

Enforcement action notice 01/2025

25 July 2025

Enforcement action issued to WaterNSW

IPART has taken action against WaterNSW for contravening clause 2.1.3 of the 2022-2024 Water NSW operating licence.

WaterNSW breached this clause by failing to fully implement its water quality management system (WQMS). Specifically, Water NSW did not ensure accurate and adequate reporting to its Board in accordance with the requirements of its WQMS.

Enforcement action

On 22 July 2025, IPART imposed the direction to complete works under section 17 of the *Water NSW Act 2014* (Act) for contravention of its operating licence. The direction includes a list of actions and reporting dates, which WaterNSW must comply with.

Contravention

The action relates to Water NSW's failure to fully implement its WQMS, as required by operating licence clause 2.1.3. The 2024 auditor identified concerns that employees and/or officers of WaterNSW did not accurately or adequately report key information to WaterNSW's board of directors during the audit period. Similar issues were identified at the 2023 audit. We consider these issues are reflective of repeat deficiencies in the implementation of its WQMS and therefore found WaterNSW to be non-compliant with this obligation.

There is no suggestion that this non-compliance means that the drinking water supplied by WaterNSW is not safe. Rather, the non-compliances may increase the risk that WaterNSW's multiple barrier approach to water quality management could be compromised and should be addressed.

IPART considers that a direction to action 3 recommendations related to the contravention, by their due dates, is appropriate action to achieve our regulatory objectives. We consider that this will allow WaterNSW to achieve compliance with its regulatory and public health objectives.

WaterNSW has provided IPART with actions taken to date to address the identified non-compliance. WaterNSW has also set out the outstanding actions it intends to take to rectify the non-compliance, including the dates by which those actions will be taken. IPART acknowledges that WaterNSW is taking steps to address the contravention and related issues. These will be tested at a future audit.

Compliance and enforcement

IPART administers the WaterNSW operating licence under the Act. We monitor compliance with obligations to protect public health, consumers and the environment. For public water utilities such as WaterNSW, IPART undertakes annual 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](#).