

Enforcement Action Notice 09/2021

19 August 2021

\$25,000 penalty issued to Sydney Water

IPART has taken action against Sydney Water for contravening clause 3.1.2 of the Sydney Water operating licence.

Sydney Water breached this clause by failing to implement water conservation measures that were assessed as economic under the Economic Level of Water Conservation (ELWC) Methodology.

Monetary penalty

IPART imposed the penalty on Sydney Water under section 19A of the *Sydney Water Act 1994* (NSW) (Act) for contravention of the Sydney Water operating licence. Sydney Water paid the penalty on 16 August 2021.

Contravention

The action relates to Sydney Water's failure to implement water conservation measures that were assessed as economic under the Economic Level of Water Conservation (ELWC) Methodology. The contravention was significant and aggravated by the fact it occurred during a period of sustained drought conditions.

IPART considered that a monetary penalty was an appropriate action to achieve our regulatory objectives, particularly to focus Sydney Water on the importance of implementing its Water Conservation Program, and to deter future contraventions by Sydney Water and other water utilities.

Since the audit, IPART has continued to engage with Sydney Water and sought submissions. The submissions provided by Sydney Water included actions taken to address identified non-compliances. IPART acknowledges that Sydney Water has taken significant steps to address the contravention and related issues. These will be tested at a future audit.

Compliance and enforcement

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