

Three large, overlapping, curved shapes in shades of blue and light blue, resembling stylized waves or a landscape, positioned above the main title.

Stakeholder Engagement Summary Report

Wentworth to Broken Hill Pipeline IPART Consultation

July 2025

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1. Introduction

1.1 Purpose of document

The purpose of this document is to provide a comprehensive summary of the 2025 Wentworth to Broken Hill Pipeline Pricing Engagement to inform our Pricing Proposal.

1.2 Project background and scope

Our engagement design followed IPART's 3Cs framework to support our Pricing Proposal to IPART for the 2026 – 2031 Determination, and to ensure a high-quality, compliant engagement process. The consultation was fit for purpose. That is, engagement was designed with the customer landscape in mind directing most of our focus to our largest customer and proportional effort to targeted conversations with offtake customers and other stakeholders.

Our customers on the Wentworth to Broken Hill Pipeline are comprised of one large customer (Essential Water) and four minor offtake customers, with another offtake stakeholder, two stakeholder Councils, Wentworth Shire and Broken Hill Councils and the Barkandji Native Title Group also informing our end use customer and community inputs for this engagement. Mindful of IPART's 3Cs framework we built on our recent WaterNSW IPART experience. The consultation ensured:

- that we are delivering the outcomes that customers need and want
- that our costs are kept prudent and efficient
- that we have a pricing proposal and delivery plan that are credible.

Informed by early conversations with Sydney Desal Plant who have a similar structural relationships, we sought to optimise efficiencies and leverage off Essential Water's current IPART engagement, as well as our learnings from our recent Rural Valleys and Greater Sydney IPART Pricing engagement.

At the time of engagement, we had a strong relationship and connections with Essential Water, with regular contact between the operational and regulatory economics staff, but little prior information on or ongoing contact with offtake customers. We have fostered greater understanding of the Pricing engagement process with this cohort and heard that, while they are very happy with the service, for offtake customers affordability is top of mind.

The project scope was limited to the customers and stakeholders affected by the Wentworth to Broken Hill Pipeline. Community insights were derived from observing Essential Water's multiple focus group sessions and by direct consultation with both Wentworth Shire Council and Broken Hill Council.

The Barkandji Native Title group's meeting in late March was positive, resulting in a request to enter into a ILUA Agreement with WaterNSW. Outcomes of this process may feed into the Wentworth to Broken Hill Pipeline consultation and price proposal. The pipeline is built over Barkandji land and consultation prior to the pipeline's construction was limited. The two processes have run in parallel, and when approached the group declined formal engagement with our pricing process. The Barkandji were advised of the pricing engagements and invited to engage in whatever way they wished. However, they were not interested in any further consultation as they are confident they are progressing their outcomes via the ILUA currently in development with WaterNSW.

We aim to produce a Pricing Proposal that reflects customer and stakeholder priorities, delivers good value to our customers, and attracts a standard level of achievement from IPART.

Figure 1: IPART's 3Cs Framework



1.3 Timing and overview of process

There were three distinct phases of this activity. Our engagements generally followed the course of our Engagement plan, with some movement to accommodate availability, and the shift from three formal engagements with Essential Energy to two, at their request.

Time	Phase and Activity	Stakeholders
February - April 30	Phase One: Exploring Phase • Initial contact with Essential Water and scoping, discussion of the IPART 3C's framework, establish top priorities. • Permission sought and obtained to observe Essential Water's engagement. • Briefing from Essential Water to understand early learnings. • Engagement with other organisations with similar consultations (Sydney Desalination) for lessons learned. • First formal engagement session for exploration phase to set priorities, to inform topics for Phase Two and scope of performance measures	Essential Energy, Sydney Desalination Plant, Wentworth Shire Council, five smaller customers.
May - July	Phase Two: Diving into the Detail • Further formal engagement with Essential Water to reprioritise outcomes and develop performance measures. Detailed pricing discussion. • Consult with smaller offtake customers. • Consult on the cost and prices associated with water delivery. Gather feedback.	Essential Water and four smaller customers, one stakeholder on the pipeline. Broken Hill Council and Wentworth Shire Council. More conversations with offtake customers. Email

	• Consult with two stakeholder Councils and gather inputs for submission. • Consult with Barkandji to confirm their level of interest, to stay informed of outcomes.	and follow up conversation with Barkandji Native Title Group.
August	Phase Three: Closing the Loop • Demonstrate iteration and where we have incorporated customer feedback into our plans. Discuss prices. Communicated back to all customers and stakeholders via email. • Write up Engagement report and distribute.	Essential Water, Wentworth Shire Council, Broken Hill Council, Barkandji NTG and five offtake customers.

