



ROY BUTLER MP

INDEPENDENT MEMBER FOR BARWON

REF: RB12693

28 April 2026

Independent Pricing and Regulatory Tribunal NSW
Level 16
2-24 Rawson Place
SYDNEY NSW 2000

Dear Sir

Re: Submission re Draft Determination – Maximum prices for water and waste-water services supplied by Essential Energy in Broken Hill for the next regulatory period plus prices for Water NSW's Murray River to Broken Hill pipeline services from 1 July 2026

IPART Submission – April 2026

Water is essential to life, and access to water is recognised as a basic human right. United Nations Resolution 64/292, adopted in July 2010, affirms “the right to safe and clean drinking water and sanitation as a human right essential for the full enjoyment of life and all human rights.”

In a developed nation such as Australia, every citizen should have access to clean, safe, reliable, and affordable water. This expectation is particularly reasonable for residents of a regional city the size of Broken Hill. The Wentworth to Broken Hill Pipeline was designed to secure that supply, sourcing water from the more reliable Murray River system rather than the historically variable Menindee Lakes. The NSW Department of Industry – Crown Lands and Water Division stated in its *Summary of the Final Business Case* that the pipeline “is a once-in-a-lifetime opportunity to ensure Broken Hill is on a sustainable footing for future generations. Everyone should have access to clean and secure water, and this pipeline will provide certainty to businesses and residents to give this region every opportunity to prosper.”

Broken Hill has faced challenges in maintaining an adequate water supply since its establishment in 1883. Early miners relied on wells and small dams, which proved insufficient. In response to the growing demand, the Broken Hill Water Supply Company Ltd was established in 1892 and constructed the Stephens Creek Reservoir. When this supply became inadequate, community pressure led to the construction of Umberumberka Dam, commenced in 1912 and completed in 1915, again by a private company.

In 1916 the NSW Department of Public Works assumed responsibility for the water supply, followed by the establishment of the Broken Hill Water Board in 1938, which took over operations in 1939. From 1949, the NSW Government modified the Menindee Lakes system through dams, weirs, and canals to provide water storage for Broken Hill.



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This system was managed by the Water Board until 2000, when it was merged with Australian Inland Energy, later forming Australian Inland Energy and Water, which subsequently became part of Country Energy (now Essential Energy).

The NSW Government has attributed the water crisis facing Broken Hill in the mid-2010's to the Millennium Drought, during which Menindee Lakes experienced the lowest inflows on record. While opinions differ on the causes of reduced inflows, the deterioration of aging pipelines and the failure of Menindee Lakes to reliably meet Broken Hill's needs culminated in the city coming within days of running out of water in 2016. This crisis provided the impetus for construction of the 270-kilometre pipeline as a long-term, sustainable solution consistent with the water-sharing arrangements of the Murray–Darling Basin Plan.

The pipeline presented an opportunity to finally secure Broken Hill's water future. However, from the outset there were serious concerns that local residents would bear an unreasonable financial burden. Income data from 2021 shows that Broken Hill has a higher proportion of low-income households (earning less than \$800 per week) at 32.3%, compared to 26.0% across regional NSW. Median personal income was approximately \$647 per week (\$33,644 per annum). The SEIFA Index of Relative Socio-Economic Disadvantage score of 913 (ranked 2 in 2021) reflects high unemployment, low incomes, and a concentration of low-skilled occupations. These factors illustrate a community with limited capacity to absorb substantial price increases.

Despite early assurances and political statements at the time the pipeline was commissioned, which suggested that Broken Hill residents would not be required to fund cost recovery, current proposals indicate otherwise. Broken Hill's harsh climate necessitates the use of evaporative cooling systems during extreme summers, which rely on water. As a mining city, water is also essential for lead dust suppression, a critical public health measure.

IPART's draft determination proposes residential water bill increases capped at 4.7% plus inflation for five years from July 2026. For an average household using approximately 300 kilolitres per year, this could result in annual bills rising to around \$1,700 once inflation is included. While I recognise IPART's challenge in balancing affordability with the need to fund aging infrastructure, these increases are not affordable for many Broken Hill residents. Broader economic pressures, including global conflict and rising fuel and food costs, are already placing significant strain on household budgets.

Passing these costs on to consumers risks reducing liveability, discouraging household green spaces that cool the environment and suppress lead dust, and undermining the city's capacity to attract future investment and economic growth. Broken Hill is still awaiting the next phase of mining-driven economic expansion, and increased water costs will only hinder that progress.

I acknowledge and commend IPART's support for the bulk water supply subsidy and trust that the necessary NSW Government approvals are in place for its continuation



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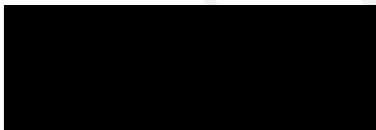
during the next determination period. However, on behalf of the residents of Broken Hill and surrounding communities, I strongly urge IPART to adopt a longer-term view. The community should not be subject to ongoing uncertainty or “held hostage” to rising water prices at each IPART determination. Many residents depend on government benefits, and the cost of an essential service such as water cannot be continually shifted onto households and local businesses.

I have previously written to former Water Ministers and to Minister Jackson requesting that NSW Government support for the Broken Hill water supply continue “in perpetuity.”

Finally, I urge Senator the Hon Murray Watt, Minister for the Environment and Water along with NSW Minister Rose Jackson Minister for Water to consider that the Commonwealth Government and NSW Government should meet the costs of the Wentworth to Broken Hill Pipeline from the \$13 billion Basin Plan funding allocation perhaps in combination with a NSW IPART determination on the beneficiaries/impactors being the Southern NSW Basin, SA irrigators and domestic users. This infrastructure directly supports the objectives of the Murray–Darling Basin Plan by securing a reliable urban water supply and enabling a reconfiguration of the Menindee Lakes system for broader basin benefit. It is reasonable to regard the pipeline as a “basin good.”

The residents, businesses, and industries of Broken Hill cannot afford to bear the cost of this critical infrastructure. Water is essential for survival, and the NSW Government, in partnership with the Commonwealth, must resolve the ongoing cost impacts of the Wentworth to Broken Hill Pipeline without imposing an unfair burden on local water users.

Yours sincerely,



Roy Butler MP
Member for Barwon