



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

Annual Compliance Report to the Minister

October 2023

Water »



Acknowledgment of Country

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

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

Tribunal Members

The Tribunal members for this review are:

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The Independent Pricing and Regulatory Tribunal

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Contents

Executive summary	1
Industry overview	1
Compliance summary	1
1 Licensee compliance in 2022-23	5
1.1 Network operators' compliance	5
1.2 Retail suppliers' compliance	10
2 Changes in the water industry and operating statistics	12
2.1 Changes in the industry over time	12
2.2 The Amending WIC Act	14
2.3 Licences granted, varied or cancelled in 2022-23	15
2.4 Operating statistics	18
2.5 Performance measures	19
3 Our role in monitoring licence compliance	20
3.1 Risk-based approach to monitoring compliance	21
3.2 Monitoring compliance during 2022-23	23
A Audits undertaken in 2022-23	27
B Annual operating performance statistics – network operators	28
C Annual operating performance statistics – retail suppliers	30
Glossary	32

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* (NSW) (WIC Act) for the 2022-23 financial year.¹ It sets out our findings on the extent to which the network operators and retail suppliers licensed under the WIC Act complied with their licence conditions during 2022-23. It also summarises how the private water industry² in NSW has changed over the reporting period, and the activities we undertook to monitor licensees' compliance.

Industry overview

The NSW Government enacted the WIC Act as part of its strategy for a sustainable water future to harness the innovation and investment potential of the private sector in the water and wastewater industries.

Over the ensuing years, the market for recycled water use has grown, and continues to expand. There has been a drop in customer numbers and water volumes reported to IPART this year due in part to some established schemes transferring to the Sydney Water operating regime³. Sydney Water will report on these schemes under its operating licence.

Water security and sustainable use and allocation of water continue to be major long-term challenges for NSW. These challenges are exacerbated by impacts of climate change.

The NSW Government has developed the Greater Sydney Water Strategy (GSWS) and the Lower Hunter Water Security Plan (LHWSP) to provide direction for delivery of sustainable and resilient water services to the residents of these key regions. These plans provide strategies that seek to increase rainfall-independent water supply and recycled water use, to better manage scarce water resources, and achieve greater system resilience to climate change impacts. The private water industry is an important component in achieving these outcomes.

Compliance summary

 Compliance performance of licensees during 2022-23 remained high.

As in previous years, the compliance performance of most of the 30 licensees under the WIC Act during the reporting period was high. We undertook fewer audits this year, due to the reduced audit frequency granted to some licensees as a result of their good compliance history and fewer new schemes coming into operation. Through audits we identified 22 non-compliances across 9 licensees, with one material non-compliance finding. We discuss non-compliances in greater detail in Chapter 1 of the report.

Statistics for WIC Act Licensees in 2022-23

Recycled water customers	14%	↓
Recycled water supplied (volume)	2%	↓
Total water supplied (volume)	155%	↑

Use of recycled water continued to grow steadily over the 12 months to 30 June 2023, despite a drop in recycled water volumes reported by WIC Act licensees. Customers from 2 schemes, Green Square and Bingara Gorge, are now customers of Sydney Water. Consequently, the number of licensees and therefore total number of customers under WIC Act licences has decreased. As a result, there was a 2% decrease in the volume of recycled water produced by WIC licensees.

Total water produced by WIC Act licensees (which includes drinking water) increased by 155%, but this is almost entirely due to the Sydney Desalination Plant (SDP) operating at full capacity for the entire period. We provide the operating statistics in section 3.4 of this report.

The total number of licences has decreased

This year, the number of network operator's licences decreased by 1 to 19 and the number of retail supplier's licences remained unchanged at 11. The network operator licence for the Green Square scheme was cancelled at the licensee's request when the scheme owner contracted operation and maintenance of the scheme to Sydney Water.

The number of licence applications processed has decreased

We processed 4 licence applications: 2 applications for new licences (Ashbourne scheme) and 2 applications to vary current licences (Huntlee scheme). These licence application assessments were not completed during this reporting period.

We recommended that the Minister⁴ grant 4 new or varied licences during the year.⁵ Most new schemes are increasingly being located outside of Sydney Water's and Hunter Water's areas of operation. Most new licence applications are variations to existing schemes, with licensees seeking additional end uses and customers for recycled water. We discuss licence applications further in section 3.3.

The private water industry is a key contributor to the Greater Sydney Water Strategy

We have seen a holistic year on year increase in recycled water use in NSW, indicating an increase in interest and acceptance of the private water industry and recycled water in particular. The NSW Government released the *Greater Sydney Water Strategy* (GSWS) in August 2022. The GSWS aims (among other things) to:⁶

- 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, namely *'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



The Amending WIC Act was assented to by the Governor on 1 November 2021 and will commence with the new WIC Reg.

During the reporting period, we continued to work closely with the Department of Planning and Environment (DPE) to prepare for commencement of the *Water Industry Competition Amendment Act 2021* (Amending WIC Act). Together, we continued developing the new *Water Industry Competition (General) Regulation* (new WIC Reg). The Amending WIC Act and new WIC Reg were due to commence prior to 1 September 2023, but are now expected to commence prior to 1 March 2024.

We will begin transitioning existing licences to the new WIC Act licensing and approvals framework in the 12-month period following commencement.



We continue to monitor and enforce compliance using a risk-based approach.

This year licensees conducted one new infrastructure audit, and one licence plan audit and we initiated 11 operational audits for specified licensees. 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 ensure safe, reliable water and sewerage services. We do this by fostering a strong compliance culture within the 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.⁸

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. 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:

01 Licensee compliance in 2022-23

02 Changes in the industry

03 IPART's role in compliance monitoring

1 Licensee compliance in 2022-23

Most licensees demonstrated a high level of compliance with their licence conditions in 2022-23 through operational audits. Two out of the 11 audited network operator licences had no non-compliances. The other 9 licences had mainly non-material non-compliances, and one licence had a material non-compliance.⁹ The non-compliances were generally related to incomplete implementation of water quality plans and infrastructure operating plans.

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 therefore decided not to take enforcement action 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 1.1.1.

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 they addressed any non-compliance findings.

