

Licence compliance under the *Water Industry Competition Act 2006* (NSW)

Annual Compliance Report to the Minister

October 2022

Water ≫

Tribunal Members

The Tribunal members for this review are: Carmel Donnelly, PSM, Chair Deborah Cope Sandra Gamble

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The Independent Pricing and Regulatory Tribunal

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Acknowledgment of Country

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders, past, present and emerging.

We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

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1 Executive summary

This is the Independent Pricing and Regulatory Tribunal's (IPART's) annual report on licence compliance under the *Water Industry Competition Act 2006* (WIC Act).¹ It sets out our findings on the extent to which the water network operators and retail suppliers licensed under the WIC Act complied with their licence conditions during 2021-22. It also summarises how the industry has changed over the reporting period, and the activities we undertook to monitor licensees' compliance.

(\Rightarrow) Compliance performance of licensees during 2021-22 remained high.

The compliance performance of most of the 31 licensees² under the WIC Act during the reporting period was high. We undertook fewer audits this year, as the improved compliance history of some licensees resulted in reduced audit frequency and fewer new schemes came into operation. Through audits, we identified 13 non-compliances across 16 licensees,³ all of which were found to be non-material in nature. We discuss non-compliances in greater detail in section 2.1.1 of the report.

Recycled water customer numbers increased by 3%, and the volume of recycled water supplied increased by 13%.

The industry has continued to grow steadily over the 12 months to 30 June 2022, with a 3% increase in the number of customers receiving recycled water for non-drinking purposes. Similarly, the industry experienced an increase of 13% in the volume of recycled water supplied, as industrial and business use returned to pre-Covid levels, and the number of connected properties continued to increase. We provide the operating statistics in section 3.4 of the report.



This year, the number of network operator's licences decreased by 3 to 20 and the number of retail supplier's licences decreased by one to 11. Two of these licences were cancelled when Sydney Water took ownership of the Bingara Gorge scheme and the licensee requested cancellation of its network and retail licences. The Rosehill scheme consolidated 2 network licences into one licence. The licence for the Wyee scheme was cancelled at the licensee's request.

 (\neq) The number of licence applications processed has decreased.

We processed 12 licence applications comprised of 4 applications for new licences and 8 applications to vary current licences.

We recommended that the Minister grant 3 new or varied licences during the year.⁴ Four licence applications were withdrawn on the request of the applicants. Last year we noted that most applications were from licensees looking to vary current licences. The trend has continued this year. Licensees continue to seek additional end uses and customers for recycled water. We discuss licence applications further in section 3.3.



(=>) Industry and market continue to grow.

Overall industry growth indicates an increase in interest and acceptance of the private water industry and recycled water in particular. The NSW Government has released the Greater Sydney Water Strategy in August 2022. Among its many aims, the strategy will: ⁵

- continue planning for new rainfall-independent supply sources to support growth and to reduce the risk of reaching low dam levels during drought, by investigating recycled water where appropriate
- make much greater use of stormwater and recycled water to cool and green the city and support recreational activities.

These aims integrate with the aims of the WIC Act, as we begin implementation of the regulatory regime of the Amending WIC Act in 2023.

During the reporting period, we continued to work closely with the Department of Planning and Environment (DPE). Together, we finalised the WIC Amendment Bill, and are working through the accompanying WIC Amendment Regulation. We expect the Regulation to be completed and introduced to Parliament in 2023.



This year, we required licensees to conduct one new infrastructure audit, one licence plan audit and 16 operational audits. The WIC Act and supporting regulation set out our powers and responsibilities. In our compliance monitoring and enforcement role, we continued to hold licensees accountable for their compliance performance, using a risk-based auditing regime and enforcement actions where appropriate. Our primary objective is to foster a strong compliance culture within our regulated entities. We are mindful of this objective when deciding how to address instances of non-compliance. A high level of compliance supports the WIC Act's dual objectives of competition and development of the recycled water market by ensuring that market participants (WIC Act licensees and public water utilities) can compete on a level playing field, and the community feels confident in using recycled water for non-drinking purposes.⁶

To monitor compliance of licensees, we conducted audits of licence conditions, and assessed whether licensed schemes are constructed, operated and maintained in a manner that effectively manages the risks to public health, the environment and consumers.

We continued to proactively monitor and enforce WIC Act licensees' compliance with their licence conditions efficiently and effectively. We expect licensees to be proactive in identifying potential problems and to work with us to resolve issues and minimise any risks posed by their activities.

The rest of this report discusses our findings in more detail:

02	Licensee compliance in 2021-22
03	Changes in the industry and market
04	IPART's role in Compliance monitoring

2 Licensee compliance in 2021-22

In general, most licensees demonstrated a high level of compliance with their licence conditions in 2021-22 through the operational audits. Among 16 audited network operator's licence holders, 8 had no non-compliances. The other 8 schemes each had 1 or 2 non-material non-compliances.⁷ The non-compliances were generally related to incomplete implementation of water quality plans and, in one instance, maintaining operating plant and equipment that is fit for purpose.

The non-compliances identified through audits this year did not result in any material impacts to water quality, public health and safety, or the environment. We have therefore decided not to take enforcement actions and will follow up on these non-compliances at the next operational audit. We expect the licensees to consider auditors' recommendations to address the non-compliances promptly. We discuss the non-compliances further in section 2.1.1.

The sections below provide more details about the licensed network operators' and retail suppliers' relevant activities during the year, their individual compliance performance and how their non-compliances were addressed.

We are reporting only non-compliances identified in operational audits or reported by the licensee, rather than issues that **may** develop into non-compliances if not corrected. That is, we only report on **actual** non-compliances.[®] This is to ensure we report on only licensees' compliance with their licence conditions.

2.1 Network operator's compliance

Table 2.1 lists the network operators and summarises their non-compliances and how they were identified. We audited 16 of the 22^a network operators licensed under the WIC Act during the year. Two of the licensees not audited were non-operational during the period, 3 are audited only every second year because they have previously established a high level of compliance. We deferred the audit for Sydney Desalination Plant Pty Ltd as we were conducting a 5-year review which resulted in significant changes in the licence conditions.

We simplified the way licensees report self-identified non-compliances when we updated the Reporting Manual in April 2022. We note an increased level of awareness among licensees of the importance of self-reporting non-compliances and an increase in the reporting of self-identified non-compliances this year. Licensees self-identified 53 non-compliances during the reporting period. Most of these non-compliances were related to errors in monitoring and sampling, or electrical/instrumentation issues that arose onsite. These non-compliances were self-identified and were not reported as incidents (i.e. the licensees did not consider that these incidents impacted on water quality, public health or safety). We will continue to monitor these non-compliances to ensure that water quality and overall licensee performance is not impacted.

