How will the Amending WIC Act affect you?

Information session

Opening remarks

Narelle Berry, Director, Water Licensing and Compliance

What is this afternoon about?

1. What does the new regulatory framework look like?

2. What will happen to current licensees (transitional arrangements)?

3. Process improvement projects under the existing WIC Act.

The Amending WIC Act

What does the new regulatory framework look like?

Zoe Moffat, Principal Analyst

In a nutshell …

The Amending WIC Act includes:

1. Narrower scope of the licensing regime.

2. Brings metropolitan councils' operating schemes into the framework.

3. New licensing and approvals framework.

4. New compliance framework.

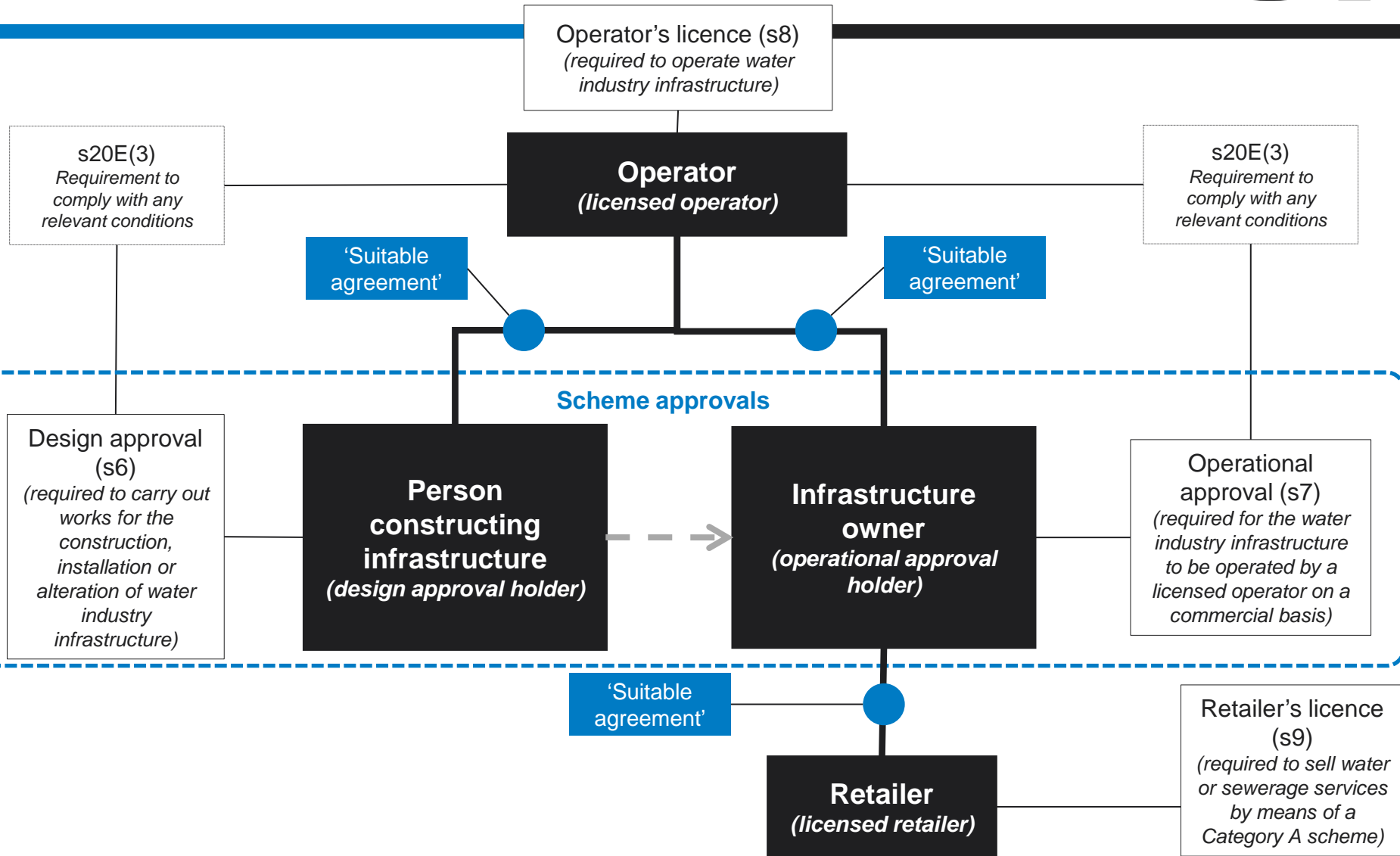5. Includes operator of last resort provisions.
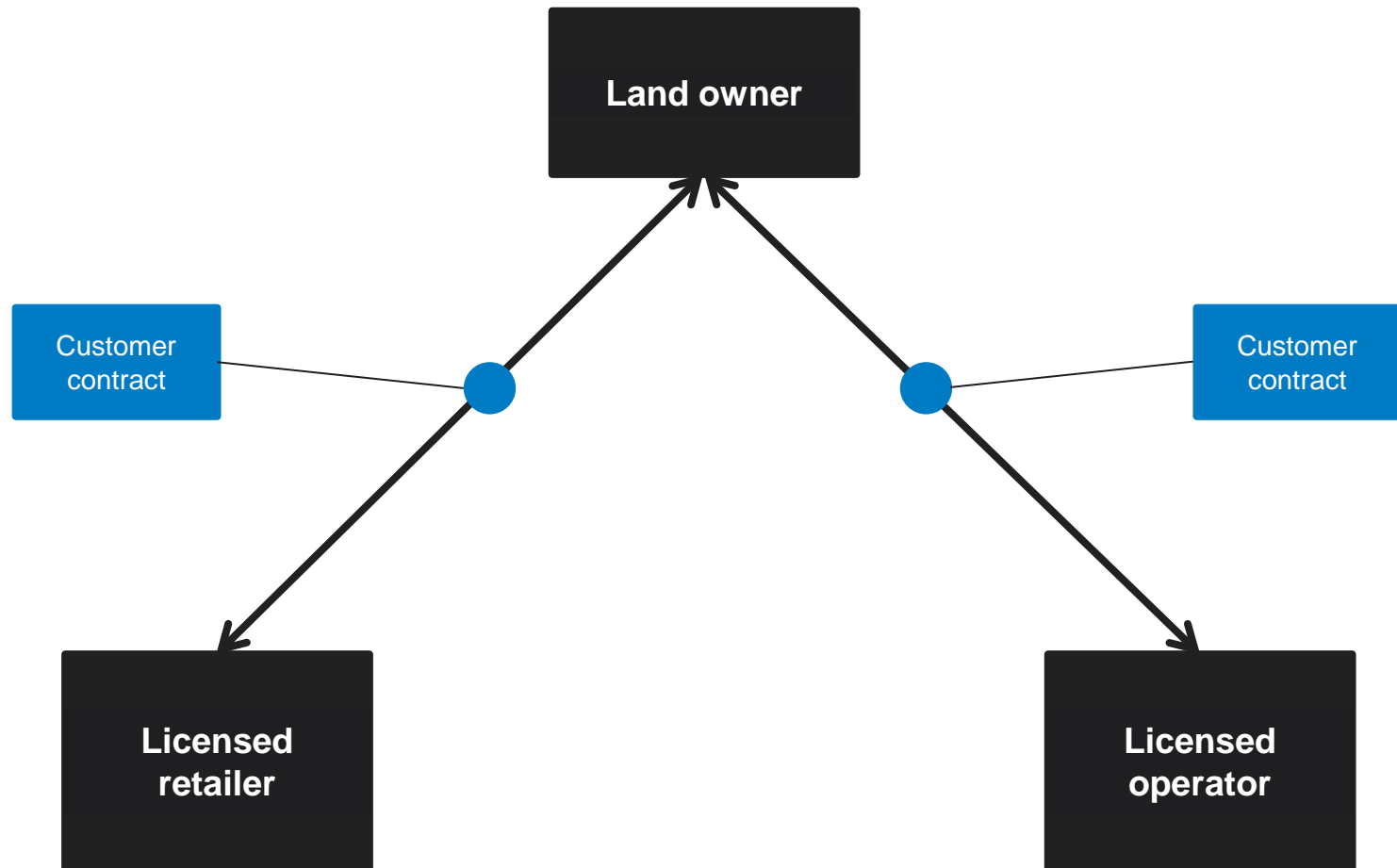
Who needs an approval/licence?

