



NSW Government Submission: Hunter Water Operating Licence Review Issues Paper

November 2021



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Introduction

Strategic context

The NSW Government welcomes this opportunity to comment on the Independent Pricing and Regulatory Tribunal's (IPART) *Review of the Hunter Water Operating Licence – Issues Paper 2021*. This submission includes contributions from the Department of Planning, Industry and Environment (DPIE), NSW Health, the Environment Protection Authority (EPA) and Fire and Rescue NSW (FRNSW).

This submission has been provided to assist IPART in drafting licence conditions which support the NSW Government's goals and objectives for improved water management and service delivery, in line with the NSW Water Strategy and the draft Lower Hunter Water Security Plan (LHWSP).

Since Hunter Water's Operating Licence was last reviewed in 2016, there have been significant reforms to water management across NSW, including changes to how we plan to ensure long-term water security. These changes seek to improve the security, reliability, quality and resilience of water resources. Reforms recognise the critical value of water for communities, the environment and industry, and the importance of long-term, comprehensive, and evidence-based water strategies to guide decision-making.

Notably, NSW now has its first 20-year water strategy for all of NSW. The NSW Water Strategy, released in September 2021, sets high level objectives and principles to guide water service delivery and management in NSW over the long-term. It is part of a suite of long-term water strategies for the state, which include 12 regional water strategies and two metropolitan water strategies: the Greater Sydney Water Strategy (GSWS) and the LHWSP.

Together these strategies will set the direction for and inform the best mix of water-related policy, planning and infrastructure investment decisions over the next 20 to 40 years. Each of the regional and metropolitan strategies align with the priorities of the NSW Water Strategy and identify an appropriate set of measures to respond to local drivers, challenges, and community needs.

Fundamental to the strategies is a commitment to increase the resilience of water supplies and water related services to climate change impacts. The recent drought exposed vulnerabilities in regional and metropolitan water services and planning and highlighted the need for changes to the way we access, manage and use water. Implementing programs to improve water efficiency and reduce system leakage and increasing the proportion of rainfall independent water supplies in our cities and towns (including through increased use of desalination, water recycling and stormwater harvesting) are key strategies to help improve resilience and water security.

Our water strategies also recognise the critical role water plays in the creation of liveable, vibrant, cool and green cities. Looking to the future, water planning needs to have a greater focus on integrated water cycle management and how we integrate this with land use planning. The NSW Government, water utilities and local government sector will need to work together in much closer alignment to deliver its multiple benefits, including increasing liveability and resilience and improving waterway health.

The draft Lower Hunter Water Security Plan

The draft LHWSP has been collaboratively developed by Hunter Water with DPIE Water. The draft plan builds on the experiences of the last drought and proposes actions to increase the sustainability and resilience of Lower Hunter water supplies. Objectives of the LHWSP include:

- Providing a robust system that can adapt and respond to future uncertainties to meet our future water needs.
- Providing services that are supported by our community to promote everyone's health and wellbeing.
- Providing affordable and high-quality services.

- Providing transparent, collaborative and integrated strategic planning that supports the region's economic prosperity.
- Protecting and restoring our ecosystems and biodiversity values.

The draft plan was on public exhibition for six weeks between August and September 2021. It is currently being finalised in line with community and stakeholder feedback and is estimated for release in the first quarter of 2022.

Overall, our comments on the Issues Paper aim to improve long-term planning and service delivery for the Lower Hunter community, in line with the goals and objectives of the draft LHWSP and the NSW Water Strategy. Where appropriate, we have also made suggestions to bring greater consistency between the Sydney Water and Hunter Water licence conditions. In doing so, this submission focuses on responses to only select discussion questions.

1. Performance standards, water conservation and water planning

1.1 Quality and performance standards for customers

To help lift sector-wide performance, the NSW Government will soon issue a Statement of Expectations to State Owned Corporations (SOCs), including Hunter Water, Sydney Water and WaterNSW. This is in line with the recommendations of the NSW Productivity Commission White Paper. The Statement will communicate desired policy objectives to our water SOCs to ensure their strategic direction aligns with government priorities. Development of the first Statement is underway and is not anticipated to require changes to operating licences.

With respect to IPART's questions on system performance standards, DPIE considers that current performance indicators in the licence are quite limited and warrant further consideration to reflect contemporary government policy, as well as customer expectations and their willingness to pay for higher levels of performance.