2. The 2025 Engagement Process

2.1 Engagement objectives

We adhered to our stated objectives:

- To instil greater confidence in the customers and communities we serve.
- To listen closely to customer priorities and ensure alignment between customer priorities and our future delivery.
- To conduct a high quality, fit for purpose engagement targeted to different customers and stakeholders. As we have one major customer and 4 offtake customers with low volumes, much of our effort was pitched toward Essential Water. Targeted engagement was also undertaken with two relevant Councils – Wentworth Shire Council and Broken Hill Council – and with the Barkandji Native Title Group.
- Conversations with customers yielded information about ways in which to deliver greater value to them in the coming determination.
- Material from our evaluations

2.2 Who we have engaged

We sought to conduct a targeted and comprehensive engagement program listening closely to our customers and stakeholders to capture the diversity of views held by Councils, Essential water, offtake customers and the Barkandji Native Title Group.

Typically, the engagements with Essential Water were necessarily formal and detailed, while discussions with offtake customers were less so and focused on their core concerns: namely cost and security of supply.

We aimed to provide Essential Water the complex and evolving pricing information in meaningful ways, updating Essential water on movements in our forecasting and key components.

For the Stakeholder Councils – Wentworth Shire and Broken Hill – we held two separate online sessions. These conversations were led by their concerns, and we confirmed the value of coordinated communications for planned works for Wentworth Shire Council, and noted Broken Hill Council's concern to support water usage and ensure supply to Broken Hill residents remained the primary purpose of the pipeline.

The following two tables provide more detail about these engagements. The first table details who we spoke to, what form the engagement took and how often and when they were engaged. The second table describes the content delivered and the key takeaways for each session.

Table 1: Who we Engaged and How

Who and what	Customer/ Stakeholder	How we engaged	When
Essential Water - preliminary	Customer	Briefing from EW on their engagement	February 2025
Essential Water 1	Customer	PP presentation online workshop	April 2025
Essential Water 2	Customer	PP presentation online workshop	June 2025
Offtake Customer 1	Customer	Face to face and by phone	Multiple conversations May, June, July
Offtake Customer 2	Customer	Phone	Multiple conversations May, June, July
Offtake Customer 3	Customer	Phone	Two conversations, May & June. Don't pay for water unless conditions changing don't need further engagement
Offtake Customer 4	Customer	Phone and online meeting	June online meeting. Affordability and supply top concerns
Offtake Stakeholder Transport for NSW	Stakeholder	Face to face and by phone	V. happy to have the access when TfNSW needs it
Barkandji NTG CEO	Stakeholder	Email and by phone	Once each July 2025
Wentworth Shire Council	Stakeholder	Online discussion	May 2025
Broken Hill Council	Stakeholder	Online discussion	May 2025

2.3 How we have engaged

We sought to conduct a targeted and comprehensive engagement program listening closely to our customers and stakeholders. We asked them about the channels through which they would like to be engaged and the frequency of engagement and aligned our plans to meet their needs.

Essential Water notably requested that we reduce the amount of planned formal engagements from three to two, and confirmed they would like us to close the loop via a targeted email with headline information. We adapted and delivered our content to suit this revised format.

Note that all customers and stakeholders were happy to receive an email update on the final submission to close the loop.

Engagement with offtake customers was a combination of face to face, phone calls and Teams online meetings where frank and full discussion took place, and actions were followed up for individual needs.

