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JN:LJB

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ABN 84 873 116 132

Independent Pricing and Regulatory Tribunal NSW
PO Box K35
Haymarket Post Shop
SYDNEY NSW 2000
uploaded through IPART submissions portal

Dear Sir/Madam

BROKEN HILL CITY COUNCIL'S SUBMISSION

- IPART REVIEW OF ESSENTIAL WATER 's PRICES FOR WATER AND WASTEWATER SERVICES IN BROKEN HILL - DRAFT REPORT JUNE 2022; AND

- IPART REVIEW OF WATER NSW's PRICES FOR THE MURRAY RIVER TO BROKEN HILL PIPELINE – DRAFT REPORT JUNE 2022

Broken Hill City Council welcomes the opportunity to provide a submission for IPART's consideration into IPART's review of Essential Water's prices for water and wastewater services in Broken Hill to apply from 1 January 2023 until 30 June 2026; and IPART's review of Water NSW's prices for the Murray River to Broken Hill Pipeline to apply from 1 January 2023 until 30 June 2026

Mayor, Councillors and Council's Executive Leadership Team held a Briefing on 9 August 2022 to discuss the IPART's Draft Reports June 2022 with all present agreeing to the following submission being provided to IPART regarding:

ESSENTIAL WATER's PRICES FOR WATER AND WASTEWATER SERVICES IN BROKEN HILL

- Council welcomes and supports IPART's draft decision that Essential Water's prices for water and wastewater services increase by inflation only for Broken Hill customers for the period 1 January 2023 until 30 June 2026.
- Council requests IPART's consideration that the water and wastewater prices increases by inflation be capped at increases up to 3.5%.

Council's request for price increases to be capped at 3.5% is due to the following factors

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Economic Status – Ability to pay

As outlined in Council's previous submission, Broken Hill has a higher number of part-time workers and low-income earners when compared to the rest of NSW indicating a lesser capacity to meet increasing utility costs. There are also a significant number of people receiving income support in Broken Hill.

In particular, utility charges will impact on the older residents – 2,981 of those residents receiving payments receive the Age Pension and 5,739 have access to a Pension Concession Card. There are 1525 residents receiving Commonwealth Rent Assistance, 1200 receive a Disability Support Pension, 721 receive Carer's Allowance and 377 a Carer's Payment. These residents on various types of support payments typically cannot afford the rising costs of water and therefore to reduce their water bills they will forego the watering of their gardens.

Broken Hill also has an Aboriginal and Torres Strait Islander population of approximately 8.5%. The City's Indigenous residents are also low-income earners, and Indigenous children typically have higher lead levels than non-Indigenous children. Indigenous families do not have the disposable income to pay increased water charges to water their gardens.

The financial impact of the COVID-19 pandemic on businesses and families should also be taken into consideration, with a large number of families on minimum wages during 2022/2021 through the Job Keeper and Job Seeker payments and many small businesses being forced to close their doors for long periods. Small businesses and families are still recovering financially from a loss of income due to the COVID-19 pandemic, and this will affect their ability to pay increased utility costs.

Liveability of the City

Increases above a capped 3.5% may mean that water will become unaffordable for many members of the community due to their inability to pay. This will in-turn result in reduced water usage by many residents. Reduced water useage then impacts the liveability of the City, as a green City then becomes unsustainable due to our low rainfall as rainwater alone will not sustain our gardens.

Council, businesses and residents rely on the town water supply to supplement watering of our parks, ovals, street trees and verges as well as residential gardens.

The unpredictable impact of climate change affects water consumption during period of drought. Rainfall alone will not sustain gardens in Broken Hill given our desert climate and during period of drought. Therefore Council, businesses and residents need to use the town water supply to sustain gardens and lawns.

Greening the City and Lead Remediation

The devastating impact of the drought on the City's regeneration reserve, street trees, parks, ovals and residential gardens is still evident, and there is a need for increased water usage to re-green the City.

