

Ref:

15 November 2016

Ms Claire Armstrong
Principal Council Officer
Upper House Committees
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

Dear Ms Armstrong

Proceedings before General Purpose Standing Committee No. 5 Water Augmentation

Reference is made to the proceedings before the General Purpose Standing Committee No. 5 Water Augmentation held in Broken Hill on Wednesday, 26 October 2016.

"The Hon. RICK COLLESS: Thank you for your time both yesterday and today. Can you give us some background, if you have these figures available to you, about how the water charges for Broken Hill compare with other regional towns in New South Wales?"

Mr COFFEY: I will have to take that on notice. I will add that the water charges in Broken Hill are \$1.77 a kilolitre of treated water and, along with the access charges, the average consumption is about 285 kilolitres per year. In restricted periods, as of last year, the average was 237 kilolitres per customer, but in an average year that equates to about \$2.30 per day per resident for treated water. As far as comparing with other utilities, I will have to take that on notice, I am sorry."

Ref DPI Water, 2014-15 NSW Water Supply and Sewerage Performance Monitoring Report, Figure 2; Typical Residential Bill (\$ per assessment) – Water Supply 2015-16, shows; Broken Hill's (Essential Energy) typical bill of \$770, was fourth most expensive of the 25 Local Water Utilities in NSW with customers > 10,000 properties.

"The Hon. RICK COLLESS: On the existing pipeline, can you give us a bit of an idea about what the annual maintenance bill is on that pipeline at present?"

Mr COFFEY: I cannot give you an exact figure on that. I will have to take that on notice. The issue I am going to have in replying to that is to consider the major pipeline replacement that would not be occurring if the Murray pipeline proceeds. You can imagine \$200 million to replace a 600 diameter pipe—which is no longer a requirement."

Menindee Pipeline maintenance costs were:

- \$632,900 in 2013-14
- \$437,500 in 2014-15

Discussion; not included in the maintenance costs is pipeline major replacement costs. Essential Water applied for \$5,270,000 for replacement of one 3.2km section of the pipeline in 2014-15, as it was beyond Essential Water's funding capacity. There are 31 sections along the Menindee Pipeline.

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Ms Claire Armstrong, Principal Council Officer - Upper House Committees

"The CHAIR: Unfortunately, we are out of time. Mr Coffey, any questions taken on notice should be answered within 21 days of receipt. Can you provide the photographs showing the condition of the pipeline and the breakouts for inclusion in the report?"

Please refer to the **attached** photos of some of the failures of the Menindee to Stephens Creek pipeline as requested.

Please also find **attached** minor edits to transcript (pages 38 to 43).