Table 2: What we delivered and what we learnt

Customer	Key content	Key takeaways
Essential Water 1	Varied discussion on priorities, pricing and asset maintenance for the period (See attachments for presentation)	Priorities are 1. Water security, reliability 2. Affordability 3. Water quality, 4. Maintain good communication and feedback loop Happy with the service and want continuity Appreciate detailed
Essential Water 2	Detailed discussion on priorities and performance measures, pricing detail, assets (See attachments for presentation)	See priorities – slight shift – priorities 2&3 swapped; see perf. Measures developed below. WNSW to consult EW on language around subsidy, acknowledging it's criticality to EW's planned operations for the coming period.
Offtake Customers 1	Discussion covered - satisfaction levels with service received, - likely price rise, reasons for this, likely scale of price rise (around 3%) plus CPI - asset maintenance, service agreements, licensing and water quality.	Want to continue service. Many noted couldn't be happier with the service, just want it to continue, and not to balloon in cost. Affordability top of mind for most. Supply of water critical for some, rarely used for others. "when you need it you need it, and the cost doesn't increase at this time".
Offtake Customer 2		
Offtake Customer 3		
Offtake Customer 4		
Stakeholder (TfNSW)(former offtake customer, may be in the future)		
Wentworth Shire Council	Discussion around infrastructure needs, cooperation between parties and funding support for flood mitigation measures	WaterNSW to explore ways to support this should future funding become available.
Broken Hill Council	Primarily concerned with maintaining water security and levels of usage to mitigate lead. Relieved to hear that the primary purpose for the pipeline remains the water supply of Broken Hill.	WaterNSW confirmed primacy of supply to Broken Hill population as main purpose of the pipeline – to ensure this is well represented in our documentation, and support Essential Water by ensuring security of supply and raw water quality to mitigate poor environmental outcomes.

2.4 What we have learnt from observing Essential Water's Pricing Customer Engagement

A key feature of our engagement design was to observe Essential Water's customer engagement with end use customers. These learnings and key threads have helped shape our proposal.

Specifically, we have examined how customers have influenced Essential Water's priorities and outcomes and the salient role of the pipeline as critical infrastructure to support end use customer outcomes through Essential Water. The feedback from Essential Water's end use customers was also mirrored to some extent by our engagement with Broken Hill Council which, along with Wentworth Shire Council, gave us community content for our Pricing proposal. However, Essential Water's engagement also revealed that where Broken Hill Council wanted to encourage sustained usage to mitigate health risks of lead dust, EW's residential customers differed and felt this shouldn't have an impact on pricing. They also didn't believe there would be benefit in scaring customers with big price rises which, in the final analysis, would not impact them. Essential Water was encouraged to communicate the materiality of the outcome and take a broader view.

Early in Essential Water's engagement they identified that their customers valued water quality and security and wanted Essential Water to work collaboratively with other government agencies including WaterNSW. Clearly these also carried through in our engagement and are well represented in our outcomes and their associated performance measures.

2.5 Where customer and stakeholder input is reflected in our plans and pricing proposal

2.5.1 Customer outcomes and Performance measures

The feedback received from offtake customers and Essential Water on customers' priorities, outcomes and output measures reflects the narrow field of operation for the pipeline. Specifically, customers' outcomes and proposed ranking are:

Customer Outcome 1: WaterNSW will provide secure and reliable water delivery

Customer Outcome 2: WaterNSW to play its part in ensuring optimal water quality.

Customer Outcome 3: WaterNSW will be efficient and keep its costs as low as practical

Customer Outcome 4: WaterNSW to continue to keep customers in the loop to ensure peak operations and support Essential Water in delivering optimal outcomes for end use customers.

For some offtake customers, outcome 3 ranked highest for them and we have taken that into account when challenging our costs and in considering our approach to the price path.

2.5.2 Performance measures

Performance measures were derived in close consultation with Essential Water, with feedback from our four offtake customers taken into account, Broken Hill Council and Wentworth Shire Council. Our performance measures were also supported by existing standards and frameworks, many of which are confirmed in the independent audit (Attachment 16).

Our second engagement session with Essential Water built on the priorities and outcomes identified in our first session, and the proposed measures we put forward were largely accepted without change. This process speaks to the maturity of the working relationships between Essential Water and WaterNSW. This was identified (by the Head of Water Operations) in Session One who also confirmed that the operating

relationships and performance were currently working very well and required no major improvement. Should a problem arise in the performance of water delivery service, Essential Water felt confident they had the formal systems and processes, as well as the ease of mature informal relationships, to expeditiously and easily resolve any issues. Appendix 16 of our submission confirms via an independent external audit that these systems are working well and that performance of the pipeline and asset management continues to meet a high standard.

