



# Appendix F Jurisdictional summaries

Jurisdictional summaries are provided to document the institutional arrangements within each state and territory for the planning and management of water supply and wastewater services. These summaries are written by the states and territories and updated annually.

## F1 Australian Capital Territory

### F1.1 Introduction

The ACT Government's Environment, Planning and Sustainable Development Directorate has several roles in water management within the ACT. It manages strategic water policy, including ACT implementation of national water reform and Murray–Darling Basin matters including Basin Plan implementation, and national issues relating to water access, pricing, and trading. The directorate also regulates the ACT's water resources and monitors and reports on water quality in the territory. ACT water policy is expressed through the *Water Resources Act 2007*.

Reporting and compliance obligations for the ACT water sector are imposed by national legislation including the Australian Government's *Water Act 2007*, *Corporations Act 2001*, and *Privacy Act 1988*, and ACT legislation including the *Independent Competition and Regulatory Commission Act 1997*, *Territory-Owned Corporations Act 1990*, *Work Safety Act 2008*, *Utilities Act 2000*, *Water Resources Act*, *Environment Protection Act 1997*, *Water and Sewerage Act 2000* (for plumbing and sanitation services), and *Public Health Act 1997*.

The Utilities Act provides for the Independent Competition and Regulatory Commission (ICRC) to issue licences and determine industry codes. Among other functions, the Utilities Act provides for the Essential Services Consumer Council.

The ICRC determines price directions for water utilities and regulates access agreements. A new price direction was issued in May 2018 for the next price path period up to 30 June 2023.<sup>9</sup> An annual adjustment is made for water and sewerage services. Prices for water and sewerage services are increased in line with the consumer price index (CPI). The second factor is to incorporate the effect of any approved pass-through events on Icon Water's (formerly ACTEW Water) costs in prices in the following year. An industry panel adjustment mechanism is in place in order to share demand volatility risk between Icon Water and consumers.

### F1.2 Water utilities in the ACT

ACTEW Corporation Limited (ACTEW), which was established as a corporation in 1995, is owned by the ACT Government and is subject to the Territory-Owned Corporations Act.

In late 2011, the ACTEW Board approved the reintegration of the water and sewerage business into ACTEW. This change came into effect from 1 July 2012, when ACTEW resumed the management, operations, and maintenance of the ACT's water and sewerage assets and business. ActewAGL had previously undertaken this on behalf of ACTEW. The services were provided under the business name ACTEW Water. The change was carried out to give ACTEW the opportunity to transform the business in a way that more closely aligns with the objectives of ACTEW Corporation. The ACTEW organisation expanded from 38 personnel to almost 400.

On 31 October 2014, the ACTEW Board announced a change in name for the water utility from ACTEW Water to Icon Water. The new branding of the utility and the corporate name came into effect in May 2015.

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<sup>9</sup> ICRC 2018, Regulated water and sewerage services prices 2018–23, Final Report, Canberra.

Icon Water has 2 subsidiary companies, Icon Retail Investments Limited and Icon Distribution Investments Limited. Icon Water owns and manages the water and sewerage business assets and owns 50% of ActewAGL through 2 subsidiary companies.

Icon Water provides water services to over 172,000 connected properties, with over 3,300 km of water mains, and sewerage services to 171,500 connections.

The ACT Auditor-General is Icon Water's auditor. Private firms provided internal audit services. Icon Water reports regularly to the ACT Government. Strategic planning for the sewage treatment plants culminated in the release of the *Lower Molonglo Water Quality Control Centre Strategic Plan*.

### F1.3 Operation of water utilities

ACT Health regulates water quality under the territory's Public Health Act, in accordance with the *Australian Drinking Water Guidelines 2011*. Water quality testing was undertaken in accordance with these guidelines. Icon Water achieved 100% compliance the Public Health (Drinking Water) Code of Practice (2007) in 2019–20.<sup>10</sup> Icon Water also published its *Annual drinking water quality report 2019–20* in accordance with the code in 2020.

Icon Water also provides water services to Queanbeyan City Council under the updated Queanbeyan Water Supply Agreement 2008.

The enlargement of the Cotter Dam was completed in August 2013. The Murrumbidgee–Googong pipeline (M2G) was completed in August 2012. Icon Water has incorporated the pipeline's operations and maintenance into its standard operating practices and it will be used when required.

### F1.4 Performance reporting

Icon Water's commercial and business objectives, activities, and priorities, as agreed by voting shareholders, are detailed in its annual statement of corporate intent. Icon Water released its statement for 2017–18 to 2020–21 in May 2017.

The *Icon Water annual report to the ACT Government 2019–20* was provided to the ACT Government in September 2020.

Quarterly reports of progress on the priorities outlined in the statement of corporate intents, and for financial and operational matters as well as reports and briefings on key and emerging issues, were provided to the voting shareholders during the year.

## F2 New South Wales

### F2.1 Introduction

In New South Wales, urban water supply and sewerage services are provided by 3 state-owned water utilities, 93 local water utilities (LWUs)<sup>11</sup> and a number of privately owned utilities.

Various regulatory agencies have responsibility for the establishment and operation of the water utilities. The Independent Pricing and Regulatory Tribunal (IPART) is the licence-compliance and price regulator for the 3 major state-owned water utilities in New South Wales: Hunter Water Corporation, Sydney Water Corporation, and WaterNSW (bulk water services in metropolitan and regional New South Wales). IPART is also the licence-compliance regulator for private water utilities in NSW and the price regulator that determines the maximum prices that 2 regional LWUs – Central Coast Council and Essential Energy (Broken Hill) – and one private water utility (the Sydney Desalination Plant) can charge their customers for the provision of water and sewerage services.

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<sup>10</sup> Icon Water Limited 2020, 2019–20 Annual report to the ACT Government, Canberra.

<sup>11</sup> In addition to 92 LWUs in regional New South Wales, Hawkesbury City Council provides sewerage services only within Sydney Water's area of operation.

The Department of Planning and Environment (DPE) oversees and monitors water utility performance and is the primary policy maker for all water utilities and regulator for the 93<sup>12</sup> regional LWUs, which serve a total urban population of 2.04 million (with coverage of 98% for water supply and 96% for sewerage). The infrastructure current replacement cost for regional LWUs is \$28.7 billion and annual revenue is \$1.41 billion as reported last financial year.

A number of other agencies, including NSW Health, the NSW Environment Protection Authority (EPA), the Office of Local Government, SafeWork NSW, the Natural Resource Access Regulator and Dam Safety NSW, are each responsible for aspects of the regulation of New South Wales water utilities.

The state's water utilities have obligations under Australian and New South Wales legislation, including the Australian Government's *Corporations Act 2001*, *Privacy Act 1988*, and *Water Act 2007*, and the following New South Wales legislation: *Water Management Act 2000*, *Water Act 1912*, *Protection of the Environment Operations Act 1997*, *Independent Pricing and Regulatory Tribunal Act 1992*, *Environmental Planning and Assessment Act 1979*, *State Owned Corporations Act 1989*, *Dams Safety Act 2015*, *Local Government Act 1993*, *Fisheries Management Act 1994*, *Public Health Act 2010*, *Fluoridation of Public Water Supplies Act 1957*, *Work Health and Safety Act 2011*, *Public Finance and Audit Act 1983*, *Water Industry Competition Act 2006*, *Hunter Water Act 1991*, *Sydney Water Act 1994*, and the *Water NSW Act 2014*.

## F2.2 Establishment of water utilities

The 3 New South