^a The number of network licences decreased in 2021-22 from 23 to 20 with the cancellation of licences for Veolia Water Pty Ltd (09_001), Wyee Water (14_026) and Veolia Water Solutions and Technologies (10_012). However, licence 09_001 and 10_012 were still eligible for audits during the 2021-22 year. Therefore 22 licences in total were eligible for audits during 2021-22.

			on-comj identifie		
Licensee	Scheme	Licensee	Audit	IPART	Total
Veolia Water Australia Pty Ltd (VWA)	Fairfield-Rosehill	0	NA	0	0
Rosehill Network Pty Ltd	Fairfield-Rosehill	0	NA	0	0
Aquacell Pty Ltd	1 Bligh St	0	NA	0	0
Veolia Water Solutions and Technologies (Australia) Pty Ltd (VWST)	Darling Quarter	0	2	0	2
Sydney Desalination Plant Pty Ltd	Sydney Desalination Plant	9	NA	0	9
Veolia Water Solutions and Technologies (Australia) Pty Ltd (VWST)	Bingara Gorge	0	1	0	1
Pitt Town Water Factory Pty Ltd	Pitt Town	6	0	0	6
Orica Australia Pty Ltd	Orica groundwater scheme	0	0	0	0
Central Park Water Factory Pty Ltd	Central Park	3	2	0	5
Discovery Point Water Factory Pty Ltd	Discovery Point	6	1	0	7
Lend Lease Recycled Water (Barangaroo South) Pty Ltd	Barangaroo	0	0	0	0
Huntlee Water Pty Ltd	Huntlee	8	1	0	9
Green Square Water Pty Ltd	Green Square	7	0	0	7
Aquacell Pty Ltd	Kurrajong	0	0	0	0
Cooranbong Water Pty Ltd	Cooranbong	6	2	0	8
Catherine Hill Bay Water Utility Pty Ltd	Catherine Hill Bay	0	0	0	0
Flow Systems Operations Pty Ltd	Box Hill North	5	0	0	5
Suez Water and Treatment Solutions Pty Ltd	KIWS	0	0	0	0
Narara Ecovillage Co-operative Ltd	Narara	0	2	0	2
Flow Systems Operations Pty Ltd	Shepherds Bay	2	2	0	4
Flow Systems Operations Pty Ltd	Glossodia	0	NA	0	0
Kyeema Wastewater Pty Ltd	Gundaroo	1	NA	0	1
Total		53	13	0	66

Table 2.1 Summary of network operators' compliance performance in 2021-22

Note: NA means that no audit was undertaken during this reporting period. **Source:** IPART analysis.

We investigate self-reported incidents and decide whether they constitute a non-compliance and whether further action is required. This year there were no incidents requiring further action.

2.1.1 Network operators that had non-material non-compliances

Altogether Group

The audit identified 8 non-compliances across 5 schemes, namely the Central Park, Cooranbong, Discovery Point, Huntlee and Shepherds Bay schemes.

All 5 schemes: The Drinking Water Management Plan has not been fully implemented. Under the Plumbing Code of Australia, Altogether Group must ensure that customer testable backflow prevention devices are tested annually. The auditor did not find evidence to support that annual testing of these devices was completed during the audit period. The auditor recommended Altogether Group to develop a clear policy for customer testable backflow prevention devices, maintain a register of devices and request owners to provide annual test certificates.

Cooranbong and Huntlee: The Drinking Water Management Plan has not been fully implemented. Both schemes have the integrity of drinking water storages as a critical control point (CCP). A weekly inspection of the tanks is required as part of the CCP checks. During the audit period, the CCP weekly checklist did not include the weekly inspection of the drinking water tanks. This oversight was a non-compliance as it is required for the management of a critical process, and the monitoring is not set up correctly. However in this instance it was not considered to be material since there were other controls in place. The auditor recommended that inspection of the integrity of the drinking water tanks needs to be added on to the weekly Critical Control Point (CCP) checklist for Cooranbong and Huntlee.

Cooranbong: The Infrastructure Operating Plan has not been fully implemented. It was noted that an operator claimed that mains flushing was used to manage recycled water volumes in the storage tank which is not an approved way to manage potential capacity issues in its plan. Altogether's Water Operations Manager clarified that they do not use flushing to manage excess recycled water. The auditor recommended that mains flushing should only be undertaken according to Altogether's mains flushing procedure. Flushing to dispose of excess water could be construed as a discharge to the environment and should cease. An alternate method should be sought to manage recycled water storage at Cooranbong.

Shepherds Bay: The Recycled Water Management Plan has not been fully implemented. The scheme management plan does not reflect the current arrangement. It was found that the scheme management plan identified the source water of recycled water as sewage when it is currently drinking water. The staging of this scheme has changed and parts of the plan document the original intentions and not the current scheme. The auditor recommended that the Shepherds Bay Scheme Management Plan should be updated to reflect the current arrangement.

Central Park: Licensee must notify customers of non-compliant plumbing in writing within 10 days. During the site inspections at the Central Park scheme, it was found that the recycled water pipework in the customer's pump room was not clearly labelled as containing recycled water or colour coded as such, which could lead to a risk of cross connection. There were identical pipes in close proximity that carried drinking water. It is a requirement of the Plumbing Code of Practice that pipework is clearly labelled. The auditor recommended the licensee to notify customers in writing to comply with the licence requirement.

As these non-compliances are non-material, we have decided not to take enforcement action. We will follow up on these non-compliances at the next operational audit.

Narara Ecovillage (NEV)

The auditor identified 2 non-compliances for NEV.

Last year we noted that NEV had amended its scheme and now transfers untreated sewage from its collection tanks directly to Central Coast Council's (CCC) sewer main. It also obtains all its water from CCC, with the proposed recycled water plant now no longer part of the scheme.

The 2022 audit noted that:

- There were inconsistencies between critical control points and target limits documented in the Drinking Water Management Plan and those in the monitoring records. The auditor recommended that NEV takes action to review these critical and target limits in its Drinking Water Management Plan to ensure that it monitors against consistent values.
- The Recycled Water Quality Management Plan was out of date and did not properly reflect the current operational arrangements of the scheme. The auditor recommended that the Recycled Water Quality Management Plan is amended to reflect the current arrangement whereby the recycled water scheme is supplied with drinking water supplied by CCC instead of focusing on the treatment of sewage to produce recycled water, which is no longer proposed.

As these non-compliances were non-material and the scheme's operation arrangement has changed, we have decided not to take enforcement action. We will follow up on these non-compliances at the next operational audit.

Veolia Water Solutions and Technologies (VWST)

The audit identified 3 non-compliances across the 2 schemes, namely Bingara Gorge and Darling Quarter.

Bingara Gorge: One non-compliance was identified due to repeated problems with wet weather overflows. This non-compliance was considered non-material for two reasons. Firstly, the operational corrective actions prevented the infrastructure from operating unsafely and the overflowing material was managed by VWST within its site boundary. Secondly, the problem wasn't being ignored – a review of capacity was completed during 2020 with a review of options having been initiated in August 2021. However, the situation was considered non-compliant given that the capacity of the infrastructure to routinely handle wet weather overflows had been exceeded due to growth and/or inflow and infiltration. The auditor recommended that VWST follow up on its recent review of system capacity, in view of current and forecast loading and performance, and continue working towards addressing any shortfall.

Darling Quarter: Two non-compliances were identified in the 2021 audit. The auditor found that CCP procedures in the water quality plan do not document the process for managing CCP exceedances that occur during plant shutdown and restart. The auditor recommended that VWST should amend its procedures and update the Water Quality Plan to include the process for CCP breaches during plant start up.