We are reporting actual non-compliances identified in operational audits or reported by the licensee, rather than issues that may develop into non-compliances if not corrected.¹⁰

1.1 Network operators' compliance

Table 1.1 lists the network operators and summarises their non-compliances and how they were identified. We audited 11 of the 19^a network operators licensed under the WIC Act during the year. Of the licensees we did not audit, 2 were non-operational during the period, and 5 are audited every second year because they have previously established a high level of compliance. We also deferred the audit for Narara Ecovillage while we were considering whether it would continue to be licensed once the Amending WIC Act commenced.

We simplified the way licensees report self-identified non-compliances when we updated the Reporting Manual in April 2022. Last year we noted an increased level of awareness among licensees of the importance of self-reporting non-compliances. This year licensees continued to proactively report potential issues, however there was a decrease in the number of self-identified non-compliances. Licensees self-identified 17 non-compliances during the reporting period. Most of these non-compliances were related to errors in monitoring and sampling, equipment breakdowns or tank overflows caused by heavy rain. 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 monitor these non-compliances through future audits to check that water quality and overall licensee performance is not impacted.

^a The number of network operator's licences decreased in 2022-23 from 20 to 19 with the cancellation of the network operator's licence for Altogether Green Square Pty Ltd (15_031).

Table 1.1 Summary of network operators' compliance performance in 2022-23

Licensee	Scheme	Non-compliance identified by			
		Licensee	Audit	IPART	Total
Rosehill Network Pty Ltd	Fairfield-Rosehill	0	0	0	0
Aquacell Pty Ltd	1 Bligh St	1	NA	0	1
Veolia Water Solutions and Technologies (Australia) Pty Ltd (VWST)	Darling Quarter	0	1	2	3
Sydney Desalination Plant Pty Ltd	Sydney Desalination Plant	4	0	0	4
Pitt Town Water Factory Pty Ltd	Pitt Town	0	2	0	2
Orica Australia Pty Ltd	Orica groundwater scheme	0	NA	0	0
Altogether Central Park Pty Ltd	Central Park	0	3	0	3
Altogether Discovery Point Pty Ltd	Discovery Point	0	3	0	3
Lend Lease Recycled Water (Barangaroo South) Pty Ltd	Barangaroo	0	NA	0	0
Altogether Huntlee Pty Ltd	Huntlee	0	3	0	3
Aquacell Pty Ltd	Kurrabung	2	NA	0	2
Altogether Cooranbong Pty Ltd	Cooranbong	3	3	0	6
Catherine Hill Bay Water Utility Pty Ltd	Catherine Hill Bay	2	NA	1	3
Altogether Operations Pty Ltd	Box Hill North	2	2	0	4
Kooragang Water Pty Ltd	KIWS	1	NA	0	1
Narara Ecovillage Co-operative Ltd	Narara	0	NA	1	1
Altogether Operations Pty Ltd	Shepherds Bay	0	3	0	3
Altogether Operations Pty Ltd	Glossodia	0	NA	0	0
Kyeema Wastewater Pty Ltd	Gundaroo	2	2	0	4
Total		17	22	4	43

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.

1.1.1 Network operators that had non-material non-compliances

Altogether Group

The audit identified 22 non-compliances spread across all 7 operating schemes.

Requirement to implement water quality plans: In general, the auditor found that Altogether Group had demonstrated a high level of competence in implementing its water quality plans and had minor deficiencies with some elements of the drinking water and recycled water guidelines. The plans have matured since the last audit. Based on the audit interviews and inspections, the auditor found that Altogether Group had generally implemented the plans well.

Altogether Group's Drinking Water Management Plan (DWQP) had not been fully implemented across the 5 schemes that supply drinking water. The auditor found non-material non-compliances against elements 2 and 7th of the *Australian Drinking Water Guidelines* (ADWG) for the Central Park, Cooranbong, Discovery Point, Huntlee, and Shepherds Bay schemes, as set out in Table 1.2.

The Recycled Water Quality Plan (RWQP) had not been fully implemented across all operating schemes. The auditor found non-material non-compliances against elements 2, 3 and 7 of the *Australian Guidelines for Water Recycling* (AGWR), for the Box Hill, Central Park, Cooranbong, Discovery Point, Huntlee, Pitt Town, and Shepherds Bay schemes, as set out in table 1.3.

A material non-compliance was found against the Pitt Town scheme under element 3 of the AGWR and is described in the section 1.1.2 below.

Table 1.2 Summary of Altogether's drinking water quality non-compliances

Element	Requirement	Finding
Element 2	Water supply system analysis	The Process Flow Diagram at one site still shows decommissioned assets. It is understood that the diagram will be reviewed when a programmed process change is completed. However, the diagram has been incorrect for over 12 months and has been used during the 2022 risk assessment.
	Hazard identification and risk assessment	The DWQP and Risk Assessment Protocol defines terms used to evaluate levels of uncertainty. However, many of the documented drinking water risks do not have a level of uncertainty assigned. This shortcoming impacts the effectiveness of the risk assessment.
Element 7	Employee training	Sufficient evidence was not available to determine if contractors had appropriate experience and education. At present it is not clearly identified in the water quality plans what the training requirements are for contractors or that appropriate checks are in place to verify these requirements are met.

Table 1.3 Summary of Altogether's recycled water quality non-compliances

Element	Requirement	Finding
Element 2	Hazard identification and risk assessment	The RWQP and Risk Assessment Protocol defines terms used to evaluate levels of uncertainty. However, many of the documented drinking water risks did not have a level of uncertainty assigned. This shortcoming impacts the effectiveness of the risk assessment.

Element 3	Preventative measures and multiple barriers	<p>The auditor found inconsistent chlorine levels across the schemes. Box Hill did not meet the minimum target of 0.2 mg/L free chlorine in any month in the audit period. It was unclear in the RWQP what the required residual chlorine levels should be, as it was only located during the audit in the Annual Water Quality Report. A chlorine residual is an important preventive measure to manage the risk of contamination or stagnation in the distribution system, and while Altogether's RWQP does conform to the requirements of AGWR, there is an opportunity to improve its current processes. The Recycled Water Irrigation Standard Operating Procedure requires that ground water standing water level is monitored in each observation bore either daily or weekly depending on the month. There were shortcomings in how Altogether monitored ground water standing water levels across various sites, as it appeared to not have been monitored over the audit period. For this preventive measure to be effective, ground water standing water level must be measured. In addition, various critical control points (CCPs) across the various schemes were not consistent with those listed in site CCP tables.</p>
Critical control points		<p>During the site visit it was observed that the turbidity instrument for the membrane bioreactor (CCP 1) at Pitt Town 1 had a blockage in the sample line and the instrument was in alarm (local). However, it was not registered in SCADA. It therefore appeared on SCADA that it was operating normally, and the treatment process continued without CCP monitoring. As these membranes cannot do a direct integrity test, turbidity monitoring is the only integrity monitoring.</p> <p>At Huntlee the target dose for the UV disinfection controller is lower than that in the CCP table.</p>
Element 7	Employee training	<p>Sufficient evidence was not available to determine if contractors had appropriate experience and education. At present it is not clearly identified in the water quality plans what the training requirements are for contractors or that checks are in place to verify requirements are met.</p>

Requirement to implement infrastructure operating plans: The licensee must fully implement its Infrastructure Operating Plan (IOP).

