

9 April 2015

Manager Metropolitan Infrastructure
Environment Protection Authority
PO Box 668
PARRAMATTA NSW 2124

REVIEW OF SYDNEY WATER'S SEWAGE TREATMENT ENVIRONMENT PROTECTION LICENCES

Dear Mr Garofalow

Thank you for the opportunity to contribute to the EPA's review of the Environment Protection Licences for Sydney Water's 23 sewage treatment systems. Sydney Water places a high priority on protecting the environment and ensuring our operations minimise impacts on the environment and the community whilst providing good value to our customers. Although this review is not about Sydney Water's performance, it should be noted that we have a history of high levels of compliance with the EPLs.

Sydney Water works continually with the EPA and the community to improve the EPLs during the licence periods if issues arise. We welcome feedback from the community during this review and look forward to working with the EPA and community to resolve any issues. In reviewing the EPLs Sydney Water would like to ensure any changes are made with the following criteria in mind:

- include conditions that enable Sydney Water to promote customer, community and environmental values
- ensure the licences contain requirements that are based on our understanding of the environment
- ensure the licences are flexible enough to allow Sydney Water to use technological and scientific expertise to implement the most effective measures
- ensure licence conditions do not distort longer term outcomes in an increasingly competitive market
- reform licence measures that deliver little or no impact to the environment, community or customers but are costly to implement
- reform licence measures that drive solutions and outcomes that are cost prohibitive
- reform existing licence measures that are out-dated and too prescriptive.

Sydney Water also works with the EPA to consider long term issues that may be relevant to our EPLs. Sometimes long-term projects include detailed environmental assessments, with separate targeted community consultation. The results of such consultation can feed into future licence variations. Two such projects that need to be addressed in the future are:

- the new regulatory measures for wet weather overflows (for which Sydney Water is working on a draft proposal to be delivered by December 2015)
- the servicing of growth in western Sydney and the associated impacts on the Hawkesbury-Nepean River.

Sydney Water believes that a new licensing approach will be required to balance protecting the Hawkesbury-Nepean River against the impacts of new growth. Decision on this issue should be made to allow Sydney Water to provide best value outcomes for our customers and the wider community. With this in mind Sydney Water has developed a new \$4.9 million Hawkesbury-Nepean and South Creek catchment hydrodynamic and water quality modelling capability. This is particularly critical given that environmental outcomes are a function of:

- nutrient emission loads and concentrations from point sources such as our wastewater treatment plants
- non-point sources that we do not control such as agricultural run-off and stormwater
- the location and timing of discharges and river flows.

The model will form part of the science-based evidence that can be used to support future EPL conditions. We look forward to hearing any comments the community has regarding this issue in due course.

We understand the EPA will release a report about the submissions that are received from stakeholders during the review. We look forward to hearing any views the community may express. We also welcome feedback from the community directly to us at any time.

Should you require further information about the issues raised in this or any other submission please contact Kris Funston, Manager, Competition and Regulation on 8849 4856.

Yours sincerely

A handwritten signature in black ink, appearing to read "K. Young".

Kevin Young
Managing Director