Water industry infrastructure:

1. providing water or sewerage services to **30 or more** small retail customer premises (Category A scheme)

2. drinking water production >500 kL/day

3. sewage treatment >750 kL/day
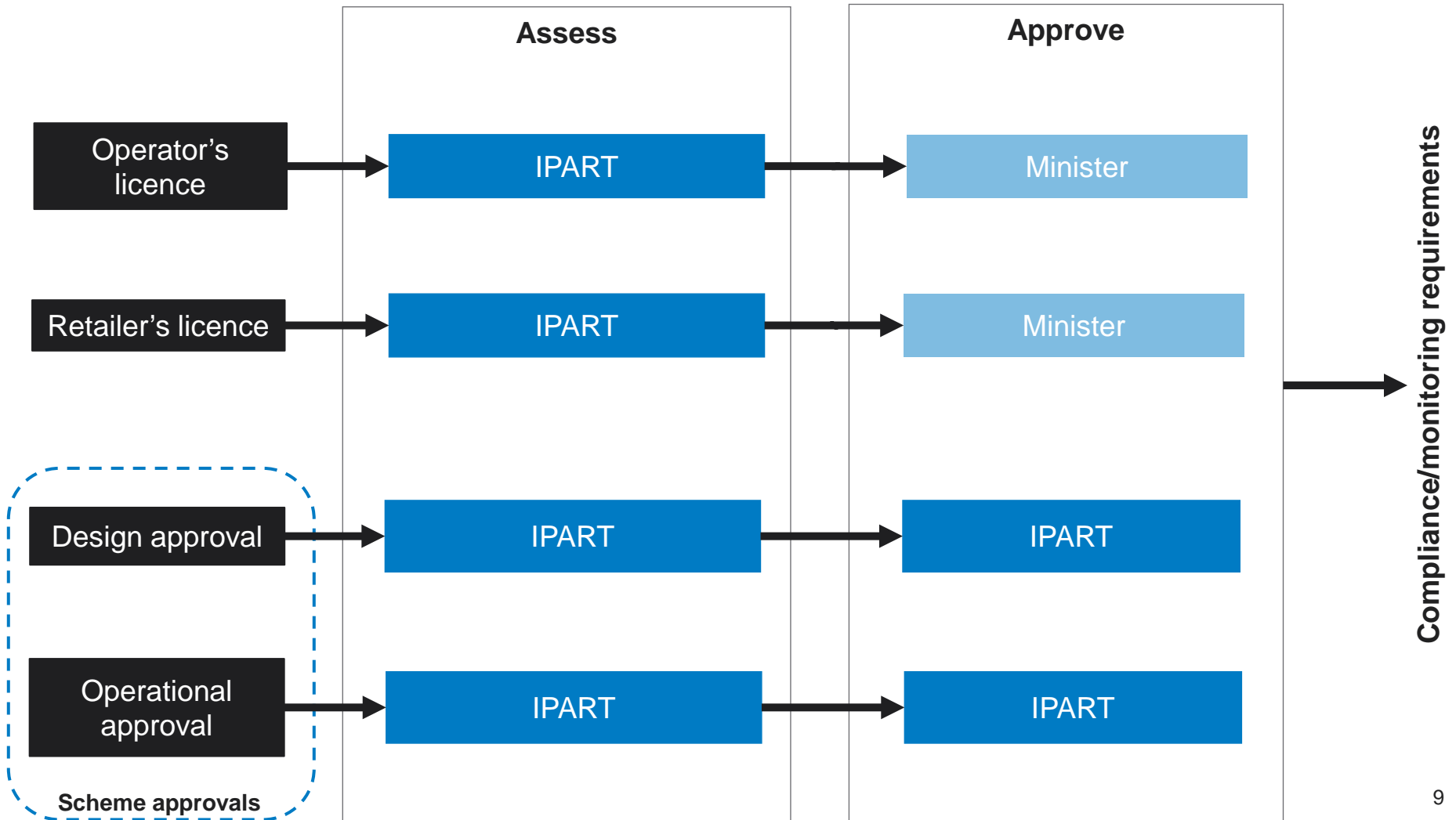
4. as declared by the regulations

