



**The Hon Niall Blair MLC**  
Minister for Primary Industries  
Minister for Regional Water  
Minister for Trade and Industry

IM18/3769

Mr Peter Boxall AO  
Chairman  
[ipart@ipart.nsw.gov.au](mailto:ipart@ipart.nsw.gov.au)

Dear Mr Boxall

*Peter*

Thank you for your letter of 7 February 2018 about the draft direction proposed to be issued under section 16A of the *Independent Pricing and Regulatory Tribunal Act 1992* (IPART Act).

I can advise that, in accordance with 16A (3A) of the IPART Act, the Minister administering the IPART Act, the Premier, has approved the direction. As such, I have now issued the 16A direction.

Please find attached a copy of the direction for your records and action. I have also attached the letter of response from the Premier.

If you require additional information or wish to discuss this matter further, please contact Ms Alex King, Director Cabinet and Legislation Services, on (02) 9338 6814.

Yours sincerely



19 APR 2018

**The Hon Niall Blair MLC**  
Minister for Primary Industries  
Minister for Regional Water  
Minister for Trade and Industry



New South Wales

## **Direction to the Independent Pricing and Regulatory Tribunal in relation to the construction and operation of the Broken Hill pipeline 2018**

under the

Independent Pricing and Regulatory Tribunal Act 1992

I, Niall Blair, MLC, Minister for Regional Water, with approval of the Premier, in pursuance of section 16A of the *Independent Pricing and Regulatory Tribunal Act 1992*, make the following direction to the Independent Pricing and Regulatory Tribunal.

Dated this 19<sup>th</sup> day of April, 2018.



**The Hon. Niall Blair MLC**  
**Minister for Regional Water**

### **Explanatory note**

This direction is made under section 16A of the *Independent Pricing and Regulatory Tribunal Act 1992*. The object of this direction is to require the Independent Pricing and Regulatory Tribunal, when making determinations of pricing for the government monopoly services relating to the Murray River to Broken Hill pipeline to include an amount or factor in its methodology representing the efficient cost of complying with the following two section 20P directions issued to Water NSW under the *State Owned Corporations Act 1989*: the first issued on 21 November 2016 to construct, operate and maintain the Murray River to Broken Hill pipeline and the second issued on 31 August 2017 to ensure that in constructing the Murray River to Broken Hill pipeline, the minimum targets set in the Government's Infrastructure Skills Legacy Program are met and that the pipeline is constructed substantially using Australian rolled steel.

# **Direction to the Independent Pricing and Regulatory Tribunal in relation to the construction and operation of the Broken Hill pipeline 2018**

under the

Independent Pricing and Regulatory Tribunal Act 1992

## **1 Name of Direction**

This direction is the *Direction to the Independent Pricing and Regulatory Tribunal in relation to the construction and operation of the Broken Hill pipeline 2018*.

## **2 Commencement**

This direction commences on the day on which it is signed and will remain in force until it is revoked, either in whole or in part.

## **3 Direction**

The Independent Pricing and Regulatory Tribunal is directed, when making determinations of pricing for the Services, to include an amount or factor in its methodology representing the efficient cost of complying with the Section 20P Directions.

## **4 Definitions**

In this direction:

**Section 20P Directions** means the following directions issued to WaterNSW under section 20P of the *State Owned Corporations Act 1989*:

- (a) the *Direction to the Board of WaterNSW to secure the water supply of Broken Hill 2016* dated 21 November 2016; and
- (b) the *Direction to the Board of WaterNSW in relation to the construction of the Broken Hill pipeline 2017* dated 31 August 2017.

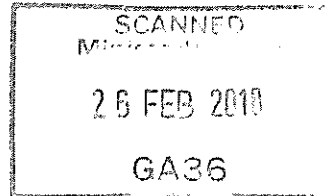
**Services** means the services that are:

- (a) supplied by WaterNSW by means of or in connection with the Murray River to Broken Hill pipeline; and
- (b) declared to be government monopoly services for the purposes of the *Independent Pricing and Regulatory Tribunal Act 1992*.



**Gladys Berejiklian MP**  
Premier of New South Wales

Ref: A2428356



22 FEB 2018

The Hon Niall Blair MLC  
Minister for Regional Water  
GPO Box 5341  
SYDNEY NSW 2001

Dear Minister, *Niall,*

Thank you for your correspondence of 13 February 2018, regarding the proposed direction to the Independent Pricing and Regulatory Tribunal (IPART) on the Broken Hill Pipeline Project.

I approve issuing the proposed direction to IPART under section 16A of the *Independent Pricing and Regulatory Tribunal Act 1992*. I note that under this direction IPART will be required to consider the efficient costs of complying with government directions when determining the maximum price for the monopoly services relating to the Murray River to Broken Hill pipeline.

Yours faithfully,



**Gladys Berejiklian MP**  
Premier