

13 May 2019

Water NSW

IPART has taken action in relation to Water NSW for contravening clauses 2.1.1 and 5.1.1 of the Water NSW operating licence relating to maintaining a Water Quality Management System and maintaining an Asset Management System.

Monetary penalty

On 10 April 2019, IPART imposed on Water NSW:

- ▼ A \$25,000 penalty for contravening clause 2.1.1 (Water Quality Management System) of its operating licence.
- ▼ A \$25,000 penalty for contravening clause 5.1.1 (Asset Management System) of its operating licence.

WaterNSW paid the penalties on 9 May 2019.

Contraventions

The action relates to contraventions in the following areas:

- ▼ Water Quality Management System (clause 2.1.1): identified deficiencies in the Water Quality Management System could affect Water NSW's ability to provide assurances on its water quality and processes. The audit did not identify any instances where these deficiencies had resulted in impacts on water quality.
- ▼ Asset Management System (clause 5.1.1): failure to include all of Water NSW's authorised functions and defined outcomes in the Asset Management System that play a key role in planning for, managing and responding to issues that pose a risk to the integrity of its asset and/or public health. The audit did not identify any instances where these deficiencies had resulted in impacts to integrity of assets or public health.

Water NSW provided a submission to IPART on 27 March 2019 in response to a notice of proposed action. IPART considered the submission before deciding to impose the penalty.

Compliance and enforcement

IPART administers the licence for Water NSW under the *Water NSW Act 2014* and monitors compliance with obligations for public health, providing services and protecting customers.

For public water utilities, including Water NSW, IPART undertakes regular audits to monitor compliance with their licence conditions. Water NSW is due to report to IPART on 31 May 2019 on progress of our 2018 audit recommendations.

IPART considered that a monetary penalty was an appropriate action to achieve our regulatory objectives, particularly to focus Water NSW on the importance of its Water Quality Management System and Asset Management System, and to provide a deterrent for similar future contraventions.

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