



The Hon Niall Blair MLC

Minister for Primary Industries
Minister for Lands and Water

IM15/10862

Mr Hugo Harmstorf
Chief Executive Officer
Independent Pricing and Regulatory Tribunal
PO Box K35
HAYMARKET POST SHOP NSW 1240



Dear Mr Harmstorf

Thank you for your letter of 25 March 2015 concerning Coorabong Water Pty Ltd's application for a network operator's licence under the *Water Industry Competition Act 2006*.

Coorabong Water Pty Ltd has applied for a network operator's licence to provide drinking water, non-potable water and sewerage services for the North Coorabong development located in the city of Lake Macquarie.

I am advised that drinking water will be sourced under a utilities services agreement with Hunter Water Corporation, which is currently under negotiation. The taking of water from a public utility or a private network operator falls outside the definition of the State's water rights and therefore does not require a water access licence or approval under the *Water Management Act 2000*.

Non-potable water will be sourced from residential householders, or if demand exceeds production, then this water will be sourced from stormwater. The application also identifies the potential for using non-potable water, supplemented by stormwater, to provide irrigation services to landholders outside of the development.

Depending on the volume of stormwater harvested and the area from which it is harvested, a water access licence may be required for this take of water.

The application states that previous advice from the NSW Office of Water indicates that an access licence is not required if the volume of water harvested is less than 10% of the volume of stormwater in a catchment. This interpretation of the advice is not consistent with the actual advice provided by the Office of Water (contained in Appendix 3 of the application) or the current harvestable rights order.

It is recommended that the applicant seek further advice from the Office of Water on the volumes proposed to be harvested to ensure that they are within their harvestable right, or otherwise appropriately licensed in accordance with the *Water Sharing Plan for the Hunter Unregulated and Alluvial Water Sources 2009*.

If you have any further enquiries please contact Mitchell Isaacs, Manager Strategic Stakeholder Liaison, with the Office of Water, on (02) 8838 7529.

Yours sincerely



18 MAY 2015

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