In general, DPIE supports a set of performance standards that will ensure a minimum level of service, but that also allow Hunter Water the flexibility and innovation to improve their performance in line with customer views and their willingness to pay.

On system performance standards, NSW Health notes a safe drinking water supply is essential for public health and loss of service for extended periods may have health impacts. If system performance standards were set based on customers' willingness to pay, there is potential that different standards may be applied for different areas. NSW Health advises that the rationale for setting standards based on customers' willingness to pay must be carefully considered, particularly if the outcomes could be health related. NSW Health considers the Australian Drinking Water Guidelines (ADWG) and the Australian Guidelines for Water Recycling (AGWR) must be maintained as minimum standards.

Looking to the future, DPIE will seek to work with IPART and water utilities to develop consistent performance indicators and benchmarks that can support meaningful comparative analysis of water utility performance. This work is in its early stages and is not expected to influence this licence review.

Water quality standards

Proposed changes to the licence

Drinking and recycled water quality management conditions

NSW Health supports retaining requirements for drinking and recycled water quality management systems. NSW Health notes IPART's intent to retain "clauses 3.1 and 3.2 that allow Hunter Water to depart from the ADWG/AGWR in some circumstances". The intent of this clause is to allow for additional requirements to be specified by NSW Health, rather than a departure from the ADWG/AGWR. NSW Health suggests that the clauses be reworded for clarity of intent and consistency with the Sydney Water Licence (shown below).

4.1.1 Sydney Water must maintain a Management System that is consistent with the Australian Drinking Water Guidelines and any requirements relating to Drinking Water specified by NSW Health (the Drinking Water Quality Management System).

4.1.2 In the event of inconsistency between the requirements specified by NSW Health referred to in clause 4.1.1 and the Australian Drinking Water Guidelines, the requirements specified by NSW Health prevail.

4.2.1 Sydney Water must maintain a Management System that is consistent with the Australian Guidelines for Water Recycling and any requirements relating to water recycling specified by NSW Health (the Recycled Water Quality Management System).

4.2.2 In the event of inconsistency between the requirements specified by NSW Health referred to in clause 4.2.1 and the Australian Guidelines for Water Recycling, the requirements specified by NSW Health prevail.

NSW Health supports application of the ADWG/AGWR as the NSW Government endorsed water quality guidance in NSW to ensure health and environmental outcomes, and does not support the use of alternative water quality standards.

NSW Health supports the addition of obligations relating to fluoridation in the Operating Licence, noting these obligations are included in the Sydney Water Operating Licence. 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.

1.2 Water conservation and water efficiency assessment

Water efficiency plays a critical role in making the most of our existing water supplies and helping to defer major investment in water supply augmentation. Both the NSW Water Strategy and the draft LHWSP highlight the importance of water efficiency, especially in the context of increasing pressures on our water supplies through a combination of population growth, climate variability, and other factors.

NSW Government Water Efficiency Framework

To enable Government, water utilities and the NSW community to use water more efficiently, the NSW Water Strategy commits to the development of a state-wide Water Efficiency Framework and Program. The Framework and Program will:

- involve collaboration between all levels of government, water utilities, the private sector and the wider community;

- focus on building water efficiency capacity, gaining a greater understanding of water use, improving the evaluation of water efficiency initiatives and increasing private sector involvement;
- consider the total water cycle (from water supply through to wastewater treatment and reuse or discharge to oceans and waterways);
- embrace adaptive management and continual improvement and provide clear governance;
- provide a clear statement of NSW Government policy and messaging of the need to support and invest in water efficiency across all sectors; and
- consider the effectiveness of BASIX (the Building Sustainability Index) in driving and sustaining water efficiency.

A draft Water Efficiency Framework has been developed as a best practice guide for planning and implementing an organisation's water efficiency program. It will identify the focus areas that should be considered when developing a water efficiency program. The draft Framework is not intended to be compulsory, but rather a beneficial resource for utilities in developing water efficiency programs that are innovative, adaptive and flexible.

Adoption of the Water Efficiency Framework will support a more outcomes-based approach, with the outcomes for water efficiency set at a strategic level. The Water Efficiency Program is expected to include initiatives led by both DPIE and water utilities in collaboration with other government departments, the private sector and the community. DPIE will lead initiatives under the themes of critical enablers, capacity building, system leakage reduction, and residential and non-residential projects.

