

Ms Leisl Baumgartner  
Deputy Director-General  
Department of Water and Energy  
GPO Box 3889  
SYDNEY NSW 2001

Dear Ms Baumgartner

Thank you for requesting NSW Health's comment on the draft *Water Industry Competition (General) Regulation 2008* and Regulatory Impact Statement.

The need for strong licensing requirements, to be applied to suppliers of water and wastewater services, is paramount for the protection of public health and the environment. The Regulations address these requirements and are supported by NSW Health. However, NSW Health would like to make some comments regarding the draft Regulation, which are outlined in the following pages.

Given the potential public health risks associated with the management of drinking water and sewerage, NSW Health wishes the opportunity to meet with the officers responsible for drafting the Regulation to discuss this submission.

Thank you for an opportunity to make a submission. If you have any enquires please contact Dr Kaye Power at NSW Health's Water Unit on 9816 0541

Yours sincerely

Dr Wayne Smith

**Director, Environmental Health Branch**

**NSW Health submission:  
Draft Water Industry Competition (General) Regulation 2008 and Regulatory  
Impact Statement**

The Regulations provide comprehensive direction for both recycled water and drinking water by requiring proponents to follow the frameworks outlined in the *Australian Drinking Water Guidelines* and the *Australian Guidelines for Water Recycling*. However, there are minimal requirements detailed for sewage schemes and no requirement for a management framework to be applied to sewage schemes. It would be beneficial to provide greater direction for sewage systems.

The *Australian Guidelines for Water Recycling* definition – covers the *Australian Guideline for Water Recycling: Managing Health and Environmental Risks* (Phase 1). In addition to Phase 1, Phase 2 of the Guidelines covering the *Augmentation of Drinking Water Supplies (2008)*, *Stormwater Harvesting* (draft for public consultation) and *Reuse and Managed Aquifer Recharge* (draft for public consultation) have been developed. The definition should allow application of Phase 2 of the Guidelines to new schemes.

Part 2 (d) (i) *The levels to which contaminants in the water are to be kept.*  
(ii) *How contaminants in the water are to be kept to those levels.*

There is no definition of what is a contaminant and the level at which they are to be kept below. Many water quality parameters, such as pH, are based on a range, rather than a maximum value. These may also not necessarily be a contaminant. Licences should include direction on the classes and level of contaminants should. The process of applying the management frameworks within the *Australian Drinking Water Guidelines* and the *Australian Guidelines for Water Recycling* would include a risk assessment of the scheme including the source water. The definition of contaminants of concern and the appropriate limits would be determined during this process. For this reason it may not be necessary to include Parts 2 (d) (i) and (ii).

18 (d) (i) *that is wholly situated on premises owned by the one person or body, whether or not the whole or any part of those premises are leased to, or occupied by, some other person or body, and*  
(ii) *that is owned or controlled by the person or body by whom those premises are owned.*

NSW Health recommends that the Regulation also cover schemes that involve onsite generation of recycled water with >10EP and the supply of drinking water via rainwater tanks (where a public water supply is available). The potential complexity of such schemes is an area of potential public health concern.

*Schedule 1*

*Conditions for network operators' licences*

*Part 2 Additional conditions of licences for water infrastructure*

*7 Water quality plans*

(a) *the levels to which contaminants in the water are to be kept.*  
(b) *how contaminants in the water are to be kept to those levels.*

As detailed for Part 2 (d) the process of applying the frameworks presented within the *Australian Drinking Water Guidelines* and the *Australian Guidelines for Water Recycling* would include a catchment survey and risk assessment of the source water. The definition of contaminant of concern and the limits should be determined during this process and may make the inclusion of (a) and (b) unnecessary.

*(d) if the water so supplied in non-potable, how the 12 elements of the framework for the management of recycled water quality and use, as detailed in the Australian Guideline for Water Recycling, have been addressed and will be implemented and having regard to those guidelines, the purposes for which the water may be used and the purposes for which water may not be used.*

This requirement does not address the appropriate guidelines for water sources other than sewage or greywater. The Regulation also puts no restrictions on the source water. Under the current definition within the Regulation the *Australian Guidelines for Water Recycling* includes only the Phase 1 document, which was developed to address only sewage and greywater. Phase 2 guidelines have been produced to cover *Stormwater Harvesting and Reuse* (in draft form), *Aquifer Recharge and Storage* (in draft form) and *Augmentation of Drinking Water* (2008).

There is currently no specific guidance document available for the use of potentially contaminated ground water supplies. Unusual sources of water not covered by established guidelines may need to be addressed through a tailored risk assessment. This needs to be recognised within the Regulation.