In terms of agreed measures, other stakeholders accorded with those identified by Essential Water but they differed slightly in order of priority. For instance, many of the offtake customers identified that affordability would be their top concern, followed by security of supply. Following our conversations, offtake customers felt less concerned about the scale of increase expected. Further, Essential Water identified that while they retained the subsidy from the NSW Government for the impact of the pipeline on end customer prices, affordability would not be their primary concern. However, we noted that in the absence of continued government funding, affordability would become their number one priority. Hence, the criticality of retaining the government subsidy on prices for Broken Hill was underlined in our engagement.

Our second session with Essential Water included a detailed conversation around priorities and performance measures, and they reordered their priorities in this session to place water quality above affordability, but noted the importance of context above in achieving this.

Broken Hill Council were critically interested to confirm that the main purpose of the pipeline was to supply the population of Broken Hill, and therefore security of supply was clearly their number one priority.

The four priorities and their associated performance measures, in view of all these inputs, are:

Customer Outcome 1 – Secure and reliable water supply

WaterNSW will provide secure and reliable water delivery

How can we achieve this?

- Maintain the water delivery assets and improve our understanding of the water system – quality and volume (drought planning was an important part of this outcome).
- Trility in consultation with WaterNSW have developed specific management plans including an ***Operations Management Plan (OMP)*** and a ***Communication Protocol – Essential Water & Offtake Customers***.
- The OMP ensures that the project is operated in an efficient and optimal manner with the main goal to provide water to an acceptable quality and quantity in accordance with all relevant standards. To meet this objective, the OMP will ensure compliance with all relevant safety and environmental legislation and standards.

How could we report on this?

- Use existing systems and channels to report.
- Annual performance report is comprehensive, transparent and timely.
- Report on progress with maintaining our assets – simple progress metric/traffic light.
- Monitor water balance across the system and report on any losses.
- Report against government standards for cyber protection of data and critical infrastructure.
- That WaterNSW continue to report on the set of performance indicators for the Pipeline as part of its Annual Information Return (AIR), as outlined in Table 4.5 below

Customer outcome 2: Water quality

WaterNSW to play its part in ensuring optimal water quality

How can WaterNSW “lean in” to best support EW’s monitoring and delivery?

How can we achieve this?

- Trillity in consultation with WaterNSW have developed specific management plans for Water Quality (Attachment 5, 16.1) and Algal Management. These are reviewed annually. Compliance with Algal Management Plan, including timely reporting of algal blooms to Essential Water and other customers in accordance with WaterNSW’s **Communication Protocol – Essential Water and Offtake Customers**.
- The Water Quality Management Plan has a guiding principle – that the delivered water quality shall not significantly reduce from the quality of the water sourced from the River Murray.
- Water quality sampling and monitoring points exist at multiple locations throughout the system from the RMPS (River Murray Pumping Station) through to the outlet of the BWS (Bulk Water Storage).

How could we report on this?

- Notification of algal water quality breaches will be made to WaterNSW’s nominated personnel; these emails are also communicated to Essential Water.

Customer Outcome 3: Efficiency and keeping costs low

WaterNSW will be efficient and keep its costs as low as practical

How can we achieve this?

- Affordability concerns will be raised in our submission, and we will note the continued operation of the subsidy for Broken Hill.
- Recognise significance of subsidy for end use customers, to ameliorate impacts.
- When referencing the subsidy, we will consult with EW on wording.
- Mindful of this context in our approach in our pricing proposal.
- Only spend in accordance with our agreed revenue.
- Implementing a true-up for benchmark energy costs to ensure that WNSW does not receive more (or less) revenue than is required to fund the benchmark costs.
- Commit to 1% cost efficiency on our SPV costs within our control (with the exception of benchmarked or contracted cost inputs)

How could we report on this?

- Annual reporting on how we are working within our revenue.
- Reporting in the Murray Lower-Darling Customer Advisory Group, of which Essential Water is a member (CAG).
- We note that WaterNSW will continue to report on the set of performance indicators for the Pipeline as part of its Annual Information Return (AIR) for IPART, as outlined in Table 4.5 below.

Customer outcome 4: Communication

WaterNSW to continue to keep customers in the loop to ensure peak operations and to support Essential Water in delivering optimal outcomes for end use customers. Transparency and consistent communication valued in this process.

How can we achieve this?

- Continue to utilise existing formal and informal channels to build relationships
- We have developed a **Stakeholder Engagement Framework** – a series of commitments to customer and community engagement. Send link to EW and Offtake customers on the pipeline.
- Essential Water is now a valued CAG member – so through the CAG.

