



Mr Michael Seery
Program Manager, Bulk Water and Licensing
Review of Operating Licence for Hunter Water Corporation
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB POST OFFICE NSW 1230

Dear Mr Seery

I am writing in relation to the review of the Operating Licence for Hunter Water Corporation.

NSW Health has considered the Issues Paper and Hunter Water Corporation's submission. In May 2005, the NSW Government endorsed the *Australian Drinking Water Guidelines 2004* as a model for best practice. The Guidelines include a preventive risk-management system, the *Framework for Management of Drinking Water Quality*.

NSW Health recommends that the Water Quality section of the new Operating Licence include a requirement to implement the preventive risk-management Framework, which considers all aspects of the water supply from the source to consumers. The Framework encompasses many of the requirements of the current Operating Licence, including monitoring of drinking water quality, reporting and incident management. A similar risk-based approach should be required for wastewater and recycling operations.

NSW Health acknowledges the potential for duplication between the Operating Licence and the *Memorandum of Understanding between NSW Department of Health and Hunter Water Corporation* (MoU). NSW Health recommends that the Operating Licence set out the main requirements for which compliance is expected. The MoU should continue to form the basis for co-operation, and include details of plans, water quality characteristics and reporting arrangements. The MoU should be revised after the new Operating Licence is published.

Thank you for the opportunity to contribute to the review. NSW Health would be happy to expand on this submission and will participate in the Operating Licence Workshop to be held in December. I request that NSW Health be consulted as the new Operating Licence is drafted. For further information, please contact Dr Paul Byleveld in the Water Unit (02) 9816 0589 or Mrs Kelly Main in the Hunter-New England Population Health Unit (02) 4924 6477.

Yours sincerely

Michael Staff
Director Environmental Health

2 November 2006