Engagement with water utilities, including Hunter Water, will support the refinement and finalisation of the draft Framework.

Economic assessment

DPIE's recent review of the Economic Level of Water Conservation (ELWC) approach recommended that the primary economic analysis for water efficiency should be done when developing or reviewing utilities' water management strategies. That is, the need for water efficiency and an assessment of its costs and benefits should be considered upfront and concurrently with other water security and management options.

Considering this, the draft NSW Government Water Efficiency Framework will outline an approach for economic assessment of water efficiency projects that moves beyond the current ELWC approach: it will recommend that utilities incorporate analysis of qualitative considerations including strategic objectives, key drivers and enablers. This would inform and complement quantitative economic assessments undertaken. The intent of these reforms is to ensure that quantitative assessments continue to occur and continue to form part of the decision-making process, but are not the only factor considered when making decisions about water efficiency.

In addition, the best practice approach identified in the draft NSW Water Efficiency Framework looks beyond the savings and costs of project implementation and identifies the need for water efficiency programs to be supported by critical enablers such as establishing context, situational analysis, design response and review, sound governance arrangements, stakeholder engagement, and secure funding sources.

Moving forward, we consider that strategic economic assessment and reporting on the value of water and need for augmentation (vs. deferral) should be linked to program and project level assessment of economic efficiency through a water efficiency assessment approach.

Hunter Water's current water efficiency program

DPIE recognises that Hunter Water has made significant progress recently in water efficiency and conservation. In 2019-20, household water consumption in the Lower Hunter was 156 kilolitres per

property, which is below the national average for major water utilities at 176 kilolitres per property. Hunter Water's reductions in water usage are the result of water restrictions combined with water conservation programs and messages that encourage customers to adopt water saving behaviours. A program of proactive leak detection, pressure management and increased network monitoring has resulted in cumulative savings from network leakage by more than 34 per cent since 2015-16. The draft LHWSP sets out a water conservation program based on building on these water conservation achievements.

Proposed changes to the licence

DPIE supports retaining obligations for water efficiency in the licence. We seek to work with IPART and Hunter Water to ensure that the outcomes sought through the review of the ELWC approach and through development of the draft NSW Government Water Efficiency Framework are achieved through Hunter Water's operating licence conditions.

Proposed changes include replacing the current need for Hunter Water to develop a Water Conservation Strategy with the requirement to develop and publish a five-year Water Efficiency Plan which incorporates Government's strategic objectives as stated in relevant NSW Government strategies including the NSW Water Strategy and the LHWSP. The Water Efficiency Plan should outline programs that integrate any minimum targets or volumetric savings referenced within those strategies and plans. The scope of the Water Efficiency Plan should include water efficiency considerations from catchment to tap and should be provided to DPIE for review upon completion.

DPIE seeks to soon develop an approach to conducting economic analysis for water efficiency in collaboration with IPART and water utilities. We anticipate that this approach will guide utilities to update their economic assessment methodologies in line with the government's approach and any other guidance provided. It is expected that the assessment approach will be reflected in the Reporting Manual associated with the licence, and that a clause should be included in the licence to allow the Minister to direct Hunter Water to revise its methodology at any time as needed to reflect the government's direction and requiring the Minister's approval for the revised methodology prior to implementation.

DPIE will seek to make similar changes to Sydney Water's operating licence at its next review.

System yield

DPIE supports the existing licence condition requiring Hunter Water to calculate system yield in accordance with the Memorandum of Understanding (MoU) with DPIE or using a reasonable methodology. DPIE intends to review and update the MoU following finalisation of the LHWSP in early 2022 to ensure that it appropriately reflects roles and responsibilities for plan implementation and monitoring. This review will include defining the methodology for system yield so that there is alignment with the LHWSP approach of increasing resilience by moving towards a minimum level of enduring supply.

1.3 Water planning

As a principle across all water utilities, the NSW Government expects long-term strategic planning to be undertaken on a whole-of-water-cycle basis, and by applying fit-for-purpose, fit-for-place and fit-for-people approaches. This principle aligns with priorities and actions in the NSW Water Strategy, with the National Urban Water Planning Principles, and with recommendations in the 2018 State Infrastructure Strategy, the 2021 Australian Infrastructure Plan, and the 2021 NSW Productivity Commission (PC) White Paper.

