

Submission to IPART's Review of Prices for Water and Sewerage Services to Broken Hill and Surrounds

20 November 2018

Essential Water

Purpose:

To provide reliable and cost-effective water, sewage, liquid trade waste and related services to customers.



>10,000
customers



Arid climate
With frequent drought
conditions



220kms
of pipeline to deliver
water to Broken Hill

Essential Water provides water supply services to Broken Hill, Menindee, Sunset Strip and Silverton and sewerage services to Broken Hill.

As part of Essential Energy, the water business manages three dams, four bulk supply pipelines covering 150kms, and three water treatment plants.



Customer engagement

Survey



Over 400 residential customers and 100 business customers participated

Online



Essential Engagement provided an online platform for customers to 'Have Your Say' and participate in the customer survey

Meetings

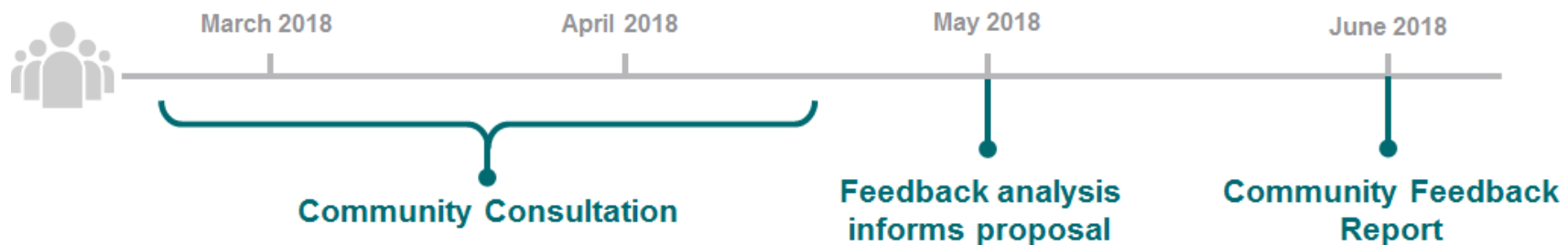


Providing greater opportunities to deep dive into matters of key interest to customers

Customer Council



- Broken Hill City Council
- Broken Hill Health Council
- Menindee, Sunset Strip, Copi Hollow Representative
- Pastoralists Association of West Darling
- CBH Resources
- Broken Hill Chamber of Commerce
- Perilya Mines
- Business Customers



Wentworth to Broken Hill Pipeline



**NSW Government
pipeline funding
(not part of Essential
Water's proposal to IPART)**



**Decommission
Imperial Lake
(no longer required)**



**Essential Water funding
application to NSW Govt:**

- **Menindee pipeline**
- **Sunset Strip Pipeline**
- **Decommission
desalination plant**
- **Stephens Creek
pumping station**
- **Decommission five
pumping stations**



**Murray River
water quality**



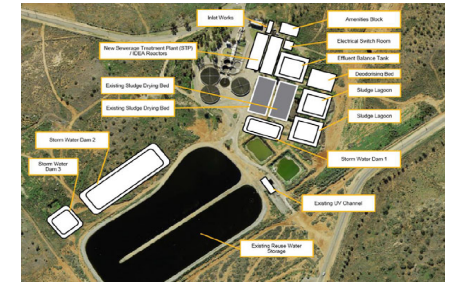
**Stephens Creek to
maintain 99.9% dual
supply reliability**

Major capital expenditure projects

Wills Street Waste Water Treatment Plant

\$34.5M

Constructed in 1939, has reached the end of its useful life and requires replacement. ~ \$20m major remediation works required to postpone replacement



Service Reservoirs & Tanks

\$9.4M

Replacement of 1892 Mica Street service reservoir (major structural faults); construction of service reservoir at Rocky Hill; refurbishment of Hebbard Street and Wyman Street service reservoirs

Water Treatment Plants

\$6.4M

\$5.84m allocated to replacement of Menindee WTP alone (installed in 1985). Multiple repairs and severely corroded - in urgent need of replacement



