



Ref:

18 April 2011

Mr Michael Deegan
National Infrastructure Coordinator
Infrastructure Australia
GPO Box 594
CANBERRA ACT 2601

Dear Mr Deegan

Regional Towns Water Quality and Security Review

Thank you for the opportunity to lodge a submission for the Regional Towns Water Quality and Security Review.

Essential Water has a long history of providing water to Broken Hill with the original Broken Hill Water Board being constituted in 1938. Water supply to Broken Hill has never been undertaken by the local Council.

Essential Water is a Local Water Utility (LWU) as defined under the *Water Management Act (NSW) 2000*. Essential Water operates as a division within Essential Energy (formerly Country Energy), a State Owned Corporation, providing water supply services to 10,000 customers in Broken Hill, Menindee and surrounding smaller communities. Our service area is the most arid in NSW and every eight years in ten Broken Hill water supply is dependent on water sourced from the Darling River, being pumped via an aboveground pipeline, a distance of 116 kilometres.

Essential Water would like to respond to the comment in the report that Water Utilities servicing regional communities struggle to implement and comply with Australian Water Guidelines. Specifically, that *E. coli* and Lead were the most significant health-related non-compliances recorded.

Broken Hill is the major population centre within Essential Water's area of operations, with a population of around 20,000 people. Broken Hill has a long mining history, being founded in 1883 following the discovery of a rich silver, lead and zinc deposit. Mining continues today. Broken Hill has had a long association with lead and its potential impacts, with high community awareness and understanding. Essential Water also acknowledges that Lead is an issue and needs careful management, especially in regards to the drinking water supply.

Over the past ten years, Essential Water has had 100% compliance for Lead in accordance with the Australian Drinking Water Guidelines (ADWG). Similarly in relation to *E. Coli*, Essential Water has had 100% compliance with ADWG over the past ten years.

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Mr Michael Deegan, National Infrastructure Coordinator - Infrastructure Australia

Essential Water operates successfully under the State Owned Corporation structure. This structure means that Broken Hill receives the benefit of an organisation with sufficient economies of scale and expertise to undertake major infrastructure replacement programmes. Having sufficient economies of scale, effectively means smaller communities such as Broken Hill benefit from new infrastructure that may not necessarily be achievable otherwise. A recent example of this community benefit is the commissioning of a new water treatment plant for Broken Hill.

Price setting for Essential Water is regulated by the Independent Pricing and Regulatory Tribunal of NSW (IPART), with the first determination period commencing July 2010. IPART undertakes a rigorous process of examining Essential Water's water and sewerage functions, and the appropriate level of revenue needed to support these activities in an efficient and effective manner.

Please do not hesitate to contact me on 08 8082 5804 if you require any further information.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'T. NADGE', with a large, stylized flourish extending from the end of the name.

Travis Nadge
Group Manager Water