The IOP, in relation to sewage, has been fully implemented and kept up to date.

The audit found that the licensee had mostly implemented its IOP, in relation to water. The audit findings included the following:

- There were a significant number of maintenance activities that were completed late, and this is most likely due to the rapid growth of Altogether's operations, and the conflicting demands of balancing resourcing and outcomes.

- The IOP refers to Altogether Group's scheme specific management plans which in turn refer to the Water Balance Reports for each scheme. Altogether Group is aware that water balance reports are not representative of the actual scheme flow balance but have not updated these since the schemes were designed. Several schemes have excess recycled water. Pitt Town is also predicted to have a large shortfall of recycled water during summer months.
- The Asset Management Plan (water) which is part of the IOP includes details of the levels of service for each scheme (KPIs), but not targets. There is insufficient evidence to determine if these KPIs are monitored and used to determine if levels of service are being met.

There was a non-material non-compliance. However, Altogether's asset management system is getting better each year, and there has been obvious improvement since the last audit.

Kyeema Wastewater (KW)

The audit identified 2 non-material non-compliances:

Requirement to implement water quality plans: The licensee must fully implement its water quality plan. The auditor identified 2 shortcomings in how KW had implemented its Water Quality Plan – (i) the temperature and residual chlorine monitoring parameters for the sole critical control process (chlorine disinfection), were not being logged during part of the audit period; and (ii) that there was no evidence of the chlorine analyser associated with the sole critical control point being calibrated during the audit period.

Requirement to implement sewage IOP: The licensee must fully implement its sewage IOP. There was an identified shortcoming in the implementation of the IOP in that there was no evidence of the chlorine analyser associated with the sole critical control point being calibrated during the audit period.

Veolia Water Solutions and Technologies (VWST)

Requirement to implement water quality plan for Darling Quarter: The implementation of the WQP was considered non-compliant due to exceedances of the critical control point (CCP) limits. The auditor determined that this non-compliance was not material as these exceedances are due to delays in the control system that allow the plant to start up which are not reflected in the CCP table. It was also not possible to verify compliance with the membrane filtration CCP critical limit, where a turbidity critical limit of less than 0.3 NTU must be met 95% of the time.

The auditor considered these non-compliances to be non-material because they reflect a shortcoming of the control system at start-up rather than an actual water quality issue. Consequently, we have decided not to take enforcement action. We will follow up on these non-compliances at the next operational audit.^b

1.1.2 Network operator that had a material non-compliance

Pitt Town material non-compliance: A material non-compliance was found against Altogether Pitt Town for not fully implementing its RWQP.

^b Note: This scheme may not be a WIC Act scheme under the new Amending WIC Act and WIC Reg.

During the site visit the auditor observed that the turbidity instrument for the membrane bioreactor at Pitt Town had a blockage in the sample line and the instrument was in alarm mode. However, the alarm was not registering in SCADA.¹² It therefore appeared on SCADA (and to the remote operator) that it was operating normally, and the treatment process continued without critical control point monitoring. While the treatment process follows the multi-barrier approach endorsed by the AGWR, this should have been a critical failure as the quality of the water cannot be guaranteed. It was unknown how long the turbidity meter was in this state. As the water at Pitt Town is used for non-potable purposes such as toilet flushing, irrigation and cold-water laundry connections, the auditor considered that the health risks to the public of using the water if it wasn't meeting the requisite quality were low.

In response to this non-compliance, we issued Altogether Group with recommendations to amend its processes to ensure the design settings for treatment units and critical limits are set correctly at all schemes and that all required monitoring is carried out. We also intend to increase our focus on critical control points at the next operational audit in 2024.

1.1.3 Technical non-compliance

Since October 2020, SDP has at Sydney Water's request, been operating to supply water to Sydney Water under an Emergency Response Notice to IPART. The request was made to help Sydney Water mitigate the effect of public health impacts on water supply within its area of operations, including asset replacement issues, and bushfire and flooding impacts on water quality in Warragamba Dam. The supply of water by SDP under this arrangement was not contemplated under the existing 2020 Pricing Determination and was assessed by the Tribunal as a 'technical non-compliance'. As an ongoing issue since 2020, we have not included this in the list of non-compliances for 2022-23.

1.2 Retail suppliers' compliance

Table 1.4 lists the retail supplier's licences for 2022-23 and summarises their non-compliances and how they were identified. Nine of the 11 retail suppliers had no non-compliances. Kooragang Water correctly identified in its network operator's licence annual compliance report that it was non-compliant with the requirement to be a member of an approved ombudsman's scheme but did not also report this as a non-compliance with its retail licence. Narara Ecovillage did not fully complete its annual compliance reporting requirements.

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.

Table 1.4 Summary of retail suppliers' compliance performance in 2022-23

Licensee	Scheme	Non-compliance identified by			
		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
Altogether Group Pty Ltd	Multiple ^a	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
Kooragang Water Pty Ltd	KIWS	0	NA	1	1
Narara Ecovillage Pty Ltd	Narara	0	NA	1	1
Kyeema Wastewater Pty Ltd	Gundaroo	0	NA	0	0
Total		0	NA	0	2

a. See Table 1.1 for the list of schemes covered under these licences.

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

Source: IPART Analysis.

1.2.1 Retail licence non-compliances

Kooragang Water

Kooragang Water self-identified that they had were not a member of an approved ombudsman scheme. The Kooragang Industrial Water Scheme (KIWS) does not have any small retail customers. Kooragang Water is asking for an exemption from this requirement, as was granted to the previous licensee for this scheme (Suez Water). This obligation will not be required under the new WIC Act and WIC Regulation.