The NSW PC White Paper stated that water planning in NSW would benefit from a broader scope. While previous planning has to date focused on ensuring a reliable and high-quality supply of water through periods of drought, the paper highlights the importance of considering wastewater, stormwater, water supply, and general waterway health together.

Fundamental to all future long-term water plans will be detailed consideration of the latest climate risk data in system modelling and decision-making. The draft LHWSP includes an action for Hunter Water to build on their current assessment of climate risk by integrating paleoclimate data into the supply system model. This improved understanding of historic and future climate variability will inform future water plans for the Lower Hunter.

Proposed changes to the licence

DPIE seeks to introduce an integrated water planning clause into Hunter Water's licence to outline the need for long-term, whole-of-water-cycle planning to occur and be periodically provided to Government, reviewed and adapted.

Benefits of including an integrated water planning clause in Hunter Water's licence include being clear and transparent about the importance the NSW Government places on long-term integrated water planning, and its expectation for this to be a core part of Hunter Water's business planning and pricing submissions to IPART. Provision of such plans to Government would also help provide improved oversight of anticipated customer bill impacts from the long-term investment required to facilitate growth, maintain current assets, and increase our resilience to climate change across the whole water cycle, including drinking water, wastewater and stormwater. This proposed change aligns with the spirit of amendments made to Sydney Water's operating licence in 2019.

DPIE acknowledges that Hunter Water already undertakes a range of long-term planning, including by collaboratively developing the LHWSP with DPIE. Considering this, we don't anticipate that adding a water planning clause to Hunter Water's licence will add a significant or undue regulatory burden. We look forward to working collaboratively with Hunter Water and IPART to develop a suitable clause in Hunter Water's licence that responds to the recommendations of strategic reviews, meets the Government's objectives, and affords Hunter Water with the flexibility to respond in a manner fit-for-purpose in the Lower Hunter context.

One potential option to achieve this change is to revise the existing MoU DPIE has with Hunter Water under the operating licence to clearly articulate expectations for the scope of future iterations of Lower Hunter Water Plans.

2. Hunter Water's obligations to its customers

DPIE considers that Hunter Water should have flexibility in their approach to consultation with their customers. DPIE has worked closely with Hunter Water on the community engagement that has underpinned development of the draft LHWSP to ensure that customer views and priorities inform decision-making. We agree with IPART that affording Hunter Water a less prescriptive model for engagement will support innovation and be beneficial to customers.

The NSW Water Strategy highlights the importance of meaningful engagement with First Nations groups to advance outcomes for Aboriginal communities. DPIE encourages Hunter Water to continue its efforts to deepen engagement with local Aboriginal stakeholders as part of its customer engagement approach.

3. Commitment to quality process and systems

3.2 Memorandum of Understanding with NSW Health

NSW Health supports the obligation to require a Memorandum of Understanding (MoU) with NSW Health. The MoU outlines the basis for the cooperative relationship between the organisations, has been revised as required over time and includes NSW Health expectations on reporting. The MoU review is aligned to the Operating Licence review which provides an opportunity to revise any relevant clauses.

NSW Health does not object to the removal of the requirements to report events that may pose a risk to public health and about water quality from the MoU clauses as these are still required by the reporting manual. NSW Health notes that these clauses do not appear in the Sydney Water Operating Licence.

3.3 Memorandum of Understanding with the Department of Planning, Industry and Environment

We recommend that the MoU between DPIE and Hunter Water be retained in the licence. The MoU ensures a binding but flexible way of promoting collaboration and clarity across in the planning and implementation phases of the LHWSP. The MoU is expected to be revised in 2022 following release of the final LHWSP. It is expected that it will include clauses relating to the calculation of yield, review of the supply/demand balance and data-sharing.

DPIE will also consider whether clauses need to be inserted into that MoU to outline how Hunter Water may work in the future with the Water Administration Ministerial Corporation, considering a similar licence condition exists in Sydney Water's Operating Licence.

