

Our ref: OUT22/11629

Carmel Donnelly PSM

Chair, Independent Pricing and Regulatory Tribunal

By email: [REDACTED]

18 August 2022

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Subject: Government subsidy for Broken Hill pipeline costs to manage affordability

Dear Ms Donnelly

I write to update you on information I recently received from NSW Treasury regarding the payment from the Restart NSW fund to subsidise the costs of the Murray River to Broken Hill pipeline.

As noted in the draft report on IPART's review of Essential Water's water and wastewater prices in Broken Hill, the NSW Government currently pays a subsidy to offset the costs of the Broken Hill pipeline and manage affordability impacts on the people of Broken Hill.

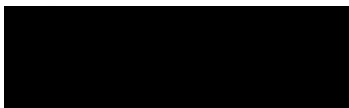
IPART's draft price determination for Essential Water assumes that the NSW Government will continue the existing funding commitment, so that Essential Water's prices do not increase as a result of the costs of the Broken Hill Pipeline.

I can confirm that NSW Treasury staff have advised the Department of Planning and Environment – Water Group that all relevant approvals are in place to continue paying the subsidy to cover the regulated costs of the Broken Hill pipeline from the Restart NSW fund over the next price determination period.

If you would like to discuss this matter further, please contact Kate Drinkwater, Director Economics Advisory at [REDACTED]

Yours sincerely,

Jim Bentley



Chief Executive Officer, NSW Water Sector