



Hon Tony Kelly MLC
Minister for Planning
Minister for Infrastructure
Minister for Lands
Deputy Leader of the Government in the Legislative Council
Leader of the House in the Legislative Council

Mr Colin Reid
Director, Water
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office
SYDNEY NSW 1230



10/15037

Dear Mr Reid

I refer to your correspondence in relation to the application made by Pitt Town Water Factory Pty Ltd under the *Water Industry Competition Act 2006* (WICA) for a network operator's licence and a retail supplier's licence.

The licence applicant proposes to treat and supply recycled water for non-potable uses within the residential subdivision at Pitt Town (the Pitt Town Release Area). Concept plan approval was granted to Johnson Property Group for the Pitt Town Release Area under the *Environmental Planning and Assessment Act 1979* (EP&A Act) on 10 July 2008. The concept approval included the provision of related infrastructure, including water supply mains and sewerage mains. It is noted Johnson Property Group, as part of the concept plan approval, had a sewer servicing strategy in place, which was prepared in consultation with Hawkesbury City Council. However, Johnson Property Group and Pitt Town Water Factory Pty Ltd have developed an alternative sewerage strategy to service the release area (the proposal). This alternative may alleviate the need for major sewerage infrastructure works at McGraths Hills arising from the development of the Pitt Town Release Area.

I note and agree that Part 3, Division 18, clause 106 of the *State Environmental Planning Policy (Infrastructure) 2007* would only apply to the proposal after a licence under the WICA has been granted. As such, this would result in a planning assessment process under Part 5 of the EP&A Act after such a licence is granted. I am advised that the Department of Planning is undertaking ongoing discussions with the Independent Pricing and Regulatory Tribunal and the NSW Office of Water, with regard to the application of the *State Environmental Planning Policy (Infrastructure) 2007* to the WICA licensing process.

I also wish to draw your attention to the following issues that should be considered during the assessment of the proposal. Firstly, Hawkesbury City Council should be consulted to ensure the proposal is consistent with any development application it may be in receipt of

for the carrying out of works associated with the Pitt Town Release Area, under Part 4 of the EP&A Act. Secondly, I note at the time of the concept plan approval for the Pitt Town Release Area, Johnson Property Group were in the final stages of constructing a water trunk main from a connection point at Windsor Road through to Pitt Town, as approved by Sydney Water Corporation. Therefore, Sydney Water Corporation should be consulted in addressing the water cycle and servicing management plans for the area. Lastly, in large flood events, the Pitt Town area becomes isolated and accordingly the NSW State Emergency Services (SES) has devised an evacuation plan for the area. The SES should be consulted in determining whether the proposed water recycling facility can be developed at Pitt Town without major flood evacuation route upgrades.

Should you require any further information on discussions between the Department of Planning and the Independent Pricing and Regulatory Tribunal regarding the *State Environmental Planning Policy (Infrastructure) 2007*, I have arranged for Mr Tim Still, Team Leader – Sector Strategies, at the Department of Planning, to assist. Mr Still may be contacted on (02) 9228 6530.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Tony Kelly' with a stylized flourish at the end.

Tony Kelly MLC
Minister for Planning