The second non-compliance is for inadequate labelling of sample bottles. This non-compliance was identified in the 2020 audit and a voluntary undertaking to do the work necessary to remedy it was dated 29 September 2020. VWST did not have time to complete the work before the end of the audit period. VWST addressed the recommendation by developing a Standard Operating Procedure (SOP) for water sample collection. The non-compliances that occurred in the audit period were prior to the development of this SOP. The Chain of Custody forms for all dates following the SOP update were reviewed and there were no occasions when the date and time were not recorded. No further work was required to address this issue.

As these non-compliances are non-material, we have decided not to take enforcement action. We will follow up on these non-compliances at the next operational audit.

2.2 Retail suppliers' compliance

Table 2.2 lists the retail supplier's licences for 2021-22 and summarises their non-compliances and how they were identified. Ten of the 11 retail suppliers had no non-compliances. One licensee self-reported a non-compliance.

Because of the lower risk associated with retail licence compliance, applying our risk-based approach, we generally undertake audits when information arises that indicates an issue of concern. We did not undertake any audits of retail licensees this year. IPART can undertake audits at any time to confirm licensees' compliance with their regulatory requirements.

		Non-compliance identified by			
Licensee	Scheme	Licensee	Audit	IPART	Total
Aquacell Pty Ltd	Multiple ^a	0	NA	0	0
AquaNet Sydney Pty Ltd	Fairfield - Rosehill	0	NA	0	0
Veolia Water Solutions and Technologies (Australia) Pty Ltd	Darling Quarter	0	NA	0	0
Sydney Desalination Plant Pty Ltd	Sydney Desalination Plant	0	NA	0	0
Veolia Water Solutions and Technologies (Australia) Pty Ltd	Bingara Gorge	0	NA	0	0
Orica Australia Pty Ltd	Orica groundwater	0	NA	0	0
Flow Systems Pty Ltd	Multiplea	0	NA	0	0
Lend Lease Recycled Water (Barangaroo South) Pty Ltd	Barangaroo	0	NA	0	0
Solo Water Pty Ltd	Catherine Hill Bay	0	NA	0	0
Suez Water Pty Ltd	Kooragang Industrial Water	0	NA	0	0
Narara Ecovillage Pty Ltd	Narara	0	NA	0	0
Kyeema Wastewater Pty Ltd	Gundaroo	1	NA	0	1
Total		1	NA	0	1

Table 2.2 Summary of retail suppliers' compliance performance in 2021-22

a. See Table 2.1 for the list of schemes covered under these licences.

Note: NA means that no audit was undertaken during this reporting period.

Source: IPART Analysis.

2.2.1 Retail licence non-compliances

Kyeema Wastewater

Kyeema Wastewater self-identified that they had not maintained a website that contains the relevant information, as required under Clause 12 of Schedule 1 of the WIC Regulation⁹, when commercial operation was first granted in December 2021. The website was finalised and uploaded to the internet on 21 August 2022. As the non-compliance is non-material, we have decided not to take enforcement action.

3 Changes in the water industry and operating statistics

In the 14 years since the WIC Act commenced, the private water utility segment of the water industry in NSW has grown steadily. The sections below provide an overview of the changes in the industry over time, the amended WIC Act, the licences that were granted or varied in 2021-22, and the licensees' operating statistics and performance against their performance indicators.

3.1 Changes in the industry over time

Since 2008 the Minister has granted 27 network operator licences and 16 retail supplier licences. The Minister has cancelled 7 network operator licences and 5 retail supplier licences, each at the licensee's request.¹⁰ The number of retail supplier licences is lower than network operator licences because retail suppliers tend to hold one licence across multiple schemes.¹¹

During the reporting period we completed one licence variation application. The Minister granted 3 new licences and is currently assessing an application to grant new network and retail licences to a new licensee for an existing scheme. We commenced the assessment of 4 licence variation applications.

Getting the water balance right is complicated by the seasonality of recycled water uptake and demand for recycled water being higher in summer than winter. Where demand for recycled water outstrips the supply of sewage services to the scheme, licensees risk not being able to maintain supplying recycled water services to customers. Conversely, where the supply of sewage services outstrips the demand for recycled water, licensees are subject to the additional challenges and cost of disposing of the excess recycled water.

In recent years, most applications received were licence variations to expand existing areas of operation to increase the number of customers who can be supplied with recycled water. This is because once sewage treatment and the supply of recycled water commences, licensees need to balance the collection of sewage with the supply of recycled water. It is also a reflection of the increase in customers wanting to access recycled water as the new schemes develop and expand.

This year we have seen a consolidation of licences, with infrastructure owners opting to become licensees, rather than have their schemes licensed to another organisation. We have also seen a public water utility step in to own and operate an existing scheme in an area where significant growth is expected to occur.

We expect to see more applications from licensees to vary current licences to manage water balance in the coming years.

Figure 3.1 and Figure 3.2 show trends in the number of licences and the number of customers serviced by licensees. This year we have seen a decrease in both network and retail licences, but continuing growth in customer numbers. We discuss the decrease in licence numbers in section 3.3.

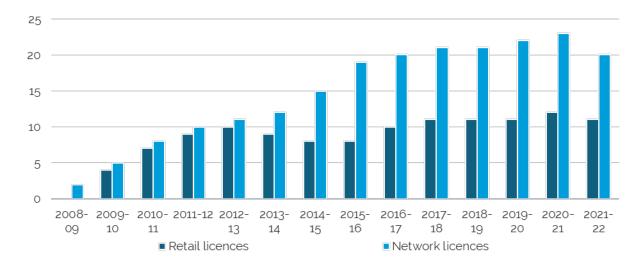
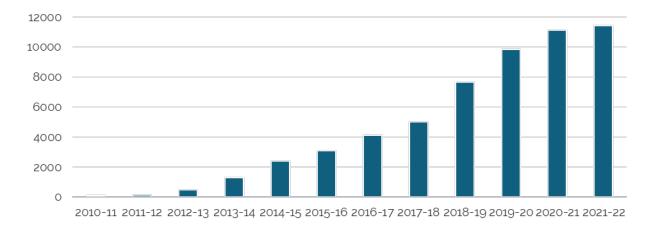


Figure 3.1 Number of licences

Source: IPART Analysis.

Figure 3.2 Growth in number of properties connected to recycled water supplied by WIC Act licensees



a. The first customers were serviced in 2010-11. Therefore, we have excluded the 2008-09 and 2009-10 reporting periods. b. In 2018, we removed most of the performance indicators from the Reporting Manual, including the relevant indicator NWI C4 (Total number of connected properties – water supply). The figures from 2017-2018 onwards is the sum of the new indicators L8 and L9 (Connected residential (L8) and non-residential (L9) properties receiving recycled water services).

Source: IPART analysis

3.2 The Amending WIC Act

IPART has provided advice and support to DPE in their role supporting the Government in amending the WIC Act. The Amending WIC Act was assented to by the Governor on 1 November 2021.

We are working with DPE to finalise the new supporting regulations. We expect the new Regulation will come into force on 1 July 2023, followed by a 12-month period for existing licence to be transitioned into the new regulatory regime.

