

# Enforcement Action Notice 10/2021

19 August 2021

## \$5,000 penalty issued to Veolia Water Solutions & Technologies (Australia) Pty Ltd

IPART has taken action against Veolia Water Solutions & Technologies (Australia) Pty Ltd (VWST) for contravening the standard licence condition under clause 1(2), Schedule 1 of the *Water Industry Competition (General) Regulation 2008*. This condition applies to its network operator's licence 10\_008 for the Darling Quarter recycled water scheme.

VWST breached this clause on 5 occasions by failing to provide notification of incidents involving a breach of the critical control limit for chlorine residual to the local public health unit and other relevant authorities, including IPART. On one of these occasions the plant also failed to shutdown supply of water to the treated water storage tanks.

### Monetary penalty

IPART imposed the penalty on VWST under section 16 of the *Water Industry Competition Act 2006* (NSW) (WIC Act) for failing to notify the incident of 5 March 2020, which was viewed as serious as the plant failed to shutdown supply of water to the treated water storage tanks. VWST paid the penalty on 26 October 2020.

### Contravention

The contraventions were identified in the 2020 operational audit of the Darling Quarter scheme. The auditor identified deficiencies in the Water Quality Plan (WQP) for the scheme to clearly define what incidents that threaten or could threaten water quality, public health or safety would trigger notification and, in particular, when a breach of a critical limit must be notified. The auditor also identified a deficiency in the operational systems and corrective action in relation to a breach of the critical limit for residual chlorine. The auditor was satisfied however that the incidents were not likely to have threatened public health or safety.

In addition to the monetary penalty, IPART ordered VWST to notify the local public health unit and other relevant authorities of the incidents, rectify the chlorination process and address the deficiencies in the WQP.

IPART considered that the orders and monetary penalty were appropriate to achieve our regulatory objective to protect public health and safety by ensuring licensees notify the relevant authorities of any incident that threaten or could threaten water quality, public health or safety, and to deter future contraventions by VWST or other licensees.

VWST required extensions of time to implement the rectification works to the chlorination process, due to problems created by the pandemic. VWST complied with the extensions and on 30 June 2021 completed all rectification works and revisions to its WQP. Adequacy of the WQP and the new chlorination process will be tested at the next operational audit.

## Compliance and enforcement

IPART administers licences for private water utilities under the WIC Act. We monitor compliance with obligations to protect public health, consumers and the environment. For private water utilities such as VWST, IPART undertakes regular audits to monitor compliance with licence conditions.

Monetary penalties and orders requiring specified remedial action are amongst the tools IPART can use to enforce compliance. Further information about IPART's approach to compliance and regulation can be found in the [IPART Compliance and Enforcement Policy](#).