An overview of the framework

Operator's licence (s8)
(required to operate water industry infrastructure)

Operator
(licensed operator)

s20E(3)
Requirement to comply with any relevant conditions

s20E(3)
Requirement to comply with any relevant conditions

'Suitable agreement'

'Suitable agreement'

Scheme approvals

Design approval (s6)
(required to carry out works for the construction, installation or alteration of water industry infrastructure)

Person constructing infrastructure
(design approval holder)

Infrastructure owner
(operational approval holder)

Operational approval (s7)
(required for the water industry infrastructure to be operated by a licensed operator on a commercial basis)

'Suitable agreement'

Retailer
(licensed retailer)

Retailer's licence (s9)
(required to sell water or sewerage services by means of a Category A scheme)

Implied customer contracts

Land owner

Customer contract

Customer contract

Licensed retailer

Licensed operator

Who will approve the instruments?

	Assess	**Approve**
Operator's licence	IPART	Minister
Retailer's licence	IPART	Minister
Design approval	IPART	IPART
Operational approval	IPART	IPART

Scheme approvals (Design approval, Operational approval)

Compliance/monitoring requirements

Assessment requirements

Criteria	Licences (OL/RL)	Design approval (DA)	Operational approval (OA)
Suitable corporation			
'Management criteria'	✓	✓	✓
Capacity (technical, financial, organisational)	✓	✓	✓
Objects of the WIC Act	✓	✓	✓
Public interest	✓	✓	✓
Regulation	✓	✓	✓
Submissions	✓	✓	✓

Assessment requirements

Criteria	Licences (OL/RL)	Design approval (DA)	Operational approval (OA)
WQOs and standards audit		✓	✓
Financial viability		✓	
Financial impacts on customers		✓	
Suitable agreement for operation		✓	✓*
Capacity of operator		✓	✓*
Infrastructure constructed			✓
Suitable agreement with retailer			✓
Last resort provider designated			✓

* Applicable only if there is no relevant design approval.

Variations/transfers/cancellation
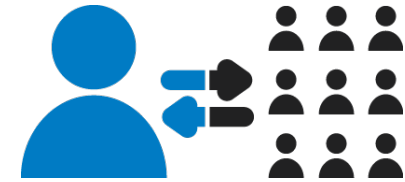
	Licences (OL/RL)	Design approval (DA)	Operational approval (OA)
Variation?	Class of infrastructure (OL)	Works	✕
Variation of conditions	✓	✓	✓
Transferrable?	✕	✓	✓
Cancellation?	Can be surrendered - Ministerial consent	✓	✓

Scenarios

Transition

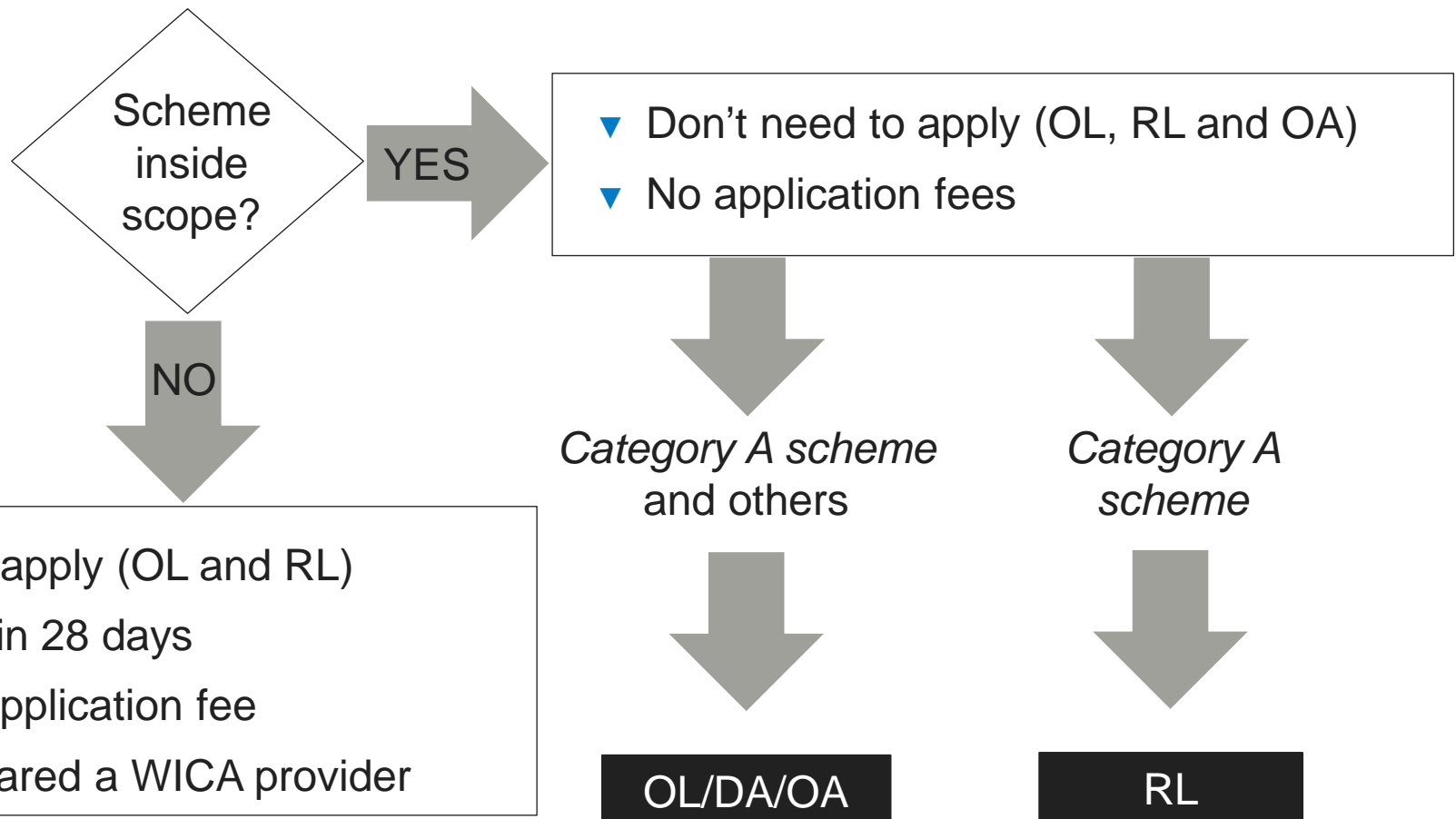What will happen to current licences?

Javier Canon, Analyst

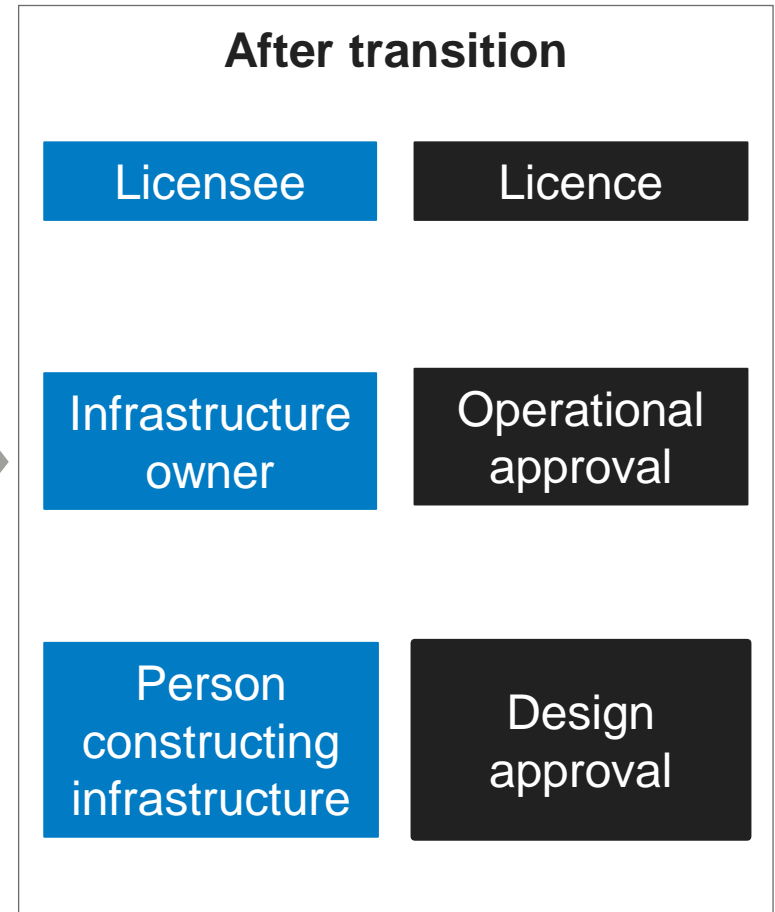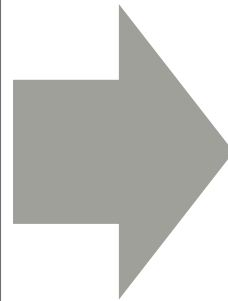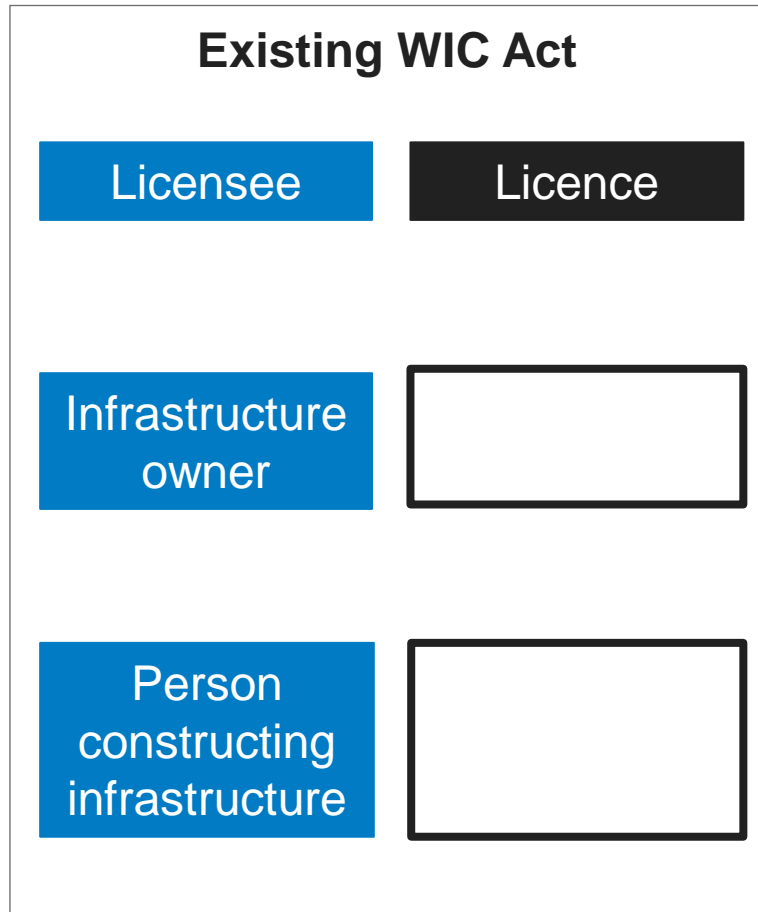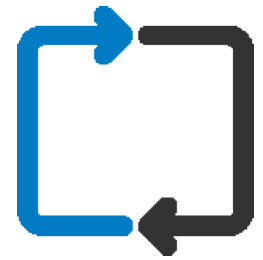# What will need an approval / licence?

Water industry infrastructure:

1. providing water or sewerage services to **30 or more** small retail customer premises (Category A scheme)

2. drinking water production >500 kL/day

3. sewage treatment >750 kL/day

4. as declared by the regulations

How will the existing licences be transitioned?

```
          ┌─────────────┐
          │   Scheme    │  ──YES──▶  ▼ Don't need to apply (OL, RL and OA)
          │   inside    │            ▼ No application fees
          │   scope?    │
          └─────────────┘
                │                         │                    │
               NO              Category A scheme          Category A
                │               and others                  scheme
                ▼                         │                    │
  ▼ Can apply (OL and RL)                 ▼                    ▼
  ▼ Within 28 days                   ┌──────────┐        ┌──────────┐
  ▼ No application fee               │ OL/DA/OA │        │   RL     │
  ▼ Declared a WICA provider         └──────────┘        └──────────┘
```

How will the network licences be transitioned?

Existing WIC Act

Licensee	Licence
Infrastructure owner	
Person constructing infrastructure	

After transition

Licensee	Licence
Infrastructure owner	Operational approval
Person constructing infrastructure	Design approval

Key: Person Instrument

How will the network licences be transitioned?

Existing WIC Act

Licensee	Licence
	Conditions
Infrastructure owner	
Person constructing infrastructure	

After transition

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How will the network licences be transitioned?

Existing WIC Act

Licensee	Licence

Conditions

Infrastructure owner	

Person constructing infrastructure	

After transition

Licensee	Licence

Infrastructure owner	Operational approval

Person constructing infrastructure	Design approval

Will your scheme be captured?

Licensee/scheme	RL	OL/OA
Veolia Water Australia (Rosehill/Fairfield)		
SPI Rosehill Network		
Aquacell (Bligh street)		
VWS&T Australia (Darling Walk)		
Sydney Desalination Plant		✓
VWS&T Australia (Bingara Gorge)	✓	✓
Pitt Town Water Factory	✓	✓
Orica Australia		
Central Park	✓	✓
Discovery Point	✓	✓

Will your scheme be captured (cont.)?

Licensee/scheme	RL	OL/OA
Wyee Water	✓	✓
Aquacell (Workplace 6)		
Lend Lease (Barangaroo South)		✓
Huntlee Water	✓	✓
Cooranbong Water	✓	✓
Aquacell (Kurrajong)		
Narara Eco Village	✓	✓
Box Hill	✓	✓
Solo Water (Catherine Hill Bay)	✓	✓
Kooragang Island (Suez)		

Other considerations

Customer contract

Essential infrastructure

How will licence applications be transitioned?

WICA6 process improvements

Maria Morahan, Principal Analyst

We asked you for feedback

Application form

Timelines

Consistency

Compliance
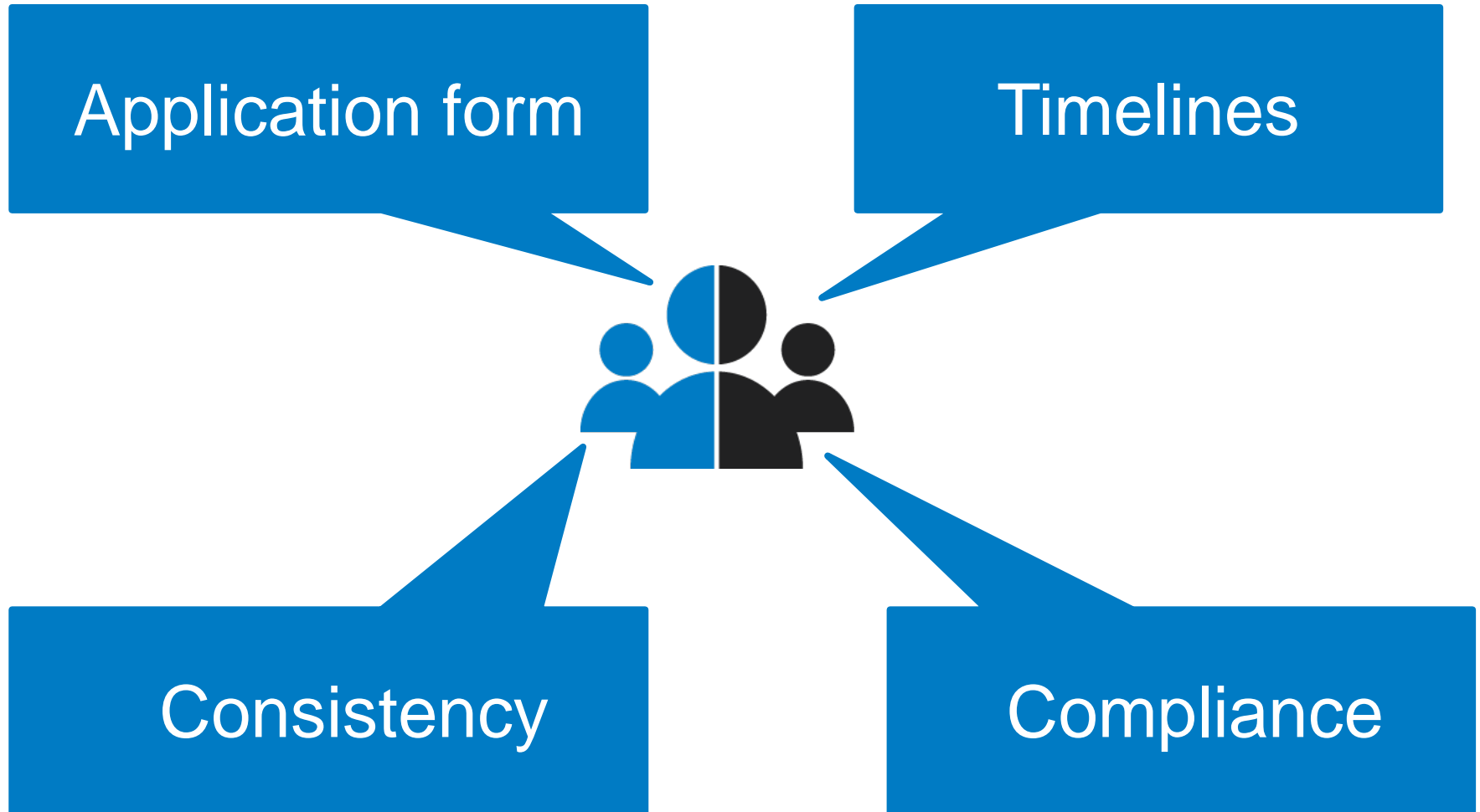
Application form

'The license form itself is relatively easy to understand, but what is being asked is really onerous to complete.'

'It is not clear how much detail is required in answering the questions.'

'It's not easy to understand what they want from the application form and is quite confusing. The form doesn't provide sufficient clarity about what is needed.'

'We used the guidance materials and application forms. They were not useful. It is too complicated and the form asks for too much information that isn't important.'

Timelines and RFIs

'It makes it very difficult to provide accurate timeframes for developers.'

'We always seek further clarity with a face to face meeting before responding to an RFI to ensure they are clear on what information is being sought.'

'The problem isn't usually how it [the RFI] is worded, but that it takes so long to get back to you and then they request you to resubmit [the application] when it's not necessary.'

Consistency
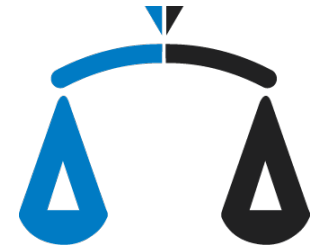
'The problem is that different assessors are asking for different types of information. So looking at your last application, you provide them upfront with everything they needed last time, but then a different assessor wants something else.'

Compliance regime

'There is a one size fits all approach that is overly prescriptive. I'm not sure how else they would do it but it means some of the measures are irrelevant.'

'The focus should be on achieving compliance with minimal process, rather than on maximising the process and requirements without a clear focus on how they actually deliver compliance outcomes.'

Performance indicators 'These are difficult to understand and confusing, even after reading the reporting manual in detail. It is not clear where information is supposed to go.'

How are we addressing your concerns?

1. Reviewing the application form.

2. Developing user-friendly supporting material.

3. Updating and streamlining current internal processes for application assessments.

4. Reviewing the IPART Compliance and Enforcement Policy.

5. Updating the auditing requirements based on good compliance history.

6. Looking at the performance indicators.

7. Implementing an online portal.

Online portal for applicants

The online solution will enable applicants to:

- ▼ Lodge applications via the web
- ▼ Track progress of application in real time
- ▼ Attach/manage supporting documents
- ▼ Receive and respond to RFIs, notifications, and
- ▼ Contact IPART's assessment team directly for any concerns/issues.

Online portal for licensees

Once the licence is granted, licensees would be able to:

- ▼ View and manage their licences
- ▼ Update contact details
- ▼ View their licence and compliance obligations in one spot
- ▼ Report, track and manage non compliances and incidents
- ▼ Receive notifications from IPART
- ▼ Attach reports, documents etc. as required by reporting manual, and
- ▼ Contact IPART's compliance team directly for any concerns/issues.

What next?

Narelle Berry, Director, Water Licensing and Compliance