3.3 Licences granted, varied¹² or cancelled in 2021-22

Assessment of WIC Act licences is complex and requires consideration of possible impacts on customers, communities, the environment and public health. While some licence applications provide close to all necessary information when submitted, most are submitted in a form that requires further information from the applicants. Some licence applications require changes to scheme design, additional information or amended environmental assessment reports that result in resubmission of applications. The Tribunal undertakes a high level of scrutiny and only makes a recommendation to the Minister to grant a licence when it is satisfied that all the requirements for operating safely under a licence can be met. To do so, the assessment includes ensuring that schemes are safe, particularly where recycled water is being supplied to residential customers for non-drinking purposes. We also ensure that small retail customers are protected from schemes that may not be viable in the long term,

The Minister granted 3 new licences this year¹³ In addition, we have:

- processed 12 applications as of 30 June 2022
- made recommendations for the Minister to grant 3 licences during the reporting period
- received requests to withdraw 4 applications after having been 'on hold' at the request of the applicants over a long period
- put 2 applications on hold while we await the implementation of the new WIC Regulation. We expect this scheme and a few other existing schemes to become exempt from licensing requirements under the new WIC regime
- continue to assess applications as they are received.

We completed and submitted an application to the Minister after 1 July 2022 for new network and retail licences for an existing scheme to a new licensee.¹⁴.

Although the overall number of licence applications have reduced, we received an increased number of licence variation applications in the last few months of 2021-22. The imminent commencement of the amendments to the WIC Act is likely to have triggered the increase. The transition of current licences into the new licensing framework during the 12-month transitional period is likely to delay the assessment of any licence variation. Licensees are therefore hoping to vary any existing licences prior to transition.

The Minister cancelled 4 licences at the request of the licensees. We have noted a consolidation in this area as infrastructure owners are deciding to become licensees, rather than have licences for their infrastructure held by external service-providing organisations. These cancellations occurred when:

- 1. Veolia Water Australia Pty Ltd requested cancellation of licence 09_001 following the grant of a licence to Rosehill Network Pty Ltd
- 2. VWST requested cancellation of licences 10_012 and 10_013R following the sale of the Bingara Gorge scheme from Lend Lease to Sydney Water Corporation
- 3. Wyee Water Pty Ltd requested cancellation of licence 14_026.

Tables 3.1 and 3.2 summarise the network operators and retail suppliers licensed under the WIC Act as of 30 June 2022, and the activities they were licensed to undertake.

Date licence first granted	Licensee	Scheme	Recycled water	Drinking water	Sewerage
27 Apr 2009	Rosehill Network Pty Ltd	Fairfield- Rosehill	х		
2 Feb 2010	Aquacell Pty Ltd	1 Bligh St	Х		
24 Jun 2010	Veolia Water Solutions and Technologies (Australia) Pty Ltd	Darling Quarter ^a	x		
9 Aug 2010	Sydney Desalination Plant Pty Ltd (SDP)	Sydney Desalination Plant		Х	
11 Nov 2010	Altogether Pitt Town Pty Ltd ^b	Pitt Town	х		Х
23 Apr 2012	Orica Australia Pty Ltd	Orica groundwater scheme	х		
4 Jan 2013	Altogether Central Park Pty Ltd ^b	Central Park	х	х	Х
4 Dec 2013	Altogether Discovery Point Pty Ltd ^b	Discovery Point	х	х	Х
28 Feb 2015	Lend Lease Recycled Water (Barangaroo South) Pty Ltd	Barangaroo	×		х
3 Mar 2015	Altogether Huntlee Pty Ltd ^b	Huntlee	Х	х	Х
25 Sep 2015	Altogether Green Square Pty Ltd ^b	Green Square	х		
26 July 2015	Aquacell Pty Ltd	Kurrajong			х
6 Aug 2015	Cooranbong Water Pty Ltd ^b	Cooranbong	х	х	Х
22 Mar 2016	Catherine Hill Bay Water Utility Pty Ltd	Catherine Hill Bay	×	Х	Х
12 May 2016	Altogether Operations Pty Ltd ^b	Box Hill North	х		Х
12 Dec 2016	Suez Water Pty Ltd	Kooragang	Х		
4 July 2017	Narara Ecovillage Co-operative Ltd	Narara	х	х	Х
13 Oct 2017	Altogether Operations Pty Ltd ^b	Shepherds Bay	Х	Х	Х
26 June 2020	Altogether Operations Pty Ltd ^b	Glossodia	х		Х
25 Sep 2020	Kyeema Wastewater Pty Ltd	Gundaroo			Х

Table 3.1 Network operator's licences as of 30 June 2022

Note: The WIC Act licensees authorised to provide drinking water (other than SDP) resell drinking water sourced from Sydney Water and Hunter Water.

a. Also known as Darling Walk.

b. Each licensee is a subsidiary company of Altogether Group Pty Ltd.

Source: IPART, Register of licences granted under the WIC Act.

Date licence first granted	Licensee	Scheme	Recycled water	Drinking water	Sewerage
2 Feb 2010	Aquacell Pty Ltd	1 Bligh Street	Х		
	Aquacell Pty Ltd	Kurrajong	Х		
10 Mar 2010	AquaNet Sydney Pty Ltd	Fairfield-Rosehill	х		
24 Jun 2010	Veolia Water Solutions and Technologies (Australia) Pty Ltd	Darling Quarter	x		
9 Aug 2010	Sydney Desalination Plant Pty Ltd (SDP)	Sydney Desalination Plant		Х	
23 Apr 2012	Orica Australia Pty Ltd	Orica groundwater scheme	×		
17 Apr 2013	Altogether Group Pty Ltd	Pitt Town	Х		Х
	Altogether Group Pty Ltd	Central Park	Х	х	Х
	Altogether Group Pty Ltd	Discovery Point	х	х	Х
	Altogether Group Pty Ltd	Cooranbong	Х	х	Х
	Altogether Group Pty Ltd	Huntlee	х	х	Х
	Altogether Group Pty Ltd	Green Square	х		
	Altogether Group Pty Ltd	Box Hill North	Х		Х
	Altogether Group Pty Ltd	Shepherds Bay	Х	х	Х
	Altogether Group Pty Ltd	Glossodia	х		Х
13 July 2015	Lend Lease Recycled Water (Barangaroo South) Pty Ltd	Barangaroo	×	Х	×
22 Sept 2016	Solo Water Pty Ltd	Catherine Hill Bay			
12 Dec 2016	Suez Water and Treatment Solutions Pty Ltd	Kooragang			
4 July 2017	Narara Ecovillage Co-operative Ltd	Narara			
25 Sep 2020	Kyeema Wastewater Pty Ltd	Gundaroo			

Table 3.2 Retail supplier licences as of 30 June 2022

Note: The WICA licensees authorised to provide drinking water (other than SDP) resell drinking water sourced from Sydney Water and Hunter Water.

Source: IPART, Register of licenses granted under the WIC Act. .

