



Mr Rob O'Neill  
General Manager  
Regulation and Compliance  
IPART  
PO Box K35  
Haymarket Post Shop NSW 1240

Dear Mr O'Neill

**Your Ref: D18/4707 Catherine Hill Bay Water Utility Pty Ltd Variation of Operations  
Licence Application (Licence Number 16\_035)**

I refer to your letter dated 28 March 2018, to the Hon. Anthony Roberts MP, Minister for Planning, regarding an application by Catherine Hill Bay Water Utility Pty Ltd for a variation to its network operator's licence (16\_035 granted 22 September 2016), granted under the *Water Industry Competition Act 2006* (WICA).

I apologise for the delay in preparing this response and appreciate the extension granted by IPART.

I note IPART are seeking input from the Department regarding a licence variation application for the disposal of surplus recycled water to the environment. Detailed responses to matters 1 to 4 raised in IPART's letter are provided in the attached schedule.

Approval was granted by the then Planning Assessment Commission (as delegated by the Minister for Planning), for a Project Application seeking consent for a residential subdivision at Catherine Hill Bay within the Lake Macquarie City Council local government area under Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act), on 13 May 2011 (MP10\_0204).

Six modifications to the Project Application have been approved by the Minister's delegate. Details of the original approval and the approved modifications are available at:  
[http://majorprojects.planning.nsw.gov.au/index.pl?action=view\\_job&job\\_id=4368](http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=4368)

Please be aware that the Department's responses to IPART's request are in relation to the specific role of the Department to date, rather than an assessment of the variation request.

Should you have any further questions, please contact me on [REDACTED].

Yours sincerely

[REDACTED]  
Dominic Crinnion  
**Acting Director  
Social and Other Infrastructure Assessments**

## **Schedule 1**

### Point 1 (Enforcement Action)

Catherine Hill Bay Water Utility Pty Ltd and Solo Water Pty Ltd have not been the subject of penalty notices and orders issued by the Department's Compliance Branch in relation to non-compliance under the EP&A Act.

Should you have any questions in relation to the Department's compliance activity in relation to the approvals granted by the Department, please contact Leah Cook, Team Leader - Compliance at the Department on 6675 3403.

### Point 2 (Approvals)

The construction and operation of the sewage treatment plant does not form part of the Department's Project Approval for the staged residential subdivision at Catherine Hill Bay (MP 10\_0204 as modified), as identified through the inclusion of Condition A12 as part of Modification 2 to the Project Approval. Coastal Hamlets (the Proponent of the Project Approval) further advised, as part of Modification 4, that assessment of the water recycling plant would occur under Part 5 of the EP&A Act by IPART.

Notwithstanding, in granting the Project Approval and the subsequent modifications, the Department has incorporated conditions to mitigate potential impacts on surrounding properties as a result of stormwater discharge from the site, particularly into the adjoining lands National Park owned by the NSW National Parks and Wildlife Service. The Department has required, through conditions imposed in the Project Approval, that stormwater discharged from the site be in accordance with OEH and Council's treatment targets.

Modification 4 to the Project Approval sought approval to revise the Stormwater Management Strategy (SMS) originally approved to remove the need for residential lots to have rainwater tanks for non-potable uses and allow residential lots to be connected to the recycled water facility to reticulate recycled water for non-potable uses. The approved Stormwater Management Plan Addendum included commitments of the Proponent to utilise reticulated recycled water throughout the development and contain all water (including stormwater and recycled water) on the site prior to discharge. Further, the Proponent indicated that any discharged water would meet the requirements of both OEH and Lake Macquarie City Council.

Any variation of the network operator's licence may require review of the plans and strategies approved in accordance with the Project Approval (as modified). A modification to the Project Approval may be required should the proposed variation result in changes to the approved SMS to ensure the stormwater quality measures can accommodate the additional runoff and compliance with OEH and Council requirements can be achieved. Additionally, compliance with all conditions of the approval, including those relating to the Stormwater Maintenance and Monitoring Strategy (Conditions B8(4) and B8(5)) and the SEPP 14 Wetlands (Condition B11), will be required.

Should you have any questions in relation to the conditions of the approvals granted by the Department, please contact Anthony Witherdin, Director – Regional Assessments at the Department on [REDACTED].

Point 3 and Point 4 (unacceptable risks and specific conditions)

The Department advises that the Project Approval granted for the residential subdivision at Catherine Hill Bay is for a residential community within a sensitive coastal location. The site adjoins the Catherine Hill Bay Cultural Precinct which is listed on the State Heritage Register and the Munmorah State Conservation Area.

As stated above, the construction and operation of the sewage treatment plant does not form part of the approvals granted by the Department, however the Department has incorporated conditions to mitigate potential impacts upon sensitive assets as a result of discharge from the site within the approvals granted to date.

As stated in response to question 2, the Department requires ongoing compliance with the Project Approval (as modified) at the site. The approval of any variation to the network operator's licence should not preclude compliance with all conditions of the Project Approval (as modified). Additionally, the land designated for discharge is owned by National Parks and Wildlife Service and some areas may be administered by Lake Macquarie City Council and as such, the Department recommends IPART consult with these agencies in relation to any unacceptable risks on these lands.