

Dear Ms Morahan

I refer to Ms Towers' letter to the Minister for Energy and Environment, the Hon Matt Kean MP, about Wollondilly Water Pty Ltd's application for a network operator's licence and a retail supplier's licence under the Water Industry Competition Act 2006 (NSW) (WIC Act) for the existing Bingara Gorge Scheme in the Wollondilly Shire Council local government area. The email was referred to the Environment Protection Authority (EPA) and I have been asked to reply.

The EPA understands that the activities that are the subject of the WIC Act application are currently occurring under a Network Operator's Licence and a Retail Supplier's Licence held by Veolia Water Solutions & Technologies (Australia) Pty Ltd (VWST).

Wollondilly Water Pty Limited's application includes third parties: Living Utilities Pty Limited as the asset manager; and Lendlease Communities (Wilton) Pty Limited as the infrastructure owner and Bingara Gorge developer. The EPA does not have any records that indicate that Wollondilly Water Pty Limited, Living Utilities Pty Limited or Lendlease Communities (Wilton) Pty Limited has breached the *Protection of the Environment Operations Act 1997* (POEO Act).

VWST currently hold Environment Protection Licence (EPL) 20335 for the Bingara Gorge Scheme. This licence is for the activity of sewage treatment processing by small plants (0-20ML annual maximum discharge volume). As mentioned in the application, Wollondilly Water Pty Limited intend to apply to the EPA to have this licence transferred to its name once IPART has approved the WIC Act licence.

The existing EPL for the Bingara Gorge Wastewater and Water Recycling Scheme contains provisions for a precautionary and emergency discharge to waters; there is no continuous discharge allowed from the scheme. The EPL also requires VWST to carry out licensed activities in a competent manner, maintain all plant and equipment in a proper and efficient condition and operate all plant and equipment in a proper and efficient manner.

The EPA understands that one third of the Bingara Gorge Scheme's wastewater network has been constructed and that the remaining two thirds are to be developed over the next five to eight years. In addition, the EPA understands that the volumes of sewage requiring treatment following the completion of the network will be less than the existing capacity of the scheme.

The EPA is not aware of any unacceptable risks to the environment posed by the Bingara Gorge Scheme provided that identified management and mitigation measures are implemented and the scheme is operated in compliance with its EPL conditions.

IPART has specifically requested whether the network operator's or retail supplier's licence should contain any specific conditions in relation to protection of the environment. The EPA has no recommended conditions relating to the environment that should be included in the network operator licence. It is the opinion of the EPA that it is the responsibility of the proponent to ensure that all relevant environmental legislation is complied with and that the licensing implemented by IPART should not duplicate legislated environmental requirements.

If you have any further questions about this issue, please contact Shelley Nancarrow, Operations Officer, Metropolitan Branch on [REDACTED] or at [REDACTED].