



Our reference: DOC15/186701-02
Contact: Jacinta Hanemann (02) 9995 6867

Mr Hugo Harmstorf
Chief Executive Officer

CC: Mr Robert O'Neill; General Manager
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop, NSW 1240

Dear Mr Harmstorf & Mr O'Neill,

I refer to your letters of 26 May 2015 to the Minister for the Environment and to the Manager of Metropolitan Infrastructure of the Environment Protection Authority (EPA). The letters invite the EPA to make a submission in regard to Veolia Water Solutions and Technologies (Australia) Pty Ltd (Veolia)'s application to vary the conditions of their network operator's licence (Licence No/ 10_012) under the *Water Industry Competition Act 2006* (NSW) (WIC Act) and outlines five specific questions in regard to that application.

The Minister has referred your letter to the EPA for consideration and direct response. Please accept this letter as a response to all correspondence.

The EPA has considered your request and provides the following comments.

The EPA regulates sewage treatment systems through the *Protection of the Environment Operations Act 1997* (POEO Act). Schedule 1 of the POEO Act requires that sewage treatment systems, including the treatment plant and reticulation system, with a processing capacity of 750KL/day or 2500 equivalent persons be licensed. Veolia holds environment protection licence (No.20335) for the Bingara Gorge wastewater and water recycling scheme. This licence was transferred from Solo Water Pty Ltd on 15 February 2015.

1. *Are you aware of any significant matters involving Veolia or Lend Lease Communities (Wilton) PTY LTD (ABN 31 110 022 976), an authorised person on Veolia's license, in relation to compliance with the POEO ACT, that is relevant to our assessment under the WIC Act? If so, Please provide details.*

In accordance with section 83 of the POEO Act, the EPA must consider whether a person is a fit and proper person to hold an environment protection licence prior to granting that licence. Considerations include whether the person has contravened environment protection legislation. In the documentation provided for the licence transfer, Veolia indicated that it and its directors were fit and proper persons and that they had not contravened environment protection legislation.

2. *It is our understanding that Veolia holds an EPL (No.20335) for these activities and do not need to obtain any further approvals under the POEO Act, for the activities the license variation would authorise. Is this Correct? If not, what approvals are required to be obtained?*

Environment protection licence No.20335, held by Veolia, authorises the construction and operation of the Bingara Gorge wastewater and water recycling scheme. No further approvals are required under the POEO Act.

3. *Does the EPL cover the sewer rising main? Specifically, any odour issues that could potentially arise from the infrastructure. If not, does Veolia require any additional approvals to the sewer rising main?*

Environment protection licence No.20335, held by Veolia, does cover the sewer rising main. The environment protection licence includes a number of conditions relating to odour including Condition O6.8 which states that 'the licensee must not cause or permit the emission of offensive odour beyond the boundary of the premises' and Conditions 6.10-11 that require an odour audit and management report to be prepared within twelve months of operation.

4. *Do the proposed activities to be licensed (if a variation is granted) pose any unacceptable risk to the environment? If so, what are these risks?*

The EPA does not consider that granting of a variation to Veolia's licence poses any unacceptable risks to the environment.

5. *If a license variation is granted, should the network operator's license contain any specific conditions in relation to protection of the environment? If so, what should these conditions be?*

As this activity is already covered and will be regulated through the environment protection licence (No.20335) for the Bingara Gorge wastewater and water recycling scheme, the EPA does not consider it necessary for the network operator's licence to contain any specific conditions in relation to the protection of the environment. For this site, IPART may wish to refer within any network operator's licence to the fact that the environment protection licence will be covering the environmental issues.

6. *Are you aware of any significant matters involving Veolia or Lend Lease Communities (Wilton) Pty Ltd, an authorised person on Veolia's Licence, in relation to compliance with the Environmental Planning and Assessment Act 1979 (EP&A Act), that is relevant to our assessment under the WIC Act? If so, please provide details.*

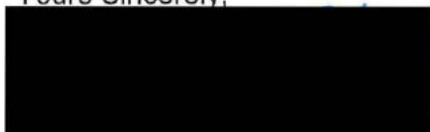
The *Environmental Planning and Assessment Act 1979* is not administered by the EPA; this inquiry should be referred to the Department of Planning and Environment.

7. *It is our understanding of the approvals that have been and/or are required to be obtained under the EP&A Act correct (as outlined in Attachment B) for the activities the license variation would authorise, if granted? If not, what approvals are required to be obtained?*

The *Environmental Planning and Assessment Act 1979* is not administered by the EPA; this inquiry should be referred to the Department of Planning and Environment.

If you have queries regarding this matter please contact Ms Jacinta Hanemann, Unit Head, Metropolitan Infrastructure on 9995 6867 or jacinta.hanemann@epa.nsw.gov.au

Yours Sincerely,



16-6-15

Frank Garofalow
Manager Metropolitan Infrastructure
Environment Protection Authority

