



Our reference: MD13/884

Mr James Cox
Chief Executive Officer
Independent Pricing and Regulatory Tribunal
Level 8, 1 Market Street
SYDNEY NSW 2000

Dear Mr Cox

I refer to your letter to the Minister for the Environment, the Hon Robyn Parker MP, regarding the application made by Discovery Point Water Factory to IPART for a licence under the *Water Industry Competition Act 2006*. The Minister has referred your letter to the Environment Protection Authority (EPA) and I am replying on her behalf.

In relation to the capacity of the applicant, I can advise that the EPA has not initiated any prosecutions against any of the corporations listed under section 3.1.1 or 3.4.1 of the application.

The application states that the expected volume of sewage to be extracted, treated, collected and/or distributed is up to 650 kL/day. As specified in Schedule 1 of the *Protection of Environment Operations Act 1997*, an environment protection licence is required to undertake sewage treatment works where the activity has a processing capacity that exceeds 750 kL/day if the system involves the discharge or likely discharge to land or waters. Therefore, based on the information provided in the application, an environment protection licence would not be required for this activity.

I am unable to provide significant comment on the project in relation to the adequacy of the applicant's proposed measures to protect the environment from any significant risk of harm, as an environmental assessment for this project has not been provided with the application. However, based on the information provided, the EPA does not note any significant areas of concern.

EPA notes that integral components of the project such as the proposed arrangement to gravity feed all sewage into the existing Sydney Water sewerage system during an emergency are subject to the Commercial Agreement between Sydney Water and Discovery Point Water. At the time of assessment of this application by EPA, the Commercial Agreement remains in draft and, therefore, should not be used as an indicator of adequacy.

If you wish to discuss this matter further, please contact Mr Ryan Carr, Regional Operations Officer, Infrastructure and Biodiversity Regulation, on 9995 6843 or by e-mail at ryan.carr@epa.nsw.gov.au.

Yours sincerely

G Howard 22/3/13

**Director Metropolitan
Environment Protection Authority**