Water & Sewer Mains Replacement Program

\$6.2M

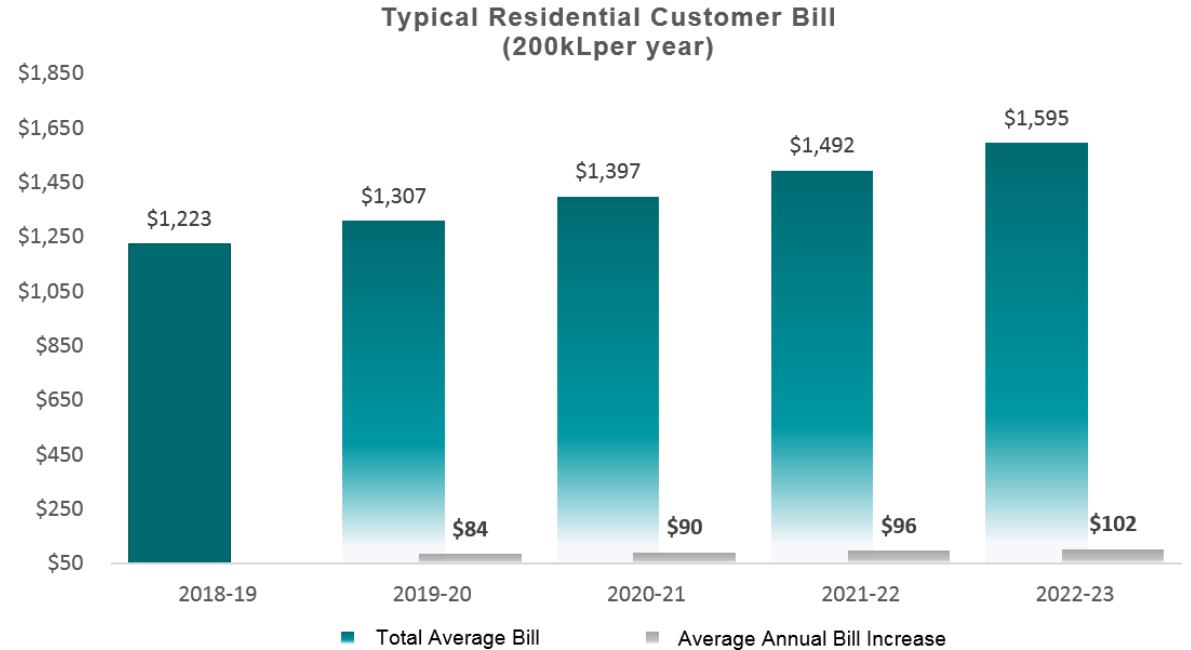
Critical to maintain levels of service across 470km of water and sewerage reticulation mains and manage fault and emergency works



Impact on customers

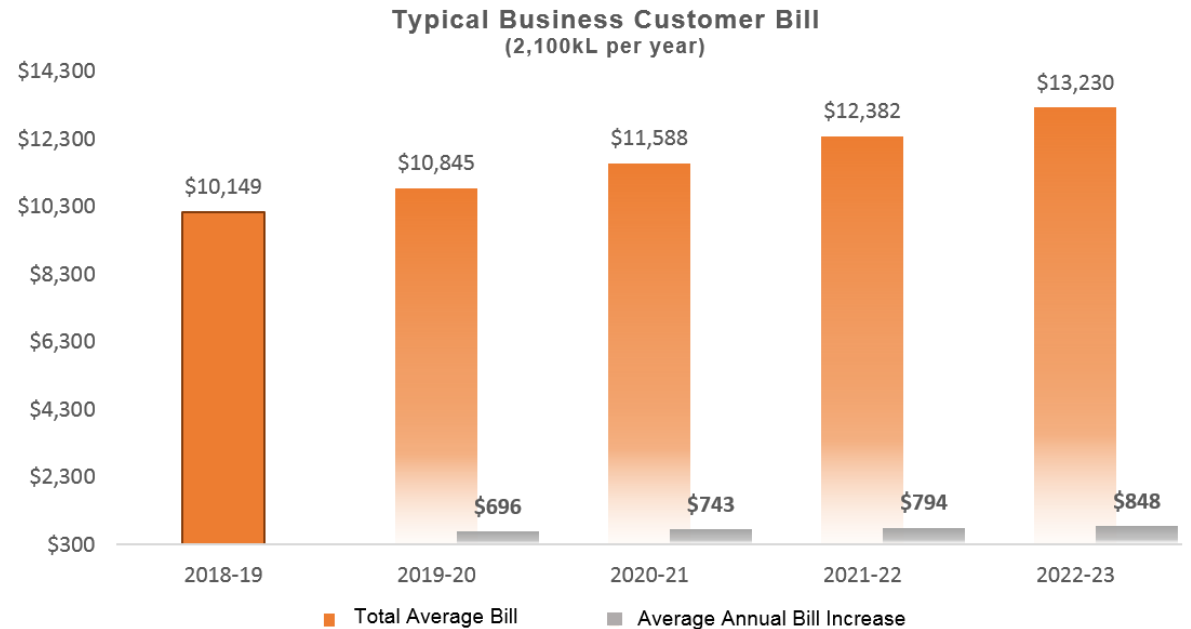
> Residential Customers:

- Average annual price increase of CPI + 4.2% (av. \$93 per year)
- Pensioner water rebate continues unchanged



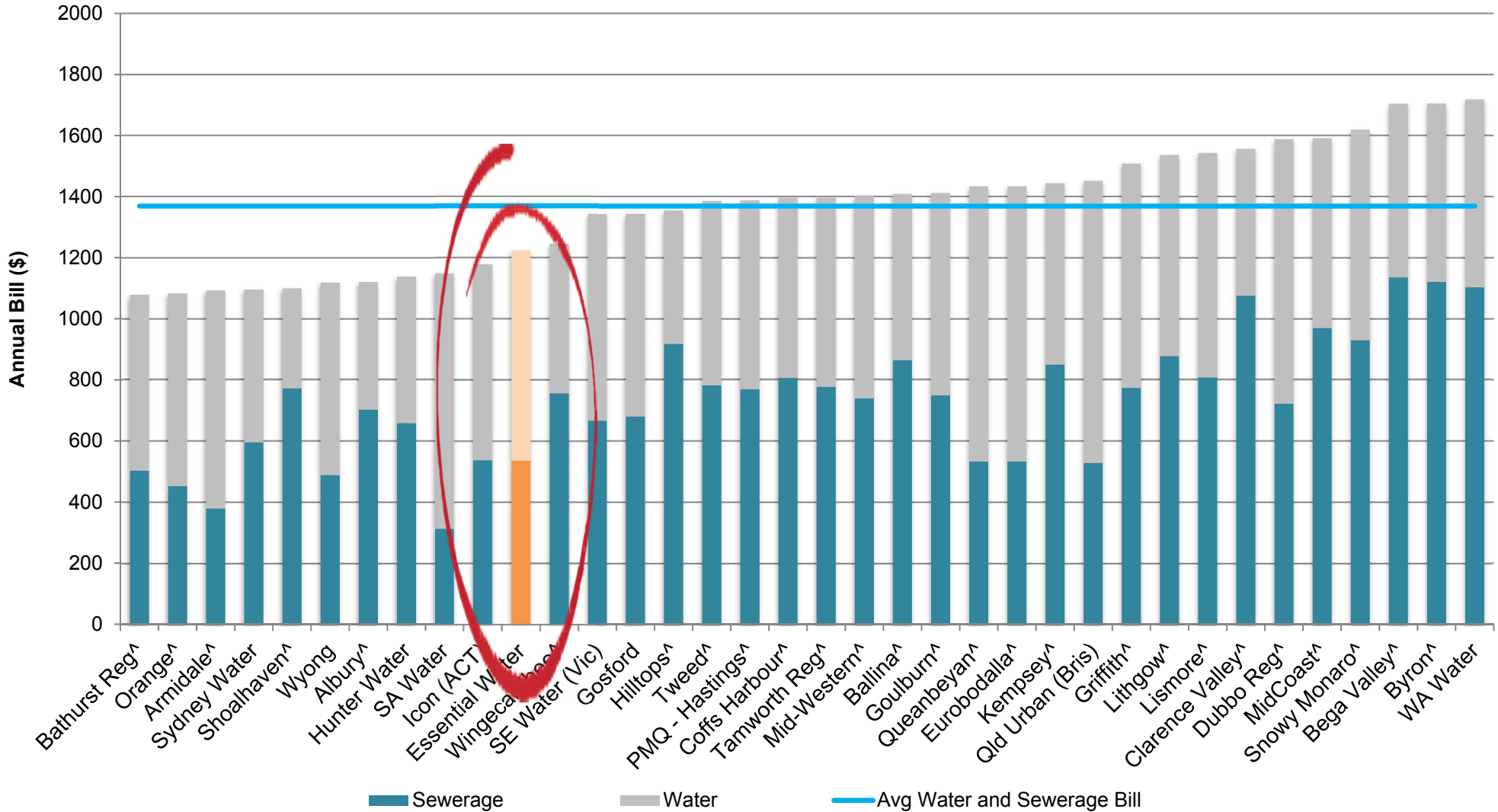
> Business Customers:

- Average annual price increase of CPI + 4.2% (av. \$770 per year)



How Broken Hill water prices compare

Water & Sewerage Bill Benchmarking Residential



Essential services for the community

- > In the past year, Essential Water has delivered a busy program of works for the Broken Hill and surrounding communities including:



replacement of 925m of water reticulation pipeline
repair of 320 customer water services

replacement of 508m of sewer main
repair of 436 sewer connection blockages
cleaning and rodding 23.9km of sewer main

Emergency drought relief measures at
nil cost to the community



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