3.4 Operating statistics

We collate the operating statistics provided by licensees as part of licensees' annual compliance returns.¹⁵ Overall, the statistics for 2021-22 indicate:



We observed that:

- Licensees collected 5,264 ML of sewage, which is a 19% increase on last year's total of 4,439 ML. This increase can be attributed to a return to pre-Covid levels of use on industrial and commercial schemes. Residential schemes continued to expand and increase the volume of recycled water supplied to its customers.
- There was an increase in recycled water supplied in this reporting period. The volume this year, 5,032 ML, was 13% more than last year's total of 4,443 ML. Again, this increase is largely a return to pre-Covid levels of activity in industrial and business use, and an increase in the number of residential customers.
- WIC Act licensees supplied services to 8,248 drinking water, 11,424 recycled water and 10,302 sewerage connections. This constitutes an increase of 5% for drinking water customers, 3% for recycled water customers and 5% for sewerage customers.

The changes in the operating statistics are summarised in Table 3.3 below.

Table 3.3 Changes in WIC Act licensee market 2021-22

	2020-2021	2021-22	% change
Customers serviced (number):			
Drinking water	7,823	8,248	5%
Sewerage	9,786	10,302	5%
Recycled water	11,102	11,424	3%
Volume of recycled water supplied (ML)	4,443	5,032	13%
Volume of sewage collected (ML)	4,439	5,264	19%

a. The number of customers who received water services from WICA licensees for 2020-21 was adjusted following discovery of an error in reporting by one licensee.

b. The 'volume of sewage collected' does not include treated sewage collected by Aquanet from Sydney Water for further treatment and distribution to industrial users supplied through the Rosehill-Camellia pipeline.

c. The groundwater treated and supplied to industrial users at Botany Industrial Park by Orica is not included in the operating statistics as treated groundwater does not meet the definition of recycled water in the WIC Act.

The operating statistics for individual licensees are provided in Appendix B and Appendix C.

3.5 Performance measures

Licensees are required to report on a set of performance measures that assist IPART to monitor the performance of the schemes.

This is the fifth year we have collected this data (summarised in Appendix B and Appendix C). Although not a direct measure, a comparison of WIC Act licensees' performance data against performance standards applied to public water utilities for the same measures indicates a high standard of performance.¹⁶

Performance data supplied by licensees indicate that in 2021-22:

- 11,424 customers received recycled water services:
 - One customer experienced an unplanned water interruption that lasted for more than five continuous hours (Bligh St scheme).
 - There were no instances of customers experiencing three or more water interruptions lasting more than one hour.
- 8,248 customers received potable water services:
 - There were 4 instances of customers being without supply, 2 at Huntlee (average duration 120 minutes), one at Catherine Hill Bay (average duration 10 minutes), and one at Shepherds Bay (average duration 140 minutes).
 - Four properties experienced water pressure failures at Bingara Gorge.
- 10,302 customers received sewerage services, with 2 customers experiencing an uncontrolled wastewater overflow at Box Hill.

4 Our role in monitoring licence compliance

Licensees are responsible for complying with the conditions of their licence and other obligations under the WIC Act and WIC Regulation. Our aim in monitoring and reporting on the extent of their compliance with these obligations is to hold them accountable for their compliance performance and encourage a culture of full compliance. We also seek to encourage compliance by educating and informing licensees, by facilitating engagement between licensees and other stakeholders or regulators and direct engagement on issues of concern.

The Minister or IPART may take enforcement action against any licensee that fails to comply with its obligations.¹⁷ Such enforcement action includes imposing a monetary penalty or requiring the licensee to take certain actions.

Box 4.1 About the WIC Act and IPART's role

The WIC Act commenced in August 2008, as part of the NSW Government's strategy for a sustainable water future. Its stated aim is to encourage competition in relation to the supply of water and the provision of sewerage services, and to facilitate the development of infrastructure for the production and reticulation of recycled water.¹⁸

The WIC Act establishes a licensing and compliance regime for water and sewerage service providers that are not public water utilities. We administer this regime on behalf of the Minister¹⁹ and make recommendations to the Minister to license new operators. Where necessary we take enforcement action to address compliance issues.

We can also assess monopoly considerations and recommend action for the Minister's consideration.

Our role in monitoring licensees' compliance protects public health, public safety, consumers and the environment, and encourages competition in the market by maintaining market confidence and integrity.

Two types of licences may be granted under the WIC Act:

- a network operator's licence to construct, operate and maintain water industry infrastructure,²⁰ and
- a retail supplier's licence to supply water, and/or provide sewerage services by means of water industry infrastructure.²¹

The sections below outline our risk-based approach to monitoring compliance under the WIC Act and the number and type of audits undertaken this year as part of this approach.

4.1 Risk-based approach to monitoring compliance

Our approach includes a range of proactive and responsive measures such as:

- a risk-based independent audit program²²
- investigations of incidents, complaints or inadequacies identified through audits or other means
- requiring immediate incident reporting by licensees²³
- requiring annual compliance reports submitted by licensees, including
 - non-compliance exception reporting (i.e. requiring the licensee to report only non-compliances, instead of reporting against all licence conditions)
 - declarations for maintaining financial capacity and adequate insurance
- proactive engagement with other regulators.

We aim to keep regulated entities accountable in accordance with their regulatory requirements. Compliance is the responsibility of the regulated entities themselves, and we seek to help licensees strengthen their compliance culture.

4.1.1 Independent audit program

We monitor licensees' compliance with the WIC Act, the WIC Regulation and their licence conditions through periodic, risk-based operational audits, which we initiate.²⁴ The licensee selects independent auditors to undertake audits from a panel of auditors that we pre-approve.

However, before licensees commence commercial operation, we also require them to undertake pre-operational audits – namely, new infrastructure audits and licence plans audits.

New infrastructure audits: These audits are undertaken prior to the Minister granting commercial operation, to determine if the infrastructure is safe to operate, and to check that the new infrastructure complies with all licensing and legislative requirements. A network operator must pass its new infrastructure audit before the Minister can grant approval for the licensee to commence commercial operation.²⁵ These audits apply to network operator's licences.

Licence plan audits: These audits review the adequacy of a licensee's water quality, sewage management, infrastructure operating and retail supply management plans. Licence plan audits are undertaken prior to commencing commercial operation, as directed by IPART or in response to a significant change to the plan(s).²⁶ These audits apply to both network operator's and retail supplier's licences.

The auditors must undertake all audits in accordance with our audit guidelines.²⁷ The audit grades from the audit guidelines applicable this year are presented in Figure 4.1.

Grades of compliance		Description
	Compliant	Sufficient evidence is available to confirm that the requirements have been met.
0	Non-compliant (non-material)	Sufficient evidence is not available to confirm that the requirements have been met and the deficiency does not adversely impact the ability of the licensee to achieve defined objectives or assure controlled processes, products or outcomes.
\mathbf{S}	Non-compliant (material)	Sufficient evidence is not available to confirm the requirements have been met and the deficiency does adversely impact the ability of the licensee to achieve defined objectives or assure controlled processes, products or outcomes.
\bigcirc	No Requirement	There is no requirement for the licensee to meet this criterion within the audit period.

Figure 4.1 WIC Act audit grades

Source: IPART Audit Guideline – WIC Act, July 2020, pp 10-11.

Where relevant, we re-audit any licence conditions where a licensee was previously found to be non-compliant, to check that the licensee has rectified the non-compliances in a timely manner.

