



**The Hon Niall Blair MLC**  
Minister for Primary Industries  
Minister for Regional Water  
Minister for Trade and Industry

BN18/7332

Dr Peter Boxall AO  
Chairman  
IPART  
PO Box K35  
Haymarket Post Shop NSW 1240

Dear Dr Boxall *Peter*

I write to advise you of the Government's decision to subsidise the costs of construction and the efficient operation and maintenance costs required for the Wentworth to Broken Hill pipeline for the next four years from 2019-20 to 2022-23 to ensure that prices for end use customers do not rise in real terms as a result of the pipeline.

The Government is also considering whether this subsidy will extend to the consequential works that Essential Energy has proposed be undertaken as a result of the pipeline.

This decision recognises the importance of the pipeline in delivering long-term water security for the Broken Hill community.

Our intention is that IPART would assess the efficient costs of the pipeline in its WaterNSW Pipeline review and apply the subsidy in the review of Essential Energy's water and sewerage prices.

The Department of Industry is available to work with IPART to implement this decision. The Department's contacts for this matter are Mr John Smith, Director Economics and Finance on [REDACTED] and Ms Alex King, Director Cabinet and Legislation Services on [REDACTED].

Yours sincerely

**The Hon Niall Blair MLC**  
**Minister for Primary Industries**  
**Minister for Regional Water Minister for Trade and Industry**

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