

Essential Water 2026–31 Pricing Proposal

Untreated Water, Stephens Creek - Broken Hill Pipeline

This document provides a high-level public summary of our detailed confidential submission to IPART regarding Essential Water's proposed untreated water pricing increases and the implications of the Silver City Energy Storage (SCES) Project.

We operate a stargazing hospitality, tourism and educational experience, known as Outback Astronomy. We also live at this property, located just outside the Broken Hill township but still located within the local government area boundary. Untreated water is supplied via the Stephens Creek to Broken Hill pipeline. This submission addresses Essential Water's proposed increase in untreated pipeline water prices and service charges.

We strongly object to Essential Water's proposed increases to untreated pipeline water pricing and related service charges because:

- No improvement in service or water quality is being offered in return for the higher price.
- Untreated water quality is becoming more variable and more difficult to treat, not more reliable.
- We are facing increased water demand and operating costs, not reduced demand.
- We receive no benefit from proposed sewerage infrastructure work, yet may still bear indirect costs.

In simple terms, we are being asked to pay more for a service that will be more difficult and costly for us to use safely.

Murray River vs Stephens Creek Water – Our Experience

Previous pricing decisions have relied on the idea that Murray River water is of higher quality and therefore justifies higher pricing. Our real-world treatment experience does not support this. Water quality varies substantially depending on seasonal conditions, algal events, turbidity pulses and switching sources.

With the commencement of the SCES project, frequent cycling between Stephens Creek and Murray River sources will become a permanent feature of operation, making untreated pipeline water less stable and more difficult to treat into the future. There is no technical basis for price increases under these conditions, and in equity, pricing should instead reflect the rising treatment burden placed on pipeline customers.

SCES Project Matters for Water Pricing

Hydrostor's SCES project involves (a) building a ~350 ML industrial water reservoir at the Flying Doctor Deposit, (b) its initial fill of approximately 250–300 ML over 12 months, (c) ongoing water top-ups for operations over a projected 50-year life and (d) long-term water supply sourced through the same pipeline that supplies us. This represents a major new industrial water demand.

Despite this:

- SCES demand has not been included in Essential Water's regulated demand forecasts;
- The project is treated as "uncertain" for pricing purposes, even though Hydrostor says it has a water supply agreement in place.

This creates a pricing equity problem: existing customers face rising prices while a very large new industrial user is excluded from the pricing base.

Dust, Lead and Water Use

The SCES surface facility is located on the greenfield Flying Doctor Deposit, where environmental investigations have confirmed significantly elevated lead and zinc in surface soils. Construction will occur over approximately 40 hectares directly across the road from our property. During at least three years of construction, and into operations thereafter:

- Disturbance of contaminated soils will generate dust containing lead and zinc;
- Hydrostor proposes water-based dust suppression as the primary control;
- This will require very large volumes of water;
- We will be forced to use additional water for cleaning, asset protection and health risk management.

Technical analysis of project documentation and NSW Planning's consent conditions show:

- Hydrostor's dust suppression proposals are minimal and generic;
- Regulatory consent conditions rely largely on future plans and monitoring, not on engineered containment;
- There are no toxic-metal-specific enforceable limits for off-site lead dust exposure.

This means water demand will increase significantly, while effective physical prevention of contaminated dust at the site boundary is not guaranteed.

Regional Impacts and Local Equity

We fully acknowledge that contaminated dust from a project of this scale may affect a much wider area of the Broken Hill region under prevailing wind conditions. However, properties closest to the SCES site face the greatest exposure and the highest unavoidable water use burdens. It is not equitable for:

- Those most exposed to industrial dust risk to also face higher untreated water prices; and
- The principal dust-generating industrial proponent to remain outside the regulated demand model.

Summary

1. Reject increases in untreated pipeline water usage prices for the 2026–31 period.
2. Cap or reduce fixed service charges for small pipeline customers.
3. Require SCES/Hydrostor demand to be included in regulated demand forecasts immediately.
4. Ensure SCES-related operational and infrastructure costs are not borne by existing customers.
5. Apply a precautionary framework that recognises contaminated land, drought risk, and forced increases in water use.

It is unfair and unsustainable for small pipeline customers to absorb rising untreated water prices, suffer increased treatment and dust-related water costs and shoulder contamination risk, while the principal new industrial water user is excluded from the current pricing framework.

We urge IPART to place pricing equity, water security and transparent cost allocation at the centre of its final determination.