Mr Wayne Beatty  
Water & Sewerage Strategic Manager  
Orange City Council  
ORANGE NSW 2800  
wbeatty@orange.nsw.gov.au

Dear Mr Beatty

Macquarie River to Orange Pipeline Project (MP 10_0235)  
Independent Environmental Audit  
2017 Annual Review

I refer to Council’s submission of the 2017 Annual Review for the project on 15 September 2017, and its letter dated 15 June 2017 seeking approval to defer commissioning of the Independent Environmental Audit until there has been 12 months of operational performance to permit collection of necessary monitoring data.

Independent Environmental Audit

The Department acknowledges that while the project was commissioned in the first half of 2016, use of Decision Support Tool (DST) required under the Operational Environment Management Plan (OEMP) has meant that the regular operation of the raw water supply system has not been necessary. The Department continues to see merit in delaying the Independent Environmental Audit until there has been at least 12 months of operational monitoring data collected to enable assessment of the adequacy of strategies, plans and programs under the approval.

The Department therefore approves Council’s request to defer the commissioning of the Independent Environment Audit, required under Condition C10 of the approval, until 12 months of operational monitoring data has been accumulated. The Department, however requests that within six months from the date of this letter and then every six months afterwards, unless the Secretary directs otherwise, Council provides updates to the Department on progress towards acquiring the 12 months of operational monitoring data. The Department reserves the right to require the Independent Environmental Audit to be commissioned at any time, should it be deemed necessary to assess the environmental performance of the project to assess whether it is complying with the approval requirements.

2017 Annual Review

The Department has completed its review of the 2017 Annual Review, taking into account that the OEMP commenced on 1 March 2017 and therefore the reporting covers only the period from 1 March 2017 to 30 June 2017.
The Department considers that the Annual Review generally satisfies the requirements of Condition C5 of the approval for that period. Please note that approval of this Annual Review is not endorsement of the compliance status of the project.

The Department also requests that the next Annual Review includes:

- assessment of project performance against the documents specified in Condition A2 (i.e. the approval, environmental assessment, etc), in accordance with Condition C5, rather than the OEMP under Condition D2. This is also to ensure any modifications to Condition A2 are accounted for in the Annual Review, which may not necessarily be reflected in the OEMP;
- consideration of the Annual Review Guideline October 2015. Council should complete and sign the Annual Review Title Block and Statement of Compliance (Tables 1, 2, and 3). The Guideline is available from the Department’s website at: http://www.planning.nsw.gov.au/~media/3AA21D35168042FE813DD0FB92E00E58.ashx; and
- review of the environmental performance of the project against the relevant predictions of the Environmental Assessment. Where there is a difference between predicted and actual impacts (as shown by monitoring), this should be accompanied by an analysis of any significant discrepancies. If there are no such discrepancies a statement to that effect should be included in the relevant section of the review.

The Department would like to advise you that the Annual Review, in accordance with Condition C5 of the approval is required to be prepared and submitted for the Secretary’s consideration, annually regardless of whether or not the pipeline has been operational for that year.

The Department would also like to advise you that any incident that has caused, or threatens to cause, material harm to the environment or any exceedance of criteria under the approval or an associated management plan, strategy or program is to be reported to the Department (and other relevant parties) as soon as possible in accordance with the incident reporting requirements set out under Condition C8.

Please do not hesitate to contact Dr Paul Rutherford on the above contact details should have any queries.

Yours sincerely

Georgia Dragicevic
Acting Team Leader Compliance
as nominee of the Secretary