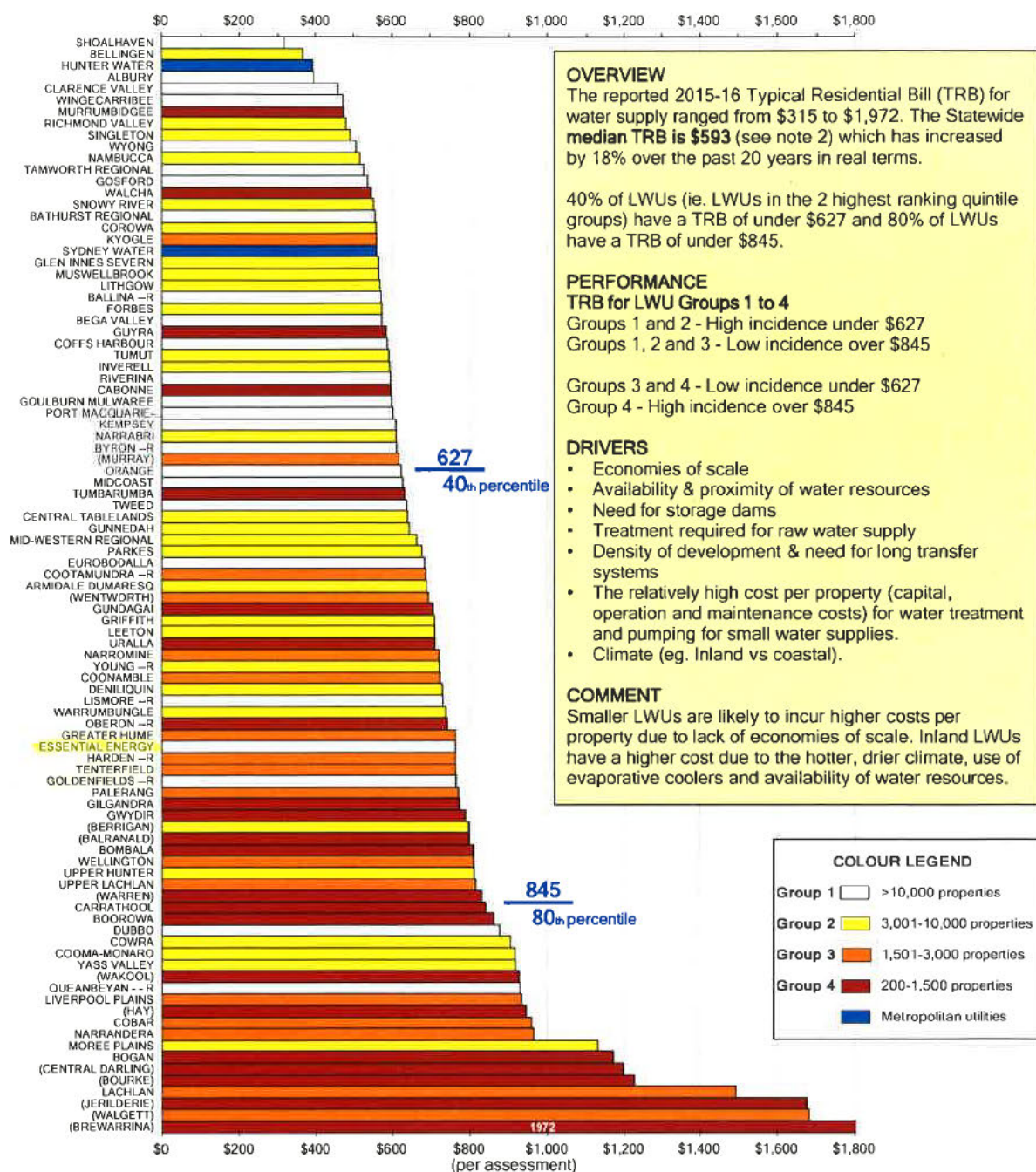
Should you have any queries, please do not hesitate to contact the writer on 08 8082 5307.

Yours sincerely

John Coffey
Acting Manager Water Operations

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Figure 2: Typical Residential Bill (\$ per assessment) - Water Supply 2015-16 - P3



Parameter: (2014-15 Average Residential Water Supplied x 2015-16 Water Usage Charges) + 2015-16 Water Access Charge

Notes:

1. This figure shows ranked values of the 2015-16 typical residential bill for water supply [NWI Indicator P3] for each Local Water Utility (LWU) in 4 groups, based on the number of connected properties served - over 10,000 (Group 1), 3,001 to 10,000 (Group 2), 1,501 to 3,000 (Group 3) and 200 to 1,500 (Group 4). The metropolitan water utilities (Sydney Water Corporation and Hunter Water Corporation) are shown in blue.
2. The Statewide median is a weighted median calculated on the basis of connected properties. It best reveals statewide performance of the regional NSW utilities by giving due weight to larger LWUs and reducing the effect of smaller LWUs.
3. As shown in the box on page 5, the increase in the real water supply Typical Residential Bill (TRB) over the past 20 years has been limited to 18%.
4. Refer also to pages 5, 6, 71, 85 and 89.
5. The 12 LWUs with a dual water supply (ie. a potable supply for indoor use and a non-potable supply for outdoor use) are enclosed in brackets. Reticulators are suffixed by --R. Refer also to Notes 4 and 6 on page 32.
6. For general notes see page 30.



Menindee Pipeline Section 3, 12 September 2002



Menindee Pipeline, August 2005, Pipe No 782



MPL Failure Section 1 Near Pumping Station 18.09.2016