

Mr Rob O'Neill General Manager, Licensing and Compliance IPART NSW PO Box K35 HAYMARKET POST SHOP NSW 1240

Dear Mr O'Neill

I refer to your request for comments on an application by Flow Systems for a new development in Bellbird North under the *Water Industry Competition Act* 2006. Flow Systems has requested a new network operator licence to develop drinking water, recycled water and sewerage infrastructure. Flow Systems has also applied for a variation to their existing retail licence to add Bellbird North drinking and recycled water retail services, and provision of sewerage services.

NSW Health supports the application provided that the matters raised below are addressed and NSW Health is consulted by IPART during the detailed recycled and drinking water risk assessments, technology assessments and the development of management plans for recycled water and drinking water. I request NSW Health is also consulted following the final compliance audit and before retail supply commences to ensure that all relevant public health matters have been considered. NSW Health also requests that Flow Systems adapt their generic *Incident Notification Protocol to* include contact details of all stakeholders involved in this scheme. At this stage of the application, NSW Health does not request any specific licence conditions.

The proposed water recycling scheme lists both sewage and stormwater as potential sources. However the source water has not been adequately characterised and the resulting risks are not adequately identified or addressed in the risk assessment. NSW Health recommends further characterisation of the source water quality is undertaken as recommended by the *Australian Guidelines for Water Recycling: Managing Health and Environmental Risks* (2006) and *Australian Guidelines for Water Recycling: Stormwater Harvesting and Reuse* (2006). The risk assessment should be updated to reflect any additional information on the source water.

The risk from consumption of recycled water due to a cross-connection has been inconsistently addressed in the risk assessment and requires careful attention. Flow Systems should implement effective controls to protect against cross-connection. There is some confusion in the document regarding the water utility. Agreements with both Hunter Water and Sydney Water are mentioned for the Bellbird development.

NSW Health's response should not be considered an approval or endorsement of the applicant's documentation. NSW Health's review has focused on potential public health issues. NSW Health expects that the audit process will confirm the adequacy of the recycled water and drinking water management plans and compliance with the *Australian Guidelines for Water Recycling* and *Australian Drinking Water Guidelines*. NSW Health advises that verification monitoring of both the drinking water and recycled water systems is required at a frequency recommended by the *Australian Drinking Water Guidelines* and the *Australian Guidelines for Water Recycling*.

NSW Health

ABN 95 885 087 830

The application notes that the *Public Health Act* 2010 requires drinking water suppliers to develop and adhere to a 'quality assurance program'. The granting of a licence under the *Water Industry Competition Act* 2006 does not automatically exempt the applicant from this requirement.

I note that IPART has required Flow Systems to exclusively use the term 'recycled water' rather than 'refined water', in line with a request made by NSW Health. The term 'refined water' appears in the current application.

Yours sincerely

3/NOV/15

Dr Wayne Smith

Director Environmental Health Branch