Audit findings inform the Tribunal's decisions on matters of compliance with licensees' legal obligations. However, the Tribunal may consider a range of information before deciding whether it is satisfied that a non-compliance has occurred and the materiality of the non-compliance. The Tribunal may reach a different conclusion from an auditor on the matter of compliance or materiality.

4.1.2 Immediate incident reporting

Licensees must immediately report incidents that occur in the conduct of their activities that threaten, or could threaten, water quality, public health or safety, in accordance with the relevant reporting manual. A reported incident may not necessarily involve licence non-compliances.

This year, we received 5 immediate incident reports from licensees.

None of the reported incidents were determined to be licence non-compliances requiring enforcement action. We assessed that these incidents did not impact on water quality, public health or safety.

4.1.3 Annual reporting

In addition to immediate incident reporting, licensees are required to submit an annual compliance report by 1 September each year in accordance with the relevant reporting manual that we have published.²⁸ The annual compliance report is to include information on any non-compliance with its licence conditions, and declarations for maintaining financial capacity and adequate insurance.

Licensees are to declare that they have maintained insurance arrangements appropriate for the nature and size of the activities under their licence and provide certificates of currency for key insurances and details of material changes made during the year.

Licensees that provide small retail customers with essential services (potable water or sewage services) must also include a statement of financial capacity.

Licensees are also required to immediately report all non-compliances that could potentially have a serious impact on water quality, continuity of supply, public health, safety, other licensees or the Government's policy objectives.

4.1.4 Engagement with other regulators

We work closely with NSW Health, seeking advice on matters that may affect human health and facilitating NSW Health input on key audits, risk assessments undertaken by licensees and licence plans.

We also co-ordinate with other regulators where our licensing or compliance monitoring function identifies issues related to their area of expertise or responsibility. This includes:

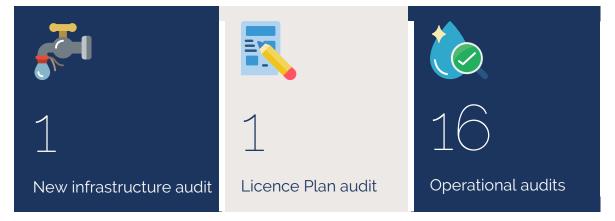
- The Water Group of the Department of Planning and Environment
- NSW Fair Trading
- SafeWork NSW
- Fire and Rescue NSW
- NSW Environment Protection Authority
- Local councils.

4.2 Monitoring compliance during 2021-22

We employed a range of compliance tools to keep regulated entities accountable and to consider the risk associated with their activities and the expected level of compliance during 2021-22. Further information on these tools is in the IPART *Compliance and Enforcement Policy*.²⁹

4.2.1 Audits undertaken

Independent auditors completed a total of 16 operational audits, 1 licence plan audit and 1 new infrastructure audit during or covering the reporting period. A detailed breakdown of the types of audits undertaken is shown in Attachment A.



All of our audits conducted during the reporting period implemented COVID-19 safe practices. While most site visits were generally conducted remotely using video streaming and remote conferencing technology, we were able to recommence site visits for some low-risk schemes. We asked auditors to identify any risks associated with not visiting the site in person and to identify any follow up inspections that may be necessary to mitigate these risks. Auditors have not identified any urgent risks and we are satisfied that the audits have been carried out to a satisfactory standard.

There were fewer new infrastructure and licence plans audits this year. These are generally required when new schemes are ready to commence commercial operations or when new infrastructure at existing schemes is ready to be commissioned. The Minister did not grant any new licences in the reporting period. Consequently, there was less need for new infrastructure and licence plans audits. Most licence applications were to vary ownership of existing schemes, with no pre-operational auditing necessary.

We changed our audit framework to better investigate and assess licensees' implementation of water quality plans. This resulted in a greater focus on licence plans during operational audits, and less need for licence plan audits. Following on from our initial work with licensees over the last 2 years, we note a general improvement in the quality of licence plans across the board. Figure 4.2 outlines the number of audits conducted each year.

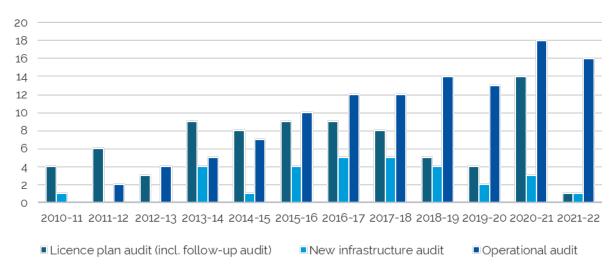


Figure 4.2 Number of WIC Act audits per financial year

Source: IPART analysis

Appendices

A Audits undertaken in 2021-22

Table A.1 Audits for the 2021-22 reporting period

Licensee	Scheme	Audit period	Date final report received
Operational audits			
Orica Australia Pty Ltd	Orica	1 September 2020-31 May 2022	27 September 2022
Veolia Water Solutions and Technologies Pty Ltd ^a	Bingara Gorge	1 July 2020 – 30 June 2021	25 February 2022
Catherine Hill Bay Water Utility Pty Ltd	Catherine Hill Bay	1 November 2020 – 30 October 2021	31 March 2022
Altogether Central Park Pty Ltd	Central Park	1 May 2021-30 April 2022	29 July 2022
Altogether Discovery Point Pty Ltd	Discovery Point	1 May 2021-30 April 2022	29 July 2022
Altogether Green Square Pty Ltd	Green Square	1 May 2021-30 April 2022	29 July 2022
Altogether Operations Pty Ltd	Shepherds Bay	1 May 2021-30 April 2022	29 July 2022
Altogether Huntlee Pty Ltd	Huntlee	1 May 2021-30 April 2022	29 July 2022
Altogether Cooranbong Pty Ltd	Cooranbong	1 May 2021-30 April 2022	29 July 2022
Altogether Pitt Town Pty Ltd	Pitt Town	1 May 2021-30 April 2022	29 July 2022
Altogether Operations Pty Ltd	Box Hill	1 May 2021-30 April 2022	29 July 2022
Aquacell Pty Ltd	Kurrajong	1 April 2020-31 May 2022	31 August 2022
Suez Water Pty Ltd	Kooragang Industrial Water Scheme	1 March 2020 – 28 February 2022	31 May 2022
Narara Ecovillage Co-operative Ltd	Narara	1 July 2020 –30 June 2021	29 September 2021
Veolia Water Solutions and Technologies Pty Ltd ^a	Darling Quarter	1 April 2020 – 31 October 2021	25 February 2022
Lend Lease Recycled Water (Barangaroo South) Pty Ltd	Barangaroo	1 July 2020 - 30 June 2021	24 January 2022
Licence Plan Audits			
Kyeema Wastewater Pty Ltd	Gundaroo	N/A	9 December 2021
Infrastructure Audits			
Kyeema Wastewater Pty Ltd	Gundaroo	N/A	9 December 2021
Source: IPART analysis			

Source: IPART analysis

B Annual operating performance statistics – network operators

Table B.1 shows key statistics for the 23 network operators.

Table B.1 Operating statistics for WIC Act network operators in 2021-22

Licence number	Licensee	Scheme	Aı	A2	A3	A4		A10	A11	A12
09_002	Rosehill Network Pty Ltd	Fairfield-Rosehill		0	0	0	0	0	NA	NA
09_003	Aquacell Pty Ltd	1 Bligh St		1	0	0	0	0	0	0
10_008	Veolia Water Solutions and Technologies Pty Ltd (Darling Walk)	Darling Quarter		0	0	0	0	0	0	0
10_010	Sydney Desalination Plant Pty Ltd	Sydney Desalination Plant		0	0	0	0	0	0	0
10_012	Veolia Water Solutions and Technologies Pty Ltd	Bingara Gorge		0	0	0	0	4	0	0
10_014	Altogether Pitt Town Pty Ltd	Pitt Town		0	0	0	0	0	0	0
12_016	Orica Australia Pty Ltd	Orica Groundwater scheme		0	0	0	NA	0	0	0
12_022	Altogether Central Park Pty Ltd	Central Park		0	0	0	0	0	0	0
13_025	Altogether Discovery Point Pty Ltd	Discovery Point		0	0	0	0	0	0	0
14_026	Altogether Wyee Pty Ltd	Wyee		0	0	0	0	0	0	0
15_029	Lend Lease Recycled water (Barangaroo South) Pty Ltd	Barangaroo		0	0	0	0	0	0	0
15_030	Altogether Huntlee Pty Ltd	Huntlee		0	0	2	120	0	0	0
15_031	Altogether Green Square Pty Ltd	Green Square		0	0	0	0	0	0	0
15_032	Aquacell Pty Ltd	Kurrajong		0	0	0	0	0	0	0
15_033	Altogether Cooranbong Pty Ltd	Cooranbong		0	0	0	0	0	0	0
16_035	Catherine Hill Bay Water Utility Pty Ltd	Catherine Hill Bay		0	0	1	10	0	0	0
16_037	Altogether Operations Pty Ltd	Box Hill North		0	0	0	0	0	2	0
16_038	Suez Water and Treatment Solutions Pty Ltd	Kooragang Industrial Water Scheme (KIWS)		0	0	NA	NA	0	NA	NA
17_040	Narara Ecovillage Co-operative	Narara		0	0	0	0	0	0	0

Licence number	Licensee	Scheme	A1	A2	A	3	A4	A10	A11	A12	
17_042	Altogether Operations Pty Ltd	Shepherds Bay		0	0	1	140	0	C)	0
19_043	Altogether Operations Pty Ltd	Glossodia		0	0	0	0	0	C)	0
20_044	Kyeema Wastewater Pty Ltd	Gundaroo		NA	NA	NA	NA	NA	C)	0
Total				1	0	4	270	4	2	2	0

Source: IPART analysis

Legend: Performance indicators – definitions used in the table above

A1	Number of properties that experience an unplanned water interruption that lasts for more than five continuous hours in the financial year.
A2	Number of properties that experience three or more water interruptions that each lasts for more than one hour in the financial year.
A3	The total number of unplanned interruptions where customers are without potable water supply, during the reporting year (interruptions).
A4	The average duration for which a customer is without potable water, due to an unplanned supply interruption during the reporting year (minutes).
A10	Number of properties that experience a water pressure failure in the financial year.
A11	Number of properties (other than public properties) that experience an uncontrolled wastewater overflow in dry weather in the financial year.
A12	Number of properties (other than public properties) that experience three or more uncontrolled wastewater overflows in dry weather in the financial year.

C Annual operating performance statistics – retail suppliers

Table C.1 shows key statistics for the 12 retail supply licensees.

Table C.1 Operating statistics for WIC Act retail suppliers in 2021-22

Licence number	Licensee	Scheme	L1 (ML)	L2 (ML)	L3 (ML)	L4 'ooo	L5 '000	L6 '000	L7 '000	L8 'ooo	L9 'ooo
09_004R	Aquacell Pty Ltd	1 Bligh St and Kurrajong	4.10	4.10	10.87	0	0	0.027	0	0	0.001
10_01R	AquaNet Sydney Pty Ltd	Fairfield- Rosehill	1292.66	1292.66	0	0	0	0	0	0	0.01
10_009R	Veolia Water Solutions and Technologies Pty Ltd (Darling Walk)	Darling Quarter	22.32	15.15	31	0	0	0	0	0	0.001
10_011R	Sydney Desalination Plant Pty Ltd	Sydney Desalination Plant	22308.8	0	0	0	0	0	0	0	0
10_013R	Veolia Water Solutions and Technologies Pty Ltd (Bingara)	Bingara Gorge	249.015	249.015	222.324	0.657	0.005	0.902	0.007	0.657	0.005
12_017R	Orica Australia Pty Ltd	Orica groundwater scheme	1331	1289	0	0	0	0	0	0	0.005
13_001R	Altogether Group Pty Ltd	Pitt Town, Central Park, Discovery Point, Wyee, Huntlee, Green Square, Cooranbong, Box Hill North, Shepherds Bay	1482.78	811.17	1215.98	7.005	0.104	8.658	0.061	10.121	0.057
15_034R	Lend Lease Recycled water (Barangaroo South) Pty Ltd	Barangaroo	59	59	98.2	0	0	0.235	0.015	0.159	0.014
15_036R	Solo Water Pty Ltd	Catherine Hill Bay	69.01	24.43	44.01	0.41	0	0.33	0	0.33	0
16_039R	Suez Water and Treatment Solutions Pty Ltd	KIWS	3541	2573	3637	0	0.001	0	0.001	0	0.001
17_041R	Narara Ecovillage Co-operative Ltd	Narara	6	3.1	3.9	0.063	0.003	0.063	0.003	0.063	0
20_045R	Kyeema Wastewater Pty Ltd	Gundaroo	NA	NA	0.572	NA	NA	0.003	0	NA	NA
Total			29,034.7	5,031.6	5,263.9	8,135.0	113.0	10,215.0	87.0	11,330.0	94.0

a. Veolia Water Solutions and Technologies requested cancellation of its Bingara Gorge retail licence and was granted by the Minister in June 2022.

b. Orica treats groundwater only and is not included in the operating statistics as treated groundwater does not meet the definition of recycled water in the WIC Act.

Source: IPART analysis

Legend: Licence data - definitions

L1	Total volume of water supplied (ML)	The total volume of drinking and non-potable water supplied, including for environmental flows and bulk water exports in the financial year.
L2	Total volume of non-potable water supplied (ML)	The total volume of non-potable water supplied by the utility during the reporting year, in megalitres (ML).
L3	Total volume of wastewater collected (ML)	The total volume of wastewater collected by the utility during the reporting year, in megalitres (ML).
L4	Connected residential properties – water supply (000s)	The number of connected residential properties receiving water supply services from the utility during the reporting year (properties 000s).
L5	Connected non-residential properties – water supply (000s)	The number of connected non-residential properties receiving water supply services from the utility during the reporting year (properties 000s).
L6	Connected residential properties – wastewater (000s)	The number of connected residential properties receiving wastewater services from the utility during the reporting year (properties 000s).
L7	Connected non-residential properties – wastewater (000s)	The number of connected non-residential properties receiving wastewater services from the utility during the reporting year (properties 000s).
L8	Connected residential properties – recycled water supply (000s)	The number of connected residential properties receiving recycled water services from the utility during the reporting year (properties 000s).
L9	Connected non-residential properties – recycled water supply (000s)	The number of connected non-residential properties receiving recycled water services from the utility during the reporting year (properties 000s).

Glossary

Altogether/Altogether Group	Altogether Group Pty Ltd
Amending WIC Act	Water Industry Competition (Amendment) Act 2021
Aquacell	Aquacell Pty Ltd
Barangaroo	Lend Lease Recycled Water (Barangaroo South) Pty Ltd
Box Hill	Box Hill scheme (licensed to Altogether Operations Pty Ltd)
Catherine Hill Bay/ CHBWU	Catherine Hill Bay Water Utilities Pty Ltd
Central Park	Altogether Central Park Pty Ltd
Cooranbong	Altogether Cooranbong Pty Ltd
Discovery Point	Altogether Discovery Point Pty Ltd
DPE	Department of Planning and Environment
Green Square	Altogether Green Square Pty Ltd
Huntlee	Altogether Huntlee Pty Ltd
IPART	Independent Pricing and Regulatory Tribunal
Kooragang/KIWS	Kooragang Industrial Water Scheme
Minister	Minister for Lands and Water
ML	Megalitres
Narara	Narara Ecovillage Co-operative Ltd
Panel	Technical Services and Water Licensing Audit Panel
Pitt Town	Altogether Pitt Town Pty Ltd
Rosehill Network	Rosehill Network Pty Ltd
Solo Water	Solo Water Pty Ltd

SDP	Sydney Desalination Plant Pty Ltd
Suez	Suez Water Pty Ltd
VWA	Veolia Water Australia Pty Ltd
VWST	Veolia Water Solutions and Technologies (Australia) Pty Ltd
WIC Act	Water Industry Competition Act 2006 (NSW)
WIC Amendment Bill	Water Industry Competition Amendment Bill 2021 (NSW)
WIC Amendment Regulation	Water Industry Competition (General) Regulation 2022 (NSW)
WIC Regulation	Water Industry Competition (General) Regulation 2021 (NSW)
WQP	Water Quality Plan
WUA	Water Utilities Australia Pty Ltd

⁵ NSW Department of Planning and Environment, Greater Sydney Water Strategy.

- ⁸ Prior to 2015-16 we reported on potential non-compliances identified in licence plans, new infrastructure and operational audits that would have become non-compliances if the issue was not addressed prior to commercial operation.
- ⁹ Water Industry Competition (General) Regulation 2021.
- ¹⁰ These included the network operator's licences of Simmonds & Bristow (09_005, cancelled on 3 July 2013), Osmoflo Water Supply Pty Ltd (11_018, cancelled on 17 December 2012), Mirvac Real Estate Pty Ltd (12_020, cancelled on 15 June 2016), Aquacell Pty Ltd (13_023 cancelled on 15 December 2017); Veolia Water Australia Pty Ltd (09_001 cancelled on 20 September 2021), Wyee Water Pty Ltd (14_026 cancelled on 18 October 2021), and Veolia Water Solutions and Technologies Pty Ltd (10_012 cancelled on 28 June 2022); and the retail supplier licences of Simmonds & Bristow (09_006R, cancelled on 3 July 2013), Pitt Town Water Factory Pty Ltd (10_015R, cancelled on 15 December 2014), Osmoflo Water Supply Pty Ltd (11_019R, cancelled on 17 December 2012), Mirvac Real Estate Pty Ltd (12_021R, cancelled on 15 June 2016), and . Veolia Water Solutions and Technologies Pty Ltd (10_013R cancelled on 28 June 2022).
- ¹¹ When a new scheme is approved by the Minister (as a network operator's licence), it is added to the existing retail supplier's licence under a separate application to vary the retail supplier's licence.
- ¹² Does not include 5-year licence reviews, which is a statutory obligation under the WIC Act.
- ¹³ The Minister granted varied network and retail licences to Altogether Group for its scheme at Box Hill. The Minister also granted a varied network licence to Rosehill Network ty Ltd for the existing scheme at Rosehill. Simultaneously, the Minister cancelled Veolia Water Australia's network licence for this scheme.
- ¹⁴ Kooragang Water Pty Ltd (KWPL), as the owners of the Kooragang Industrial Water Scheme, have submitted an application for new network and retail licences for the scheme. The scheme is currently licensed to Suez Water Pty Ltd. If the Minister grants the new licences to KWPL, he will simultaneously cancel Suez Water's licences for this scheme.
- ¹⁵ We review the numbers provided and where necessary, we clarify data with licensees. We do not audit the data and rely on the licensees' quality assurance processes to ensure it provides accurate information. We retain the right to audit this information if we perceive inconsistencies or errors.
- ¹⁶ Public Water Utilities are measured against performance standards set per 10,000 customers. These are published in the Sydney Water Operating Licence 2019-2023 Compliance and Performance Report – Performance Standards for Service Interruptions 2020-21 and the Hunter Water Compliance and Performance Report – September 2021.
- ¹⁷ WIC Act, section 16.
- ¹⁸ WIC Act, long title.
- ¹⁹ Presently the Minister for Lands and Water is the Minister administering the WIC Act.
- ²⁰ WIC Act, section 6(1)(a).
- ²¹ WIC Act, section 6(1)(b).
- ²² We focus on licence conditions which seek to manage the biggest risks to safety, public health, customers, consumers and the environment and on licensees with poor records of compliance. We also reduce audit frequency or scope for licensees who demonstrate good compliance.
- ²³ We note that incidents may not necessarily be licence non-compliances.
- ²⁴ For more information refer to our Audit Guidelines.
- ²⁵ See WIC Regulation, Schedule 1, clause 2(2).
- ²⁶ See WIC Regulation, Schedule 1, clauses 6, 7, 13 and 14 and Schedule 2, clause 7A.
- ²⁷ For more information refer to our Audit Guidelines.
- ²⁸ For more information, refer to the WIC Act Network Operator's and Retail Supplier's Reporting Manuals.
- ²⁹ IPART, Compliance and Enforcement Policy, December 2017.

¹ As required under section 89(1) of the WIC Act.

² During 2021-22, the licences of 4 licensees who requested cancellation of their licences – Veolia Water Australia Pty Ltd (09_001), Veolia Water Solutions and Technologies Pty Ltd (10_012 and 10_013R), and Wyee Water Pty Ltd (14_026), were cancelled.

³ As of 30 June 2022, there were 34 non-compliances in 2020-21 and 2019-20, 27 non-compliances in both 2018-19 and 2017-18, 40 non-compliances in 2016-17, 20 non-compliances in 2015-16, 39 non-compliances in 2014-15 and 31 non-compliances in 2013-14.

⁴ The 3 licences granted by the Minister were: Network licence variations for Box Hill (16_037), and Rosehill Network (09_002), and a variation to Altogether Group's retail supplier's licence (13_001R).

⁶ The long title of the WIC Act is An Act to encourage competition in relation to the supply of water and the provision of sewerage services and to facilitate the development of infrastructure for the production and reticulation of recycled water, and for other purposes.

⁷ Refer to Audit Grades on pp 10-11 of Audit Guideline, Water Industry Competition Act 2006, July 2020.

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Our role in monitoring licence compliance