

4 June 2014

Mr Gary Drysdale  
Program Manager Compliance  
Independent Pricing and Regulatory Tribunal  
PO Box Q290  
QVB Post Office NSW 1230

**Re: Application under the Water Industry Competition Act 2006 (WICA) for a non-potable network operator licence at Green Square**

Dear Gary

Thank you for the opportunity to comment on the application by Green Square Water (GSW) for a non-potable network operator licence under WICA. Please find below some information we hope will aid the efficient delivery of services to customers in the Green Square re-development.

**GPT design and maintenance**

The application does not mention that there is an existing 525mm emergency relief structure (overflow) that is designed to discharge diluted wastewater during wet weather to the Sheas Creek stormwater channel at UBD 19:J8. This is upstream of the gross pollutant trap (GPT) and scheme offtake. We would like to suggest this be considered in the design and maintenance of the GPT.

**Ownership of water service connection**

We note that contrary to a statement in the application, Sydney Water would not own the water service connection from our water main to the water meter. As per our Customer Contract, these connections are owned by customers.

**Potable water top-up configuration** (sections 3.2.5 and 4.2.6)

It is not clear from the application what configuration GSW proposes for the potable water top-up. This should only occur via a suitably designed air-gap configuration to the recycled water balance tank from the outset (for Phases 1a, 1b and 2). The recycled network should not be charged directly from Sydney Water mains during Phase 1a. We welcome GSW to initiate negotiations for our approval for this connection to our system. We also request that GSW keep our Business Customer Representative, Katrina Bennett ([katrina.bennett@sydneywater.com.au](mailto:katrina.bennett@sydneywater.com.au)) informed of all negotiations with Sydney Water for this connection.

**Potable water top-up availability** (sections 3.2.5 and 4.2.6)

Given that the nature of stormwater is highly variable in both quality and availability, the security of the scheme will be largely dependent on top-up from Sydney Water's drinking water system. Sydney Water's most recent planning assessment for the Green Square non-potable water system was in 2010-11. The assumptions used in that assessment vary significantly from those proposed in the licence application. As such we encourage GSW to provide us with updated scheme details so we can make them aware of any supply capacity constraints. In particular, these details should include:

- average day demand
- peak day demand
- a breakdown of demand according to land use or a resulting diurnal demand pattern (at half hourly resolution)

**Stormwater infrastructure ownership and agreements**

At this stage it is likely that City of Sydney will own the section of culvert where GSW will position their offtake, but this will only be confirmed once construction is completed. If it eventuates that Sydney Water owns the channel, GSW will need a stormwater harvesting agreement to meet our requirements. As stormwater availability is highly dependent on climate and hence an inherently unreliable supply source, our standard stormwater harvesting agreement expressly states we make no representations about the volume of stormwater available for harvesting.

We also note that the application does not mention the status of a licence or exemption from the NSW Office of Water for the extraction of stormwater.

**Waste streams** (4.2.15)

Waste streams from the recycling process will require a trade waste agreement with Sydney Water. This may include 'off-specification water' depending on the specific regulatory requirements for the scheme. We welcome GSW to begin negotiations with us on the details required for these agreements.

**Availability of stormwater supply** (Section 4.2.6)

GSW states the scheme will extract no less than 900 kL/day from the stormwater canal although this is also stated as the maximum capacity of the treatment process. This makes it difficult to know whether the 900 kL/day represents a minimum or maximum.

**Sustainability of water resources and protection of the environment**

The application states that sustainability is evidenced by the scheme reducing unnecessary usage of drinking water for non-potable uses. Sustainability can be evidenced by a number of indicators such as greenhouse gas minimisation, improved local waterway health, community amenity and security of supply. Stakeholders may be interested in seeing a broader sustainability assessment of the servicing options for the Green Square development.

**Operator of Last Resort (OoLR)**

Our final comment relates to the proposed introduction of OoLR provisions to the WICA. In the case of a Last Resort event, there could be significant risk incurred by the OoLR if the infrastructure has not been built and/or maintained to adequate standards. Sydney Water supports and recommends that the minimum requirement for all infrastructure, including water recycling plants, should be based on WSAA standards and codes to minimise potential future Last Resort risks and costs.

Sydney Water's position is that it would be prudent for all scheme operators to demonstrate a suitable level of financial security before scheme approval in order to reduce the likelihood and impact of a Last Resort event.

If you would like to discuss any of these matters further, please contact me on (02) 8849 4820 or [danielle.francis@sydneywater.com.au](mailto:danielle.francis@sydneywater.com.au).

Yours sincerely

A handwritten signature in blue ink that reads "Danielle Francis".

Danielle Francis  
Competition and Licensing Manager