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Broken Hill residents are acutely aware of the relationship between low rainfall and the potential for increased lead levels in the population. Lead is a metal that has been mined in Broken Hill for many years. It is in the dust, soil, dirt and rainwater tanks in our town. Our dry climate means lead dust gets into everything, via the air (LeadSmart Broken Hill www.leadsmart.nsw.gov.au/about).

The New South Wales Environmental Protection Authority soil action level for further investigation is 300ppm (parts per million). In Broken Hill, lead levels are known to be generally well above this level in nearly all cases. As a precaution, it should be assumed that all land in Broken Hill contains lead unless proven otherwise.

Increasing water prices places stress on the community's ability to maintain green spaces and actively manage lead exposure. The continuing drought also means that there is considerable stress on Council and residents as they attempt to maintain a green city.

More importantly, changes to the acceptable level of lead in blood have increased the imperative to remain vigilant about maintaining parks, gardens and nature strips and maintaining the city's Regeneration Reserves (green belt). The Reserves form an integral part of the City's National Heritage Listing and are one of the earliest, land-use initiatives in the world aimed at combating land degradation. Council in collaboration with a number of volunteer groups, have continued to maintain the green belts since 1937.

Mayor, Councillors and Council's Executive Leadership Team held a Briefing on 9 August 2022 to discuss the IPART's Draft Reports June 2022 with all present agreeing to the following submission being provided to IPART regarding:

WATER NSW's PRICES FOR THE MURRAY RIVER TO BROKEN HILL PIPELINE

- Council welcomes and supports IPART's draft decision that Essential Water's yearly bills to transport water through the WaterNSW pipeline would decrease by around 31% (before inflation) compared to current bills, and Essential Water's bills would then remain mostly stable over the next three years; and that the continuation of the NSW Government subsidy for this period.
- Council advises its concern that the NSW Government have not given an undertaking to provide a permanent subsidy to guarantee that infrastructure contributions are not passed onto customers in the future.

Council acknowledges that the NSW Government have now given an undertaking to pay the infrastructure contributions for the construction of the Wentworth to Broken Hill pipeline until 2026 but is concerned that the government's contributions may cease in 2026 with the possibility that costs will be passed onto customers. Council is concerned that bills may increase beyond Broken Hill customer's ability to pay.

During the construction of the Wentworth to Broken Hill pipeline, Essential Water and NSW Water stated that a pipeline directly to Broken Hill's processing plant would be the more economical option, and although not required for water supply for the City of Broken Hill, the existing water storage plants are still operating (Umberumberka Reservoir and Stephens Creek Reservoir). The Umberumberka and Stephens Creek Reservoirs are in use for outlying pastoral properties surrounding Broken Hill and it is a concern that the costs of operating these reservoirs continues to be passed onto Broken Hill customers.

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There was a significant increase in water charges in the four years from 2003 to off-set the Mica Street Treatment Plant capital upgrades. After the project was completed the levy imposed on residents was not removed, and Essential Water have continued to charge and collect these additional charges from residents. This increase to water bills should be taken into consideration as previous IPART determinations considered capital renewal costs.

As mentioned earlier in this submission, it is important to keep water bills affordable to ensure the ongoing environmental lead management requirements and; for the liveability and greening of the City. Broken Hill residents have to pay to enjoy a green environment which people who live in higher rainfall areas take this for granted.

Council wishes to thank IPART for taking into consideration matters raised in Council's previous submission when making its determination into water and wastewater prices for Broken Hill along with the review of WaterNSW's prices for the Murray River to Broken Hill pipeline.

Council looks forward to meeting representatives of IPART to discuss other matters pertaining to land rates at a Briefing to be held in Broken Hill on 5 September 2022, prior to IPART's public hearing in Broken Hill on Essential Water pricing and WaterNSW's pipeline pricing reviews.

Yours faithfully,



TOM KENNEDY
MAYOR