



Ref: 20251127MC:AS

27 November 2025

The Independent Pricing and Regulatory Tribunal (NSW)

Via online submission

Essential Water submission to the review of 2026-31 prices for Essential Water and the WaterNSW Murray to Broken Hill Pipeline

Essential Water welcomes the opportunity to provide feedback to the Independent Pricing and Regulatory Tribunal of NSW (IPART) on its Issues Paper for Essential Water and the WaterNSW Murray to Broken Hill Pipeline (the Pipeline).

Essential Water's submission focuses on the questions relating to WaterNSW.

18. What do you think about WaterNSW's engagement process for its water transportation services? Do you think WaterNSW has engaged effectively with customers and stakeholders?

Essential Water is satisfied with how WaterNSW engaged on its 2026-31 pricing proposal. WaterNSW held a number of engagement sessions to ascertain Essential Water's priorities for water transportation services and attended regular meetings with the Essential Water network regulation team, whilst both businesses were developing their proposals. WaterNSW provided an overview of the main factors influencing their pricing for the 2026-31 determination period.

WaterNSW attended a number of the Essential Water Customer Panel meetings as an observer, to help in their understanding of the outcomes valued by end user customers.

19. What do you think of the WaterNSW pipeline proposed capital expenditure program?

WaterNSW has justified the need for its capital expenditure program on the basis that, as the Pipeline reaches 10 years of operation in the 2026-31 determination period, some replacement capital expenditure will be necessary. This rationale appears reasonable but Essential Water will rely on IPART's processes to decide whether the level of capital expenditure is appropriate.

20. What do you think about the WaterNSW pipeline proposed operating expenditure?

WaterNSW has proposed average operating expenditures per year which is a 2% reduction on the current determination period. This appears reasonable but Essential Water will rely on IPART's processes to decide whether the level of operating expenditure is appropriate.

21. Do you have additional comments about the NSW Government subsidies of water prices covering the costs of the WaterNSW pipeline?

The Essential Water Pricing Proposal notes that the NSW Government indicated it was appropriate to assume a continuation of the affordability subsidy for the Pipeline during the 2026-31 period, and this has been factored into our price modelling. However, Essential Water would welcome a longer term commitment to this subsidy to give a greater level of assurance to our customers and the community as to the future affordability of Pipeline related charges. This also reflects a recommendation made by

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IPART in its 2022 Determination for Essential Water, that there should be a longer-term approach to the NSW Government subsidy to provide greater certainty to customers.¹

We are happy to expand further on these aspects, if required. Please contact our [REDACTED]

Yours sincerely

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¹ IPART Review of Essential Water's prices for water and wastewater services in Broken Hill, Final Technical Report, November 2022, p.88