



9 September 2022

Ms Carmel Donnelly
Tribunal Chair
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop
SYDNEY 1240

Dear Ms Donnelly

Re: 2021 Water NSW Murray River to Broken Hill Pipeline Review

On behalf of the Barwon electorate, I would like to present my submission in response to the review of prices for the Murray River to Broken Hill Pipeline.

Should you require any further information, please do not hesitate to get in contact with my office.

Yours sincerely,

[Redacted Signature]
Roy Butler
Member for Barwon





IPART Submission September 2022

Water is essential to life and access to water is therefore also considered one of the basic human rights. United Nations Resolution 64/292, adopted in July 2010, recognises the “right to safe and clean drinking water and sanitation as a human right that is essential for the full enjoyment of life and all human rights.”

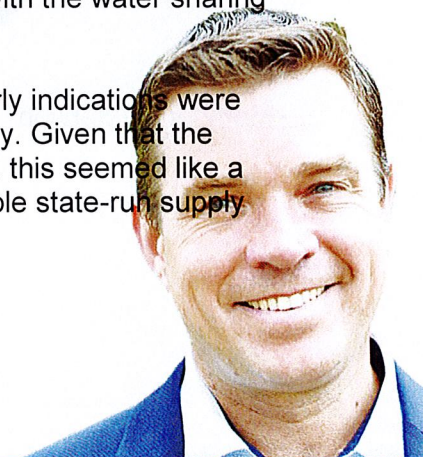
In a developed nation like Australia, every citizen should be able to access cheap, clean, safe, reliable, affordable sources of water, especially if they live in a city the size of Broken Hill. The Wentworth to Broken Hill pipeline was designed to secure that water supply, drawing water from the more reliable source of the Murray rather than from Menindee Lakes. The NSW Department of Industry – Crown Lands and Water Division quoted in their Summary of Final Business Case that the Broken Hill pipeline “is a once in a lifetime opportunity to ensure Broken Hill is on a sustainable footing for future generations. Everyone should have access to clean and secure water and this pipeline will provide certainty to businesses and residents to give this region every opportunity to prosper.”

Since the city was founded in 1883 it has had problems with maintaining an adequate water supply. The first miners in the area dug their own wells and created dams in an attempt ensure a supply, but this was piecemeal. Because of the need for water in mining, in 1892 a private water company, the Broken Hill Water Supply Company Ltd was established, building the Stephens Creek Reservoir, the city’s first water supply. After Stephens Creek became inadequate, people began protesting for the creation of a new supply. In 1912 work began on Umberumberka Dam, which was completed in 1915, again by a private company.

But in 1916 the water supply was taken over by the NSW Department of Public Works. In 1938 the Broken Hill Water Board was constituted, and it took over management of the water supply in 1939. In 1949 the NSW Government began modifying the Menindee Lakes, with a system of dams, weirs and canals to create a water storage for Broken Hill. The system was managed by the Water Board, which looked after the city’s water needs up until 2000, when it was merged with Australian Inland Energy, becoming part of Australian Inland Energy and Water, which later joined with Country Energy, later renamed Essential Energy.

The NSW government of the time, suggested it was the millennium drought which resulted in the lowest inflows in recorded history into Menindee Lakes and the emergency water supply situation facing Broken Hill as a result of the continuation of these low flows, that gave rise to the need for a long term sustainable water supply for the residents of Broken Hill. There are many and varied opinions as to the reasons behind low flows into Menindee Lakes. However, the deteriorating state of the existing water supply pipelines and the failure of the Menindee Lakes to adequately serve Broken Hill’s water needs, when Broken Hill came within days of running out of water in 2016, gave impetus to the creation of a new 270km pipeline that would be a more reliable source of water and would work with the water sharing arrangements outlined in the Murray Darling Basin Plan.

The pipeline could have been a chance to finally get things right, but early indications were that the people of Broken Hill would pay dearly for their new water supply. Given that the average income of people in Broken Hill is lower than the state average, this seemed like a slap in the face for a city that has waited more than a century for a reliable state-run supply of water.





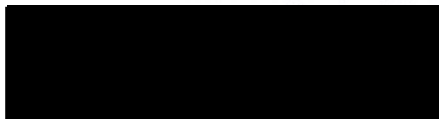
Broken Hill is a city with harsh climatic conditions, necessitating the use of evaporative coolers in the heat of summer, which use water. It is also a mining town where lead dust suppression, again using water, is vital for the health of its citizens. In the recent hearing held in Broken Hill, IPART's draft price of water, before inflation was quoted as being \$1453, for an average customer (one using 300 kl of water a year) and with inflation that amount would go up to \$1527. It was reported that IPART supports service and usage charges to remain the same as for the previous determination period (2019 to 2023) with the only increase in water costs to consumers by inflation. But these figures were calculated before a substantial increase in the price of energy which could add significantly to the cost. I urge IPART not to support this cost being passed onto the water consumer in Broken Hill but to be absorbed by Water NSW. The costs of treated water with inflation could still be significant and will impact on resident's decisions to remove green spaces in their homes, which help to cool the environment and suppress lead dust in the city. This will reduce liveability of a city that is on the cusp of a boom, with future mining projects that could support strong regional and economic development.

I understand that all the NSW government approvals are in place for the continuation of the bulk water supply subsidy for the next IPART determination period. I commend IPART for its support of this essential subsidy, but on behalf of the residents of Broken Hill and surrounds, request that a longer term view of the continuation of the bulk water subsidy be taken. The community of Broken Hill should not be held hostage to the threat of increasing water costs, each IPART determination period. Many of Broken Hill's residents are dependent on benefits for financial security and the increasing costs of a necessary commodity, such as water, cannot be borne by the remainder of the residents and businesses. I have written to the former Water Minister, Melinda Pavey and the present Water Minister, Kevin Anderson requesting that the NSW government continues to support the residents of Broken Hill, its surrounding communities and offtake customers "in perpetuity."

I urge the Hon Tanya Plibersek, Minister for the Environment and Water, to seriously consider that the Murray Darling Basin Authority should meet the cost of the Wentworth to Broken Hill Pipeline from the \$13billion fund as this piece of infrastructure, to secure water supply, supports the objectives of the Murray Darling Basin Plan.

The people of Broken Hill, residents, businesses and industry cannot afford to take on the cost of the Wentworth to Broken Hill pipeline. Water is essential for survival and it is time for the NSW government, in conjunction with the Commonwealth to resolve the total cost impact of the Wentworth to Broken Hill pipeline without placing a large burden on water users of Broken Hill.

Yours sincerely



Roy Butler
Member for Barwon