3.4 Memorandum of Understanding with Fire and Rescue NSW

Fire and Rescue NSW (FRNSW) supports the IPART position detailed in Section 4.2.3 of the Issues Paper to retain the requirement for a Memorandum of Understanding (MoU) between Hunter Water and FRNSW. FRNSW notes the MoU working group has been productive over the last licence period where Hunter Water has provided FRNSW with network performance data and consulted on upgrade programs. This has led to improvements in FRNSW's ability to perform its legislated functions under the Fire and Rescue NSW Act 1989.

The MoU has facilitated discussions on ways that FRNSW may help Hunter Water, such as reporting hydrant tests to aid in water leak modelling, noting network performance is not static. As new issues arise it is important that FRNSW has an effective ongoing mechanism for consultation with HWC. Given the success of the current MoU, FRNSW proposes the MoU be retained as a mechanism to regulate its relationship with Hunter Water.

It is noted that IPART consulted FRNSW prior to the release of its Issues Paper. FRNSW proposes minor amendments to the existing licence clause 5.1.1 (detailed in Box 1 on page 9 of this submission). In addition, FRNSW supports in principle the amendment to Clause 5.11.3a which allows representatives from other organisations such as the NSW Rural Fire Service (NSW RFS) to attend working group meetings, given water supply at the bush-urban interface may impact both organisations.

As the majority of issues discussed with Hunter Water mainly relate to urban firefighting and building fire safety, FRNSW submits that IPART should consult with NSW RFS first and explore opportunities to develop an MoU, where their operations may be impacted.

Proposed changes to the licence

Box 1 – Proposed changes to existing Licence clause 5.11 marked in red

Licence clause 5.11 - Memorandum of Understanding with FRNSW

~~5.11.1 Hunter Water must use its best endeavours to:~~

- ~~a) develop and enter into a memorandum of understanding with FRNSW by 31 December 2017; and~~
- ~~b) once the memorandum of understanding referred to in clause 5.11.1(a) is developed and entered into, comply with the memorandum of understanding.~~

~~[Note: Clause 5.11.1 does not limit the persons with whom Hunter Water may enter into a memorandum of understanding.]~~

5.11.1 Hunter Water must use its best endeavours to maintain and comply with a memorandum of understanding with Fire and Rescue NSW (FRNSW).

5.11.2 The purpose of the memorandum of understanding referred to in clause 5.11.1 with FRNSW is to form the basis for cooperative relationships between the parties to the memorandum of understanding. In particular, the purpose of clause 5.11.1 is to:

- a) develop the roles and responsibilities of the parties to the memorandum of understanding as they relate to each other;
- b) identify the needs and constraints of the parties to the memorandum of understanding as they relate to each other; and
- c) identify and develop strategies for efficient and effective provision of firefighting water consistent with the goals of each party to the memorandum of understanding.

5.11.3 The memorandum of understanding referred to in clause 5.11.1 with FRNSW must require the maintenance of a working group and must provide that:

- a) ~~the establishment of a working group, comprised of representatives from Hunter Water and FRNSW~~ the working group must include representatives from Hunter Water and FRNSW and may include representatives from other organisations such as the NSW Rural Fire Service; and
- b) the working group is to consider the following matters (at a minimum):
 - i ~~arrangements regarding information sharing~~ information sharing arrangements between Hunter Water and FRNSW;
 - ii ~~agreed~~ timelines and a format for Hunter Water to provide a report to FRNSW detailing the network performance with regard to availability of water for firefighting (taking into account the minimum available flow and pressure in localised areas of the network);
 - iii ~~arrangements~~ for Hunter Water to consult with FRNSW in the design of new assets and planning of system maintenance, where ~~modelling planning~~ indicates that minimum available flow and pressure may unduly ~~affect impact~~ firefighting in the network section under consideration; and
 - iv ~~other~~ matters as agreed by both parties to the memorandum of understanding Hunter Water and FRNSW.

3.5 Engaging with private water utilities

The NSW Government is committed, through the *Water Industry Competition Act 2006* (WIC Act), to encourage competition in the supply of water and sewerage services in NSW to drive innovation and the delivery of recycled water infrastructure. The current and proposed conditions in Hunter Water's Licence concerning WIC licensees help provide a 'level playing field' for the provision of water and sewerage services in Hunter Water's area of operations. These conditions are also consistent with those in Sydney Water's Operating Licence.

Proposed changes to the licence

Obligation to make services available to WIC Act licensees

We support retaining the licence condition to make services available to WIC Act licensees. It is a vital component in ensuring that both public and private WIC licensees are able to provide water, recycled water and sewerage services in Hunter Water's area of operations on an equitable basis.

