



Mr Hugo Harmstorf  
Chief Executive Officer  
Independent Pricing and Regulatory Tribunal  
PO Box K35  
Haymarket Post Shop NSW 1240

15/03328

Dear Mr Harmstorf

I refer to your correspondence dated 9 February 2015 inviting a submission on an application for a network operator's licence for Catherine Hill Bay Water Utility Pty Ltd under the *Water Industry Competition Act 2006* (WIC Act).

As you are aware, in May 2011 the then Minister for Planning approved a Project Application under Part 3A of the *Environmental Planning and Assessment Act 1979*, for a residential subdivision at Catherine Hill Bay. This approval was primarily for residential lots, open space and associated bulk earthworks and infrastructure.

I understand that Catherine Hill Bay Water Utility Pty Ltd has prepared an environmental assessment which is currently being considered by the Independent Pricing and Regulatory Tribunal (IPART) as part of a sewage infrastructure licence application. I note that as part of your consideration of the licence application, you have sought the Department's comments on the environmental assessment and have asked some questions.

In response to your request, we provide the following:

1. The Department is not aware of any breaches of the *Environmental Planning and Assessment Act 1979* by Catherine Hill Bay Water Utility Pty Ltd or Solo Water Pty Ltd.
2. As previously mentioned, a Part 3A approval has been granted for the residential subdivision at Catherine Hill Bay. In September 2014, this approval was modified to consolidate some lots to accommodate future sewage infrastructure. This approval stated that the Proponent must separately obtain any relevant approvals and licenses to construct and operate sewage infrastructure. The need for further approvals is dependent on the provisions of the *State Environmental Planning Policy (Infrastructure) 2007* (Infrastructure SEPP). The approval, as modified, also indicates that all water and sewer assets are to be designed and constructed as per the requirements of the *Water Management Act 2000* and as authorised under the WIC Act.

I understand there are broader issues regarding the interaction between the WIC Act and the Infrastructure SEPP and note that you have written to the Department separately regarding this matter. I understand that the Department's Assessment Policy area and IPART are working together to address these issues. I trust an agreeable solution will be reached shortly on this matter.

In relation to your question regarding the approvals required for the construction and operation of drinking water infrastructure, as this is a separate matter which the Department is not involved in, it is suggested that Catherine Hill Bay Water Utility Pty Ltd should seek its own legal advice on this issue.

3. As the Department is not involved in the assessment of the potential environmental risks of the application, it has no specific comments.
4. As stated in item 3, the Department is not involved in the assessment of the application and as such has no specific comments on recommended conditions.

Should you have any further enquiries about this matter, I have arranged for Chris Ritchie, Manager - Industry Assessments to assist you. Mr Ritchie can be contacted on 02 9228 6413.

Yours sincerely

2/4/15

Daniel Keary  
**A/Executive Director**  
**Infrastructure and Industry Assessments**