPA's experience has shown that in similar water recycling facilities, hydrogen sulphide odour emissions can be problematic unless appropriate odour controls are designed, installed and operated. The *Technical Framework – Assessment and Management of Odour from Stationary Sources in NSW* provides appropriate guidance and is available at www.epa.nsw.gov.au/resources/air/20060440framework.pdf.

6. *If granted, should the network operator's licence contain any specific conditions in relation to protection of the environment? If so, what should these conditions be?*

If the WICA licence is granted, the EPA recommends that the licence include:

- a. monitoring and reporting conditions in relation to appropriate soil moisture testing;
- b. appropriate rainfall triggers to prevent irrigation during high rainfall periods;
- c. annual soil monitoring reports to ensure the sustainability of the irrigation application area;
- d. monitoring of volume and quality at the discharge point to the irrigation area and establishment of water quality and volumetric limits;
- e. water quality monitoring of any nearby waterways considered at high risk to impacts from the irrigation application area to ensure that impacts are not occurring;
- f. a definition of the extent and size of the appropriate irrigation application area;
- g. surface and groundwater quality monitoring up gradient and down gradient from the irrigation application area to monitor status of surface and groundwater to ensure that irrigation of waste water is not polluting waters;
- h. conditions to ensure that runoff to waters does not occur from the irrigation areas such as limitations on ponding to prevent any offsite migration of irrigated waste waters; and
- i. conditions requiring no offensive odour from the premises.

If you have any further questions about this issue, please contact Ms Sarah Thomson, Unit Head, Metropolitan Infrastructure, EPA, on [REDACTED] or at [REDACTED]

Yours sincerely

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13 DEC 2016

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