Negotiating in good faith

We support including a new licence condition to negotiate with WIC Act licensees and 'potential competitors' in good faith. It would provide an additional level of protection to existing and potential WIC licensees by ensuring that Hunter Water deals with them fairly and reasonably. We agree that any additional costs for Hunter Water in monitoring compliance with this proposed condition are likely to be minimal.

Establishing a code of conduct

We support retaining the licence condition to cooperate with WIC Act licensees seeking to establish a code of conduct. A code of conduct helps provide certainty to both parties on their responsibilities and helps ensure safe services where their operations overlap. We also support IPART's proposal to require that any requests from a WIC licensee to establish a code of conduct need to be in writing. This provides additional protection for both parties if there is a dispute.

Publishing servicing information to WIC Act licensees and competitors

We support including a new licence condition to publish servicing information to WIC Act licensees and competitors. We note the 2018 [Independent review of economic regulatory barriers to cost-effective water recycling](#) identified a lack of information available to market participants on public water utilities' long-term growth servicing plans, system constraints and the costs (or savings) of alleviating (or deferring) constraints in water and wastewater systems. As a result, the report recommended that the operating licences for WaterNSW, Sydney Water and Hunter Water require the utilities to develop and publish an annual 'system limitation report' that makes key information publicly available on long-term growth servicing plans and system constraints in a consistent, timely and accessible way (Recommendation 11).

The recommendation was supported by the Government and the reporting requirement included in Sydney Water's Operating Licence at its last review.

We note that the Hunter Water publishes Growth Plans and Development Servicing Plans which may fulfill some of these requirements for publication of information.

4. Administration

4.1 Licence structure

Proposed changes to the licence

We support the proposed changes to the licence structure.

4.2 Objectives of the licence

Proposed changes to the licence

We support IPART's proposal to amend and modernise the objectives of Hunter Water's licence, which we note are currently limited and constrained by what the *Hunter Water Act 1991* allows. Where possible, we would encourage reflection of the social, economic and environmental objectives outlined in Section 8 of the *State Owned Corporations Act 1989* in the objectives of the licence. This would help bring them in closer alignment with the core objectives of the NSW Water Strategy, which are:

- Protecting public health and safety.
- Liveable and vibrant towns and cities.
- Water sources, floodplains and ecosystems protected.
- Cultural values respected and protected.
- Orderly, fair and equitable sharing of water.
- Contribute to a strong economy.

5. Environment Protection Authority comments

The Environment Protection Authority (EPA) has focused its response to the Issues Paper on the following three thematic areas in relation to the EPA's areas of responsibility:

1. The elements of HWC's operations which are done well.
2. The elements of HWC's operations which could be improved.
3. Any EPA Pollution Studies and Reduction Programs or other activities that are in place or are being negotiated that may have financial implications for Hunter Water.

In regard to the first element identified above, the EPA is of the opinion that:

- Hunter Water has been engaging with the EPA on long term strategic planning particularly as it relates to potential infrastructure upgrades that will drive both operational and environmental improvements.
- Hunter Water is considering the wider impacts of its activities, particularly discharges from its sewage treatment plants and related infrastructure on the community and the environment.
- Hunter Water appropriately responds to requests from the EPA regarding its performance either specifically or generally.

In regard to the second element identified above, the EPA is of the opinion that:

- Hunter Water and the EPA need to identify better ways to communicate generally and specifically in regard to long term strategic planning and infrastructure upgrades. The EPA will be proposing a way to improve this communication and coordination directly to Hunter Water soon.

- Hunter Water needs to continually improve its understanding of the legislation it is bound by which includes all relevant provisions of the Protection of the Environment Operations Act 1997.
- Hunter Water, following on from the above, needs to also improve its understanding of Green Offset Schemes especially as it relates to the Hunter River Estuary Masterplan.

In regard to the third element identified above, the EPA can advise that the EPA is continuing to work with Hunter Water on the Hunter River Estuary Masterplan which has been identified with IPART in previous submissions on the Hunter Water Operating Licence. This is a substantial body of work which has potential long term implications for Hunter Water in the way it manages several of its sewage treatment plants and for the EPA in respect of the way it regulates these sewage treatment plans.