



Our ref: MD18/5702-3
Your ref: D18/34905

Mr Hugo Harmstorf
Chief Executive Officer
Independent Pricing and Regulatory Tribunal
PO Box K35
HAYMARKET POST SHOP NSW 1240

Dear Mr Harmstorf

I refer to your letter to the Minister for the Environment, the Hon. Gabrielle Upton MP, inviting submissions on the licence variation and application for Aquacell Pty Ltd for 67 Kurrajong Road, Kurrajong. Your letter has been referred to the Environment Protection Authority (EPA) and I have been asked to reply on the Minister's behalf.

The EPA has reviewed Aquacell's application for a network operator's licence and the variation to its retail supplier's licence under the *Water Industry Competition Act 2006* (the WIC Act).

The EPA understands that the variation to the retail supplier's licence is primarily an extension to the area covered by the existing WIC Act licence. The EPA does not consider that the proposed extension will likely pose an additional risk to the environment assuming management of both sewage systems is undertaken by suitably qualified and experienced operators and the systems are adequately staffed to ensure an appropriate level of oversight.

In response to the specific questions posed in your letter regarding the network operator's licence:

1. The EPA is not aware of any breaches of the *Protection of the Environment Operations Act 1997* (POEO Act) incurred by Aquacell Pty Ltd and has not taken any regulatory action against Aquacell Pty Ltd. It should be noted that the EPA is not the Appropriate Regulatory Authority under the POEO Act where the sewage provider is not required to hold an environment protection licence (EPL), such as in this case. It is recommended that IPART seek advice from Hawkesbury City Council (HCC) regarding this matter as HCC are the Appropriate Regulatory Authority for this development under the POEO Act.
2. Section 36 of Schedule 1 of the POEO Act states that an EPL is required for sewage treatment systems that have a processing capacity that exceeds 2,500 persons equivalent or 750 kilolitres per day, whichever is the greater where there is the discharge or likely discharge of wastes or by-products to land or waters. Aquacell's application states that the treatment plant will treat up to 21 kilolitres of effluent per day and as such this activity does not trigger the requirement for an EPL.
3. The EPA considers that it is the role of the approval authority to assess whether the risks to the environment and human health are adequately addressed by the proposal. As a guide however, the *DEC Environmental Guidelines: Use of Effluent by Irrigation (2004)* recognises sub-surface irrigation as a typical irrigation method for effluent reuse and considers that the environmental impacts of sub-surface irrigation compared to surface irrigation are similar. As

for any effluent irrigation scheme, the proponent should demonstrate that the mass balance for water and nutrients is appropriate and that the disposal sites are adequate to ensure pollution does not occur.

4. The EPA has no recommended conditions relating to the environment that should be included in the network operator licence. It is the responsibility of the proponent to ensure that all relevant environmental legislation is complied with and any licensing implemented by IPART should not act to duplicate legislated environmental requirements.

If you have any further questions about this issue, please contact Ms Bernie Turner, Regional Operations Officer, Metropolitan Infrastructure, [REDACTED]
[REDACTED]

Yours sincerely,

22.01.2019

[REDACTED]
CLAIRE MILES
A/Regional Manager Operations
Metropolitan Infrastructure
Environment Protection Authority