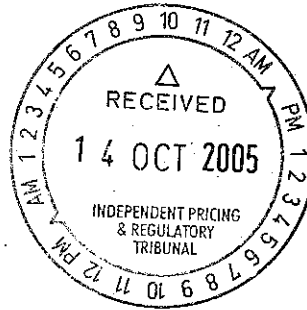


IPART	
Doc No <u>2005/1349</u>	File No <u>04/287</u>

Dr Michael Keating  
Chairman  
Independent Pricing and Regulatory Tribunal  
PO Box Q290  
QVB POST OFFICE NSW 1230



Dear Dr Keating *Michael,*

Thank you for the opportunity to comment on the draft report, *Investigation into Water and Wastewater Service Provision in the Greater Sydney Region*.

NSW Health welcomes the fact that IPART has considered the importance of protecting public health in the provision of water and wastewater services. This is reflected in the first guiding principle in the proposed regulatory framework.

NSW Health supports the recommendations of the report, provided there remains appropriate public health regulation of the water and wastewater industry. Regulatory reform would be necessary to guide any proposed changes in the industry.

The report describes the protection of public health in terms of the development of guidelines and water quality parameters. NSW Health recommends that this approach be supported by administrative mechanisms such as memoranda of understanding. These mechanisms have proved to be effective in the public health regulation of metropolitan water utilities and may be applicable to new service providers entering the industry.

I have attached some additional comments on the draft report and the recommendations.

NSW Health looks forward to the release of the final report. For further information please contact Ms Nanda Altavilla on (02) 9816 0589 in the NSW Health Water Unit.

Yours sincerely

A handwritten signature in black ink, appearing to read "Robyn Kruk".

Robyn Kruk  
**Director-General**

## **NSW Health - Comments on IPART's *Investigation into Water and Wastewater Provision in the Greater Sydney Region.***

### **General Comments**

The first guiding principle for the proposed regulatory framework states that

*No service provider or activity should have an adverse impact on public health, safety or the environment.*

Together with the other principles, this forms a solid basis upon which to support both the public interest and private sector involvement in the industry. NSW Health strongly supports recommendations 18 and 19, which state that a review of the existing framework and subsequent development of the revised regulatory framework should be undertaken.

### **Specific Comments**

#### **Recommendations 11 and 12**

Recommendation 11 (Section 7.4) of the report states that in order to optimise the use of alternate water sources Government should ensure that

*...clear and robust guidelines for recycled water are in place.*

NSW Health is working with other agencies including the Department of Planning's Metropolitan Water Directorate and the Department of Energy, Utilities and Sustainability to help develop a clear and balanced regulatory and management framework for recycled water.

NSW Health supports the direction being taken in the development of the new National Recycled Water Guidelines, which will apply a preventive risk management approach to the operation of recycling schemes.

Recommendation 12 calls for the ongoing review of recycled water guidelines to

*.... keep pace with the evolution of the market.*

Guidelines should provide accreditation processes that do not hinder '*evolution of the market*' but adequately protect public health and the environment. It is essential that the review of guidelines also keep pace with advances in the science, technology and understanding of health risk.

Footnote 82 is incorrect. DEC guidelines *Environmental Guidelines: Use of Effluent by Irrigation* were published in 2004 (doc.no.2004/87).

### **Recommendation 17**

To emphasise the importance of public health protection, NSW Health suggests the following changes,

In recommendation 17 and in sections 8.0 and 8.2, include "ensuring water quality and protection of public health" (rather than simply ensuring water quality) in the list of appropriate obligations for the protection of the broader public interest.

### **Recommendation 20**

In order to coordinate the reform process, the report recommends that a central Government agency be established using seconded staff with

*.....the bulk of the detailed development work would probably be allocated to the relevant agencies.*

Under current arrangements, the Department of Planning's Metropolitan Water Directorate fulfils this central role. Given the small number of staff in NSW Health with expertise in water and wastewater, it may be necessary to engage contractors with expertise in health-risk assessment to help ensure appropriate guidelines are in place to support industry reform.

Given that the private sector has been a limited player in the Sydney water and wastewater market, the central agency may need to operate for more than one year. From previous experience, successful implementation of large recycled water schemes (Rouse Hill and Sydney Olympic Park Authority) has taken some years.