How can we report on this?

- Monthly and annual reporting in place.
- Implement ***Communication Protocol – Essential Water & Offtake Customers.***

Table 3: Where Customer Outcomes are evidenced in our Pricing Proposal (by Section)

The following table details where outcomes and their associated performance measures are evidenced in our Pricing Proposal, by section:

Outcome or Issue	Identified by which stakeholders/ customers	Where this is evidenced in our Pricing Proposal (Section)
1. Security of supply	EW Consultation, offtake customers and Broken Hill Council particularly	Customer Outcomes, Output Measures, Section 4. The Wentworth to Broken Hill Pipeline, Section 7 How we will deliver these outcomes
2. Water quality	EW – raised in priority to number two	Customer Outcomes, Output Measures, 5. Raw Water Supply Agreement with Essential Water, Section 7 How we will deliver these outcomes
3. Pricing affordability	EW – role of subsidy noted, otherwise would be number 1 priority.	Customer Outcomes, Output Measures, 6. Proposed Regulatory framework, Section 7 How we will deliver these outcomes
4. Communication and Transparency	Optimal visibility of pricing parameters and operational communication	Customer Outcomes, Output Measures, Section 7 How we will deliver these outcomes
5. Principle of alignment between two Proposals	To optimise outcomes for our primary customer Essential Water and for end-use customers.	Customer Outcomes
6. Barkandji NTG outcomes	Outcomes associated with Barkandji NTG aspirations	Section 7.1.4 Proposal Easement acquisition cost true up

2.6 Meeting IPARTs Principles for good engagement

The following text is taken from the *Independent Pricing and Regulatory Tribunal Water Regulation Handbook* July 2023 pp.18-25.

Principle 1: Meaningful and sincere engagement

“Customer engagement aims to understand customer needs and preferences, so a business can incorporate this into its plans and proposals.

We expect businesses to provide customers with information in a form that is accessible and easy to understand, so that it enables customers to make informed contributions to the engagement process. We would expect executive leadership and Boards to be involved in customer engagement, to foster a culture of excellence in the process and embed it as a business-as-usual activity.

We expect customers to feel they understand the issues at hand, that the business understood their views, and understand how their contributions and inputs are used.”

Principle 2: Diverse and inclusive engagement that is accessible and tailored to the customer base

“Within a business’s customer base, there will be a mix of different customers with varying preferences on how they prefer to receive information and be engaged.

We expect a business to identify and make engagement accessible to its stakeholders, including those stakeholders experiencing disadvantages or vulnerability. Businesses are expected to have regard to customers’ differing capacity and access to engagement.

A business can utilise various customer engagement tools, techniques, data sources and leverage different levels of engagement, such as IAP2 Spectrum of Public Participation, to enable customers to participate and provide meaningful input.”

Principle 3: Balance customer, community and environmental needs

“Water is critical to our communities, environment and economy. We expect businesses to demonstrate how they have considered and balanced their customers’ and communities’ diverse views and preferences in developing their plans and proposals.”

Principle 4: Relevant, timely and appropriate

“Customer engagement should identify customer values, issues of priority and agreements on how the business would deliver on these expectations. We expect topics covered during customer engagement to be priorities for customers, and for a business to be able to demonstrate both:

- how it identified topics relevant to its customers
- how customers have had the chance to influence these topics.”

Principle 5: Transparent and accountable

“We expect businesses to demonstrate how they ensure customers understand the overall impact of their preferences and willingness to pay. This should include how decisions will impact different customer and community groups and the impact for current and future customers.”

Principle 6: Representative, reliable, and valid design

“Credible results from customer engagement require customer engagement to be designed so that it produces results that are an accurate representation of the views and preferences of the business’s whole customer base.

Customer engagement design should be free from systematic error. For example, selection bias commonly occurs in customer engagement processes where customers ‘self-select’ or ‘opt-in’ to an

engagement process. This results in skewed outcomes that are not representative. Good engagement practice requires a business to randomly select participants with a statistically valid sample size that is representative of all its customers and communities.

Good customer engagement should be designed to eliminate or minimise systematic error and demonstrate how results are both reliable and valid. Likewise, we expect customer engagement to avoid the use of biased survey questions that result in unreliable and inaccurate views and feedback.”