

[REDACTED]  
[REDACTED]  
[REDACTED]  
28/4/2015

Independent Pricing and Regulatory Tribunal  
PO Box K35  
Haymarket Post Shop NSW 1240

Objection to Proposed Network Operators License in North Cooranbong by  
Cooranbong Water Pty Ltd

Please find below a submission outlining my objection to the Proposed Network Operators License in North Cooranbong by Cooranbong Water Pty Ltd.

The objection is based on:-

- The impacts on current and future residents in the vicinity of the proposal.
- The inequitable allocation of impacts and risks from the beneficiary to non-beneficiaries of the proponents residential development to be serviced by the facility

**Assessment of options**

The application for a Network Operators License is for a proposal that has significant economic and equity issues related to the proposed siting of the treatment facilities. The treatment facility is proposed to be located near the town center in close proximity to existing residential areas and community facilities such as a major concern is that the application is being made for a proposal for which appropriate options assessment has not been adequately undertaken. The proposal effectively transfers economic costs and risks from the beneficiaries to non beneficiaries of the proposed development for which the proposed facilities are to service.

For a waste water facility there are four (4) basic siting options available to service a development such as the Johnson Property Group (JPR) residential development in the North Cooranbong Release Area Precinct. The basic options are:-

1. Connect to the existing centralized sewerage system

2. Establish the wastewater facility within the development it serves
3. Establish the wastewater facility outside the development it serves in a location remote to current and future residential areas.
4. Establish the wastewater facility at a distance economically advantageous to the proponent.

The proponent has elected to consider only options 1 and 4 whilst omitting options 2 and 3.

Comments on the basic options in relation to the JPR development site are provided below.

### **Option 1 – Connection to the HWC System**

EIS describes this option.

### **Option 2 - Establish the wastewater facility within the development it serves**

This is an obvious option that has the potential to offer the proponent the following benefits:

- Possible savings in the cost of reticulating the sewage collection and reuse water reticulation;
- Locating the facility centrally in the JPG residential development could reduce pipe sizes (& therefore cost);
- Minimal opposition from surrounding property owners;
- Greater consistency with ESD principles, particularly social equity.

Possible issues for the proponent regarding this option could be:

- Infrastructure cost to ensure that the facility does not impact on its residential development;
- Ongoing operating costs to operate the facility at a consistently high performance level (power, chemicals, staff and operational supervision and control);
- Ongoing maintenance costs to ensure a consistently high performance level;
- Future replacement and refurbishment costs;
- Level of risk that performance will impact on the residential properties serviced by the facility;
- Economic impacts on property prices in the vicinity of the facility.

### **Option 3      Establish the wastewater facility in a location remote to current and future residential areas**

This option has a number of advantages such as:

- Large areas of non-residential land are available in reasonable proximity to the JPG residential development enabling a sewage treatment and water recycling facility to be located away from residential dwellings. The risk of impacts on residential properties would be low.
- Community opposition would most likely be low

- The economic impact on property prices in the vicinity of the facility would be low and potentially extinguished if the facility was located on a large site with an appropriate buffer zone. Note this is an often employed approach in the siting of waste water treatment facilities.

It is noted that this option could possibly involve higher infrastructure costs on the development due to the longer pipe lengths involved but could potentially be offset by savings in other elements of the facility.

#### **Option 4      Establish the wastewater facility at a distance that is economically advantageous to the proponent**

Apart from Option 1 this is the only option presented by the proponent.

The key issue related to this option is that the impacts associated with the proposed facility are transferred to external non beneficiaries of the JPG residential development.

The capital and ongoing costs to appropriately establish and run the facility to an equivalent standard for options 2 and 4 would be similar with option 2 being possibly lower. Given this, it is curious that the proponent has not considered siting the facility within the JPG residential development.

It is noted that no financial compensation is proposed by the proponents for the impact on property prices associated with the proposed facility.

#### **Economic Assessment**

The economic assessment presented by the proponent is considered deficient in that it does not consider the economic impact of the proposal on surrounding properties. It could be inferred from the proponent's decision not to site the facility within the JPR development site that the facility is proposed to service, that the proposed waste water facility will have a detrimental economic impact on landowners in its vicinity.

#### **Ecologically Sustainable Development (ESD)**

Given this proposal effectively exports the risks, impacts and costs from the beneficiaries of the proposal to non-beneficiaries it fails to meet a key ESD Principle.

#### **Summary**

In summary I strongly object to the proposal.

Of greatest concern is the fact that the proponent has excluded the clearly obvious option of siting the treatment facility within the residential development site for which this facility is to service. Siting the facility within the JPG residential development would surely have been an obvious option to be considered by the proponent given the previous withdrawal of the application for the 60 Avondale Road proposal presumably due to community opposition, and the potential infrastructure cost savings of locating the facility within the site it is servicing. As such, it is not unreasonable to conclude that the

proposed facility will have a greater impact on surrounding residences than is being portrayed by the proponent.

Also of great concern is the allocation of the risks of the proposal from the beneficiary of the proposal to non-beneficiaries. This has profound implications to the likelihood that the necessary level of investment required to construct a high performing facility and ensure its ongoing operation, monitoring, maintenance, refurbishment and replacement costs will be made by the proponent/operator.

The exclusion of the option to establish the wastewater facility within the development it serves should be considered a fatal flaw in the development of the proposal and should raise significant concerns by all regulators assessing this proposal.

Yours Faithfully

A solid black rectangular redaction box covering the signature area.