Narara Ecovillage

Narara Ecovillage did not provide a full compliance report by 1 September as required by the Reporting Manual. We have included a non-compliance (identified by IPART) against both of their licenses.

2 Changes in the water industry and operating statistics

In the 15 years since the WIC Act commenced, the private water industry in NSW has grown steadily. In this chapter, we provide an overview of the changes in the industry and licensing over time, including the forthcoming changes to the WIC Act, the licences that were granted or varied in 2022-23, and the licensees' operating statistics and performance against their performance indicators.

2.1 Changes in the industry over time

Since 2008 the Minister has granted 28 network operator licences and 17 retail supplier licences. The Minister has cancelled 9 network operator licences and 6 retail supplier licences, each at the licensee's request.¹³ The number of retail supplier licences is lower than network operator licences because retail suppliers tend to hold one licence across multiple schemes.¹⁴

During the reporting period we completed our assessment of 4 licence applications. The Minister¹⁵ granted 2 new licences and 2 varied licences. We commenced assessing another 2 licence variation applications and 2 new licence applications and completed these assessments (outside the reporting period).

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.

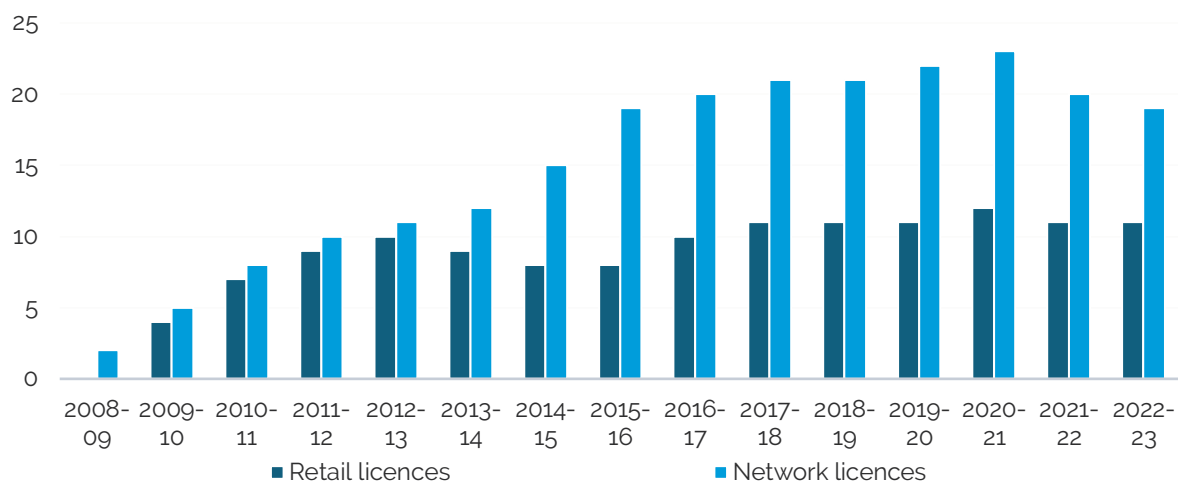
This year we have seen a consolidation of licences, with one infrastructure owner opting to become the licensee, rather than have its' scheme licensed to another organisation^c. We have also seen a public water utility step in to operate an existing scheme in an area where significant growth is expected to occur.^d

Figure 2.1 and Figure 2.2 show trends in the number of licences and the number of customers serviced by licensees. This year we have seen a decrease in network operator licences (down by 1) and the same number of retail licences. There is a decrease in customer numbers mainly due to the removal of 2 schemes from the WIC Act licensing regime. We discuss the decrease in licence numbers in section 2.3.

^c Kooragang Water has replaced Suez Water as the licensee for the KIWS.

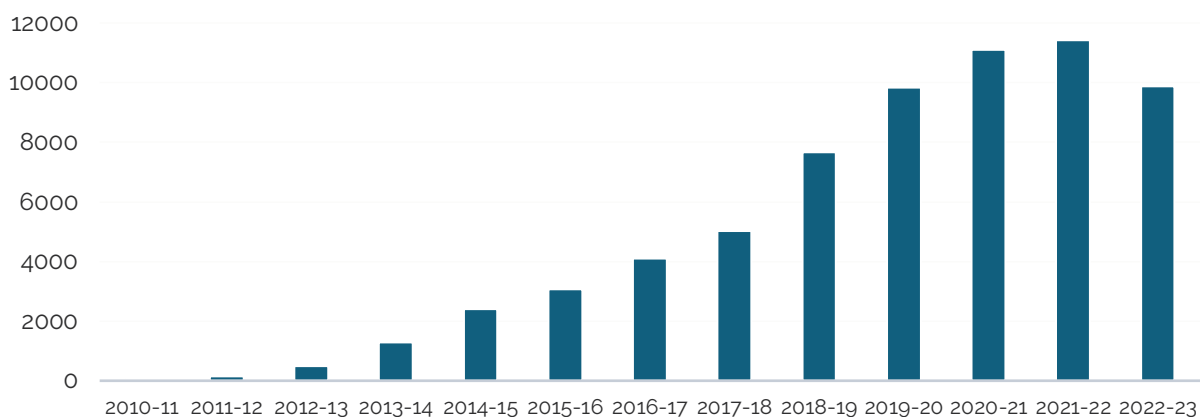
^d Sydney Water has taken over the contract to operate and maintain the Green Square scheme from Altogether Group.

Figure 2.1 Number of licences



Source: IPART Analysis.

Figure 2.2 Change 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 NW1 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

2.1.1 Water balance issues pose an emerging risk

An emerging trend is an excess of recycled water being generated at some schemes, exceeding demand from residential customers. Getting this water balance right is complicated by the seasonality of recycled water uptake: demand for recycled water is 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.

Many land and housing schemes have a water imbalance because they produce excess recycled water. Applicants are required to supply a Water Balance Report, to accompany their licence applications, and these reports are referenced in the schemes' Infrastructure Operating Plans. However, as schemes develop and grow the Water Balance Reports become out of date and the projections in these reports are not representative of what is being experienced in these schemes.

Excess recycled water is an issue that is inherent to most recycled water schemes and cannot be easily resolved. Currently, we have not made any non-compliance findings against any licensees but have identified it as an area of risk that needs close monitoring. We will monitor the management of excess recycled water closely and identify potential solutions, such as collaboration with other regulators to identify options for disposing or using the excess recycled water.

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

2.2 The Amending WIC Act

The Governor assented to the Amending WIC Act on 1 November 2021, but it has not yet commenced.

We are working with DPE to finalise the new supporting regulations. We expect the Amending WIC Act and new WIC Reg to commence prior to 1 March 2024, followed by a 12-month period for existing licences to be transitioned into the new WIC Act licensing and approvals framework.

2.3 Licences granted, varied¹⁶ or cancelled in 2022-23

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 the necessary information when submitted, most licence applications we receive are incomplete, and we have to seek 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 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 4 new licences this year.¹⁷ In addition, we have:

- processed 4 new applications as of 30 June 2023
- made recommendations for the Minister to grant 4 licences during the reporting period
- put 2 applications on hold while we await the commencement of the Amending WIC Act and new WIC Reg. We expect a small number of existing schemes may not require licensing under the new WIC regime
- continued to assess applications as they are received.

Overall, there have been fewer licence applications this year. The delayed commencement of the amendments to the WIC Act is likely to have affected the number of applications received, as has the downturn in the residential housing market.

The Minister cancelled 2 licences at the request of the licensees. Suez Water Australia Pty Ltd requested cancellation of licences 16_038 and 16_039R following the grant of new licences to Kooragang Water Pty Ltd for the Kooragang Industrial Water Scheme (KIWS).

Tables 2.1 and 2.2 summarise the network operators and retail suppliers licensed under the WIC Act as of 30 June 2023, and the activities they were licensed to undertake.

Table 2.1 Network operators' licences as of 30 June 2023

Date licence first granted	Licensee	Scheme	Recycled water	Drinking water	Sewerage
27 Apr 2009	Rosehill Network Pty Ltd	Fairfield-Rosehill			
2 Feb 2010	Aquacell Pty Ltd	1 Bligh St			
24 Jun 2010	Veolia Water Solutions and Technologies (Australia) Pty Ltd	Darling Quarter ^a			
9 Aug 2010	Sydney Desalination Plant Pty Ltd (SDP)	Sydney Desalination Plant			
11 Nov 2010	Altogether Pitt Town Pty Ltd ^b	Pitt Town			

Date licence first granted	Licensee	Scheme	Recycled water	Drinking water	Sewerage
23 Apr 2012	Orica Australia Pty Ltd	Orica groundwater scheme	✓		
4 Jan 2013	Altogether Central Park Pty Ltd ^b	Central Park	✓	✓	✓
4 Dec 2013	Altogether Discovery Point Pty Ltd ^b	Discovery Point	✓	✓	✓
28 Feb 2015	Lend Lease Recycled Water (Barangaroo South) Pty Ltd	Barangaroo	✓		✓
3 Mar 2015	Altogether Huntlee Pty Ltd ^b	Huntlee	✓	✓	✓
26 July 2015	Aquacell Pty Ltd	Kurrajong	✓		✓
6 Aug 2015	Cooranbong Water Pty Ltd ^b	Cooranbong	✓	✓	✓
22 Mar 2016	Catherine Hill Bay Water Utility Pty Ltd	Catherine Hill Bay	✓	✓	✓
12 May 2016	Altogether Operations Pty Ltd ^b	Box Hill North	✓		✓
4 July 2017	Narara Ecovillage Co-operative Ltd	Narara	✓	✓	✓
13 Oct 2017	Altogether Operations Pty Ltd ^b	Shepherds Bay	✓	✓	✓
26 June 2020	Altogether Operations Pty Ltd ^b	Glossodia	✓		✓
25 Sep 2020	Kyeema Wastewater Pty Ltd	Gundaroo			✓
4 Nov 2022	Kooragang Water Pty Ltd	Kooragang	✓		

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](#).

Table 2.2 Retail supplier licences as of 30 June 2023

Date licence first granted	Licensee	Scheme	Recycled water	Drinking water	Sewerage
2 Feb 2010	Aquacell Pty Ltd	1 Bligh Street	✓		
26 July 2015	Aquacell Pty Ltd	Kurrajong	✓		
10 Mar 2010	AquaNet Sydney Pty Ltd	Fairfield-Rosehill	✓		
24 Jun 2010	Veolia Water Solutions and Technologies (Australia) Pty Ltd	Darling Quarter	✓		
9 Aug 2010	Sydney Desalination Plant Pty Ltd (SDP)	Sydney Desalination Plant		✓	
23 Apr 2012	Orica Australia Pty Ltd	Orica groundwater scheme	✓		
17 Apr 2013	Altogether Group Pty Ltd	Pitt Town	✓		✓

Date licence first granted	Licensee	Scheme	Recycled water	Drinking water	Sewerage
		Central Park	✓	✓	✓
		Discovery Point	✓	✓	✓
		Cooranbong	✓	✓	✓
		Huntlee	✓	✓	✓
		Box Hill North	✓		✓
		Shepherds Bay	✓	✓	✓
		Glossodia	✓		✓
13 July 2015	Lend Lease Recycled Water (Barangaroo South) Pty Ltd	Barangaroo	✓	✓	✓
22 Sept 2016	Solo Water Pty Ltd	Catherine Hill Bay	✓		✓
4 July 2017	Narara Ecovillage Co-operative Ltd	Narara	✓		✓
25 Sep 2020	Kyeema Wastewater Pty Ltd	Gundaroo			✓
4 Nov 2022	Kooragang Water Pty Ltd	Kooragang	✓	✓	

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](#) .

2.4 Operating statistics

During the year, there was a decrease in customer numbers, and in the volumes of sewage treated and recycled water produced by WIC licensees, as a result of the Bingara Gorge and Green Square schemes being transferred to Sydney Water's operations. Based on operating statistics provided by licensees as part of licensees' annual compliance returns,¹⁸ in 2022-23 there was a:



We observed that:

- Licensees collected 3,717 ML of sewage, which is a 29% decrease on last year's total of 5,264 ML. This decrease can be partly attributed to the transfer of customers associated with the Bingara Gorge and Green Square schemes, and a change in how Kooragang Water and AquaNet have reported their data. A trend correction will be evident in next year's reporting. The remaining residential schemes continued to expand and increase the volume of recycled water supplied to customers.
- Licensees supplied less recycled water in this reporting period. The volume this year, 4,953 ML, was 2% less than last year's total of 5,032 ML. This decrease is attributed to the transfer of customers associated with the Bingara Gorge and Green Square schemes but mitigated by continued expansion of customer numbers in the other residential schemes.
- Licensees supplied services to 8,026 drinking water, 9,878 recycled water and 10,006 sewerage connections. This is a decrease of 3% for drinking water customers, 14% for recycled water customers and 3% for sewerage customers.
- There has been an extraordinary increase of 155% in total water supplied. This is almost exclusively attributed to the SDP running continuously at full capacity over the full year.

The changes in the operating statistics are summarised in Table 2.3 below.

Table 2.3 Changes in WIC Act licensee market 2022-23

	2021-22	2022-23	% change
Customers serviced (number):			
Drinking water	8,248	8,026	-3%
Sewerage	10,302	10,006	-3%
Recycled water	11,424	9,878	-14%
Volume of recycled water supplied (ML)	5,032	4,953	-2%
Volume of sewage collected (ML)	5,264	3,717	-29%

a. 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. Similarly, Kooragang Water collects wastewater from Hunter Water and this volume of treated sewage will no longer be included in these figures.

b. 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.

2.5 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 sixth 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.⁴⁹

Performance data supplied by WIC Act licensees indicate that in 2022-23:

- 9,878 customers received recycled water services:
 - Eight customers experienced an unplanned water interruption that lasted for more than five continuous hours. All of these were associated with industrial users – KIWS (2 customers), Orica (5 customers), and Rosehill Network (1 customer).
 - There were 6 instances of customers experiencing three or more water interruptions lasting more than one hour. Again, these were all associated with the industrial schemes – KIWS – 1 customer and Orica – 5 customers.
- 8,026 customers received potable water services:
 - There were 130 instances of customers being without supply, 1 at Huntlee (average duration 65 minutes), one at Cooranbong (average duration 105 minutes), and 128 at Catherine Hill Bay (average duration 80 minutes).
- 10,006 customers received sewerage services, with 8 customers experiencing an uncontrolled wastewater overflow at Box Hill.

3 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 ensure the provision of safe, reliable water and sewerage services to their customers. We achieve that aim by holding licensees accountable for their compliance performance and encouraging 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 engaging directly with licensees on issues of concern.

The Minister or IPART may take enforcement action against any licensee that fails to comply with its obligations.²⁰ Such enforcement action may include imposing a monetary penalty or requiring the licensee to take certain actions.

Box 3.1 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 aims are 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.²¹

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 Minister²² and make recommendations to the Minister to license new operators. Where necessary we take enforcement action to address compliance issues.

We determine pricing for services provided by declared monopoly suppliers (such as SDP) and conduct periodic reviews of pricing policies in respect of such services, where the Minister refers those matters to us.

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,²³ and
- a retail supplier's licence to supply water, and/or provide sewerage services by means of water industry infrastructure.²⁴

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.

3.1 Risk-based approach to monitoring compliance

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

- a risk-based independent audit program²⁵
- investigations of incidents, complaints or inadequacies identified through audits or other means
- requiring immediate incident reporting by licensees²⁶
- 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, and we encourage licensees to strengthen their compliance culture.

3.1.1 Independent audit program

We monitor licensees' compliance with the WIC Act, the WIC Regulation and their licence conditions through periodic, risk-based operational audits.²⁷ We initiate the audit, and the licensee selects independent auditors to undertake audits from a panel of auditors that we pre-approve.





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.²⁸ 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).²⁹ These audits apply to both network operator's and retail supplier's licences.

Auditors must undertake all audits in accordance with our audit guidelines.³⁰ The audit grades from the audit guidelines applicable this year are presented in Figure 3.1.

Figure 3.1 WIC Act audit grades

Grades of compliance	Description
 Compliant	Sufficient evidence is available to confirm that the requirements have been met.
 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.
 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.
 No Requirement	There is no requirement for the licensee to meet this criterion within the audit period.

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. For high-risk non-compliances, we may require a re-audit or action immediately.

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.

3.1.2 Immediate incident reporting

Licensees must immediately report to IPART 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 13 immediate incident reports from licensees.

We did not consider any of the reported incidents to be licence non-compliances requiring further action. We assessed that these incidents did not impact on water quality, public health or safety, and so have not reported on them in this annual report.

3.1.3 Annual reporting

In addition to immediate incident reporting, licensees are required to submit an annual compliance report to IPART by 1 September each year in accordance with our reporting manual.³¹ Each licensee's 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 must 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.

3.1.4 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:

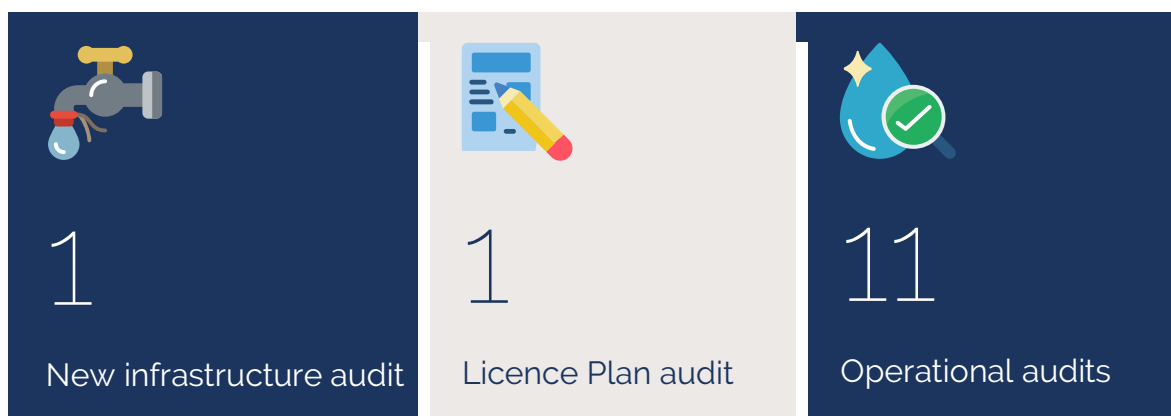
- The Water Group of the Department of Planning and Environment
- NSW Fair Trading
- SafeWork NSW
- Fire and Rescue NSW
- NSW Environment Protection Authority
- Local councils.

3.2 Monitoring compliance during 2022-23

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 2022-23. Further information on these tools is in the IPART *Compliance and Enforcement Policy*.³²

3.2.1 Audits undertaken

Independent auditors completed a total of 11 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 Appendix A.

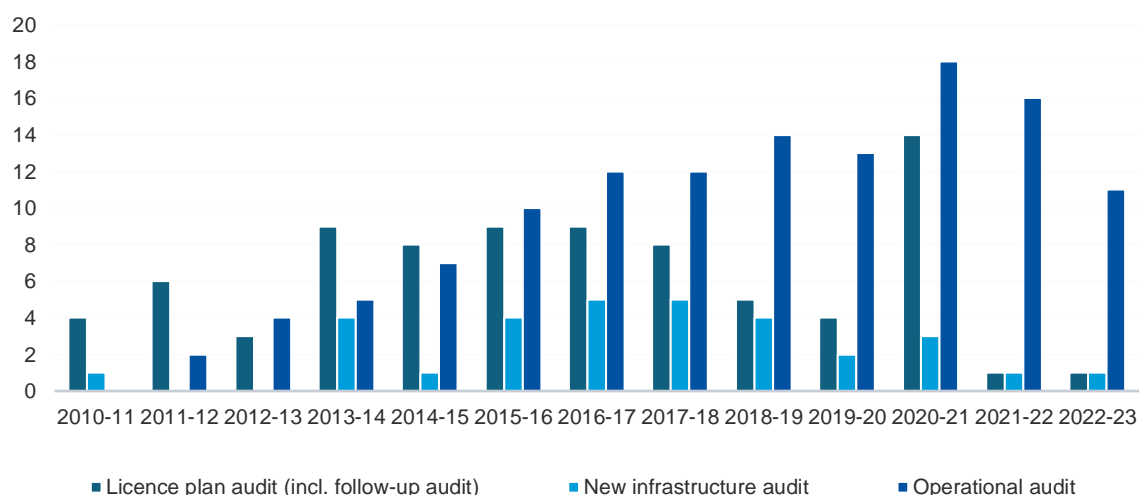


We recommenced face to face audit interviews and site visits for all schemes.

There was one new infrastructure, and one licence plan audit 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 granted 2 new licences in the reporting period and varied 2 existing licences. However, the 2 new licences pertained to an existing scheme (KIWS) and the 2 that were for the varied scheme (Cooranbong) did not require audits of new infrastructure.

As we reported last year, we changed our audit framework in 2021-22 to better investigate and assess licensees' implementation of water quality plans. Over the last 2 years we have seen a greater focus on licence plans during operational audits, and less need for specific licence plan audits. Over the last 3 years, there has been a general improvement in the quality of licence plans across the board. Figure 3.2 outlines the number of audits conducted each year.

Figure 3.2 Number of WIC Act audits per financial year



Source: IPART analysis

Appendices

A Audits undertaken in 2022-23

Table A.1 Audits for the 2022-23 reporting period

Licensee	Scheme	Audit period	Date final report received
Operational audits			
Altogether Central Park Pty Ltd	Central Park	1 May 2022 – 30 April 2023	29 July 2022
Altogether Discovery Point Pty Ltd	Discovery Point	1 May 2022 – 30 April 2023	29 July 2022
Altogether Operations Pty Ltd	Shepherds Bay	1 May 2022 – 30 April 2023	29 July 2022
Altogether Huntlee Pty Ltd	Huntlee	1 May 2022 – 30 April 2023	29 July 2022
Altogether Cooranbong Pty Ltd	Cooranbong	1 May 2022 – 30 April 2023	29 July 2022
Altogether Pitt Town Pty Ltd	Pitt Town	1 May 2022 – 30 April 2023	29 July 2022
Altogether Operations Pty Ltd	Box Hill	1 May 2022 – 30 April 2023	29 July 2022
Rosehill Network Pty Ltd	Rosehill Network	1 May 2022 – 30 April 2023	3 February 2023
Sydney Desalination Plant Pty Ltd (SDP)	SDP	July 2020 to 18 September 2022	28 April 2023
Kyeema Wastewater Pty Ltd	Gundaroo	21 December 2021 to 30 September 2022	24 February 2023
Veolia Water Solutions and Technologies Pty Ltd	Darling Quarter	1 November 2021 to 31 August 2022	27 March 2023
Licence Plan Audits			
Kooragang Water Pty Ltd	KIWS	N/A	1 February 2023
Infrastructure Audits			
Kooragang Water Pty Ltd	KIWS	N/A	22 November 2022

Source: IPART analysis

B Annual operating performance statistics – network operators

Table B.1 shows key statistics for the 19 network operators.

Table B.1 Operating statistics for WIC Act network operators in 2022-23

Licence number	Licensee	Scheme	A1	A2	A3	A4	A10	A11	A12
09_002	Rosehill Network Pty Ltd	Fairfield-Rosehill	1	0	NA	NA	0	NA	NA
09_003	Aquacell Pty Ltd	1 Bligh St	0	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_014	Altogether Pitt Town Pty Ltd	Pitt Town	0	0	0	0	0	0	0
12_016	Orica Australia Pty Ltd	Orica Groundwater scheme	5	5	NA	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
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	1	65	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	1	105	0	0	0
16_035	Catherine Hill Bay Water Utility Pty Ltd	Catherine Hill Bay	0	0	128	80	0	0	0
16_037	Altogether Operations Pty Ltd	Box Hill North	0	0	0	0	0	8	0
17_040	Narara Ecovillage Co-operative	Narara	0	0	0	0	0	0	0
17_042	Altogether Operations Pty Ltd	Shepherds Bay	0	0	0	0	0	0	0
19_043	Altogether Operations Pty Ltd	Glossodia	0	0	0	0	0	0	0
20_044	Kyeema Wastewater Pty Ltd	Gundaroo	0	0	0	0	0	0	0
22_046	Kooragang Water Pty Ltd	Kooragang Industrial Water Scheme (KIWS)	2	1	NA	NA	0	NA	NA

Licence number	Licensee	Scheme	A1	A2	A3	A4	A10	A11	A12
Total			8	6	130	250	0	8	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 11 retail supply licensees.

Table C.1 Operating statistics for WIC Act retail suppliers in 2022-23

Licence number	Licensee	Scheme	L1 (ML)	L2 (ML)	L3 (ML)	L4 '000	L5 '000	L6 '000	L7 '000	L8 '000	L9 '000
09_004R	Aquacell Pty Ltd	1 Bligh St and Kurrajong	5	1.6	13.3	0	0	0.052	0.001	0	0.001
10_01R	AquaNet Sydney Pty Ltd	Fairfield- Rosehill	1399.75	1399.75	2285.51	NA	NA	NA	NA	NA	0.01
10_009R	Veolia Water Solutions and Technologies Pty Ltd (Darling Walk)	Darling Quarter	29.51	11.91	30.13	0	0	0	0	0	0
10_011R	Sydney Desalination Plant Pty Ltd	Sydney Desalination Plant	68,239.05	0	0	0	0	0	0	0	0
12_017R	Orica Australia Pty Ltd	Orica groundwater scheme	1239	1033	0	0	0	0	0	0	0.005
13_001R	Altogether Group Pty Ltd	Pitt Town, Central Park, Discovery Point, Huntlee, Cooranbong, Box Hill North, Shepherds Bay	1,731.62	822.69	1,265.80	7,406	0.122	9.167	0.085	9.167	0.069
15_034R	Lend Lease Recycled water (Barangaroo South) Pty Ltd	Barangaroo	46	46	64	0	0	0.235	0.018	0.159	0.017
15_036R	Solo Water Pty Ltd	Catherine Hill Bay	88.2	31.74	50.1	0.44	0	0.39	0	0.39	0
17_041R	Narara Ecovillage Co-operative Ltd	Narara	10.4	5.7	7.3	0.054	0.004	0.054	0.004	0.054	0.004
20_045R	Kyeema Wastewater Pty Ltd	Gundaroo	0	0	0.799	0	0	0.007	0	0	0
22_047R	Kooragang Water Pty Ltd	KIWS	2633.43	2633.43	0	0	0	0	0	0	0.002
Total			74,183.0	4,952.8	3,716.9	7,900.0	126.0	9,898.0	108.0	9,770.0	108.0

a. 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	<i>Water Industry Competition (Amendment) Act 2021</i>
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
Huntlee	Altogether Huntlee Pty Ltd
IPART	Independent Pricing and Regulatory Tribunal
Kooragang/KIWS	Kooragang Industrial Water Scheme
Minister	Minister for 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	<i>Water Industry Competition Act 2006 (NSW)</i>
WIC Amendment Bill	<i>Water Industry Competition Amendment Bill 2021 (NSW)</i>
WIC Amendment Regulation	<i>Water Industry Competition (General) Regulation 2022 (NSW)</i>
WIC Regulation	<i>Water Industry Competition (General) Regulation 2021 (NSW)</i>
WQP	Water Quality Plan
WUA	Water Utilities Australia Pty Ltd

- ¹ As required under section 89(1) of the [WIC Act](#).
- ² 'Industry' in this context refers to the supply of recycled water, and/or the treatment and reuse/disposal of sewage by private companies (water utilities) that are regulated by IPART under the *Water Industry Competition Act 2006*.
- ³ Over the last 2 years, Sydney Water has acquired the water infrastructure for the Bingara Gorge scheme and has signed a contract with City of Sydney Council to operate and maintain the Green Square scheme. Both schemes were previously regulated by, and reported water use statistics under, the WIC Act.
- ⁴ The responsible Minister was the Minister for Lands and Water. Kooragang Water was granted its licences on 4 November 2022. Altogether Cooranbong has its varied licences granted on 14 December 2022.
- ⁵ The Minister granted 2 new licences to Kooragang Water on 4 November 2022, and varied 2 existing licences for the Cooranbong scheme on 14 December 2022.
- ⁶ NSW Department of Planning and Environment, *Greater Sydney Water Strategy*.
- ⁷ WIC Act, Long Title
- ⁸ 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*.
- ⁹ Refer to Audit Grades in the *Audit Guideline, Water Industry Competition Act 2006, July 2020*, pp. 10-11
- ¹⁰ 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.
- ¹¹ Refers to the 12 elements that form the *Australian Drinking Water Guidelines* (ADWG) or the *Australian Guidelines for Water Recycling* (AGWR) framework, for drinking water and recycled water respectively.
- ¹² Supervisory Control and Data Acquisition – a system of software and hardware elements used to control processes, monitor and gather data, interact with control devices and record data.
- ¹³ 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), Wye 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 Suez Water Pty Ltd (16_038 cancelled on 4 November 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), Veolia Water Solutions and Technologies Pty Ltd (10_013R cancelled on 28 June 2022), and Suez Water Pty Ltd (16_039R cancelled on 4 November 2022)
- ¹⁴ 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.
- ¹⁵ At the time, the Minister for Lands and Water.
- ¹⁶ Does not include 5-year licence reviews, which is a statutory obligation under the WIC Act.
- ¹⁷ The Minister granted varied network operator's and retail supplier's licences to Altogether Group for its scheme at Cooranbong. The Minister also granted a new network operator's licence and a new retail supplier's licence to Kooragang Water Pty Ltd for the existing Kooragang Industrial Water Scheme. Simultaneously, the Minister cancelled Suez Water's network operator's and retail supplier's licences for this scheme.
- ¹⁸ 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.
- ¹⁹ 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 2022-23* and the *Hunter Water Compliance and Performance Report – September 2023*.
- ²⁰ WIC Act, section 16.
- ²¹ WIC Act, long title.
- ²² Presently the Minister for Water is the Minister administering the WIC Act.
- ²³ WIC Act, section 6(1)(a).
- ²⁴ WIC Act, section 6(1)(b).
- ²⁵ 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.
- ²⁶ We note that incidents may not necessarily be licence non-compliances.
- ²⁷ For more information refer to our [Audit Guidelines](#).
- ²⁸ See [WIC Regulation](#), Schedule 1, clause 2(2).
- ²⁹ See [WIC Regulation](#), Schedule 1, clauses 6, 7, 13 and 14 and Schedule 2, clause 7A.
- ³⁰ For more information refer to our [Audit Guidelines](#).
- ³¹ For more information, refer to the [WIC Act Network Operator's and Retail Supplier's Reporting Manuals](#).
- ³² IPART, *Compliance and Enforcement Policy, December 2017*.

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