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Director – Transport Assessments Planning & Assessment, Department of Planning, Industry and Environment Locked Bag 5022 Parramatta NSW 2124

Dear Sir/Madam

SSI-7319 - M1 Pacific Motorway extension to Raymond Terrace

The proposed M1 Pacific Motorway extension to Raymond Terrace project is acknowledged to be a major road transport infrastructure project for NSW. As described in the project Environmental Impact Statement (EIS), particularly in Tables 6.5 and 6.6, Hunter Water has been involved in ongoing discussions with Transport for NSW (TfNSW) (previously Roads and Maritime Services, and before that the Roads and Traffic Authority) since the project's inception. Matters canvassed have included potential impacts on Hunter Water's drinking water catchments and operations from the proposed motorway project, requirements to mitigate these impacts, and reviews of technical design elements at successive stages of project development.

The project would unavoidably impact on numerous aspects of Hunter Water's operations. The main impacts on Hunter Water operations at various locations along the route of the proposed motorway project would include:

- Impacts on the Tomago Sandbeds aquifer where the proposed motorway traverses the aquifer. The Sandbeds are an important drinking water catchment for groundwater that is extracted for treatment and supply to the Lower Hunter population;
- Impacts to water and sewer assets and operations associated with these assets;
- Impacts on Hunter Water property and access associated with each of the above; and
- Impacts to biodiversity on Hunter Water land where substantial areas of habitat are proposed to be cleared to enable the motorway project to proceed.

Each of these impacts is described further below.

Tomago Sandbeds Drinking Water Catchment

The most significant impacts from the motorway extension project on Hunter Water's operations would be associated with the construction and operation of that part of the motorway that traverses the Tomago Sandbeds aquifer.

The Tomago aquifer is a key source of raw water in Hunter Water's drinking water supply system for the Lower Hunter region and, accordingly, is a gazetted drinking water catchment (special area) under the *Hunter Water Act* 1991. Hunter Water's Government-issued operating licence requires it to comply with the Australian Drinking Water Guidelines, which includes the implementation of catchment protection measures to ensure that risks to water quality are appropriately managed.

Hunter Water requires that developments in drinking water catchments to demonstrate that the Neutral or Beneficial Effect (NorBE) principle is adopted in planning for developments to protect water quality. Following multiple discussions with TfNSW and its project design consultants, as outlined in the EIS, Hunter Water is satisfied that the proposed drainage design for the section of motorway that traverses the Tomago Sandbeds aquifer complies with the NorBE requirement and will be implemented during the project construction and operation to ensure that road pavement run-off will not impact on water quality in the aquifer.

Water and Sewer Assets

Impacts to water and sewer assets and associated services, notably access, would be significant at some locations and relatively minor at other locations. In each case these impacts are manageable through a combination of asset protection and/or relocation where required, and provision of alternate access arrangements, which have been discussed with TfNSW and incorporated into the motorway project design.

Hunter Water and TfNSW have an existing agreement for the management of assets impacted by road infrastructure works and, as indicated in the EIS, further arrangements for the management of assets that would be impacted by this project will be the subject of ongoing discussions with TfNSW during the detailed design and construction phases.

Hunter Water Property

The motorway extension project will impact numerous Hunter Water properties associated with water and wastewater assets and the Tomago Sandbeds, as generally described in chapter 14 of the EIS. It is acknowledged that the nature of the project would result in numerous land acquisitions and changes to existing property arrangements.

Hunter Water and TfNSW have discussed the respective changes to property associated with the project and we are confident that we can continue to work constructively with TfNSW to ensure the project is delivered in accordance with the plans described in the EIS.

Biodiversity

Hunter Water recognises the significant regional biodiversity and ecological corridor values in the Tomago and Heatherbrae areas, much of which comprises the Tomago Sandbeds catchment area and some adjoining land. While we acknowledge that the project has aimed to minimise impacts on biodiversity in the planning and design, it would nevertheless result in an unavoidably impacts on native habitats in this area, most of which is Hunter Water owned land. This includes the area leased to the Hunter Region Botanic Gardens (Botanic Gardens) on a long term basis at a peppercorn rate to promote local conservation and community education.

Hunter Water has previously assisted the Botanic Gardens to establish a biobanking agreement (now Biodiversity Stewardship Agreement) over the majority of the leased area in order to establish a future income stream to help secure the Garden's ongoing viability. A small proportion of this area would be impacted by the project, which will need to be addressed by TfNSW. Hunter Water has also investigated establishing a similar agreement for much of its Tomago Sandbeds catchment landholdings, a proportion of which would be impacted by the project.

In the interest of transparency, we note that Hunter Water has previously advised TfNSW of the possibility that Biodiversity Stewardship Agreements at the Botanic Gardens site or other Hunter Water landholdings in the vicinity of the motorway could contribute to the

biodiversity offsets objectives for the TfNSW project. Further exploration of this option would be a commercial discussion between the parties.

In addition to consideration of Biodiversity Stewardship Agreements, it is recommended that TfNSW also consider alternate examples of offset options including the future protection and/or rehabilitation of important wetland habitat on the Hunter estuary floodplain and the restoration of koala habitat in the derelict pine plantation on land at Heatherbrae that is located to the east of the proposed motorway. Such options may not be considered as suitable given the current site condition, however could provide long-term biodiversity benefits to the region if planned strategically.

Please feel free to contact Hunter Water's Manager Water Planning, Mr Kirby Morrison at <u>kirby.morrison@hunterwater.com.au</u> if you wish to discuss any of the above.

Yours sincerely,

Stuart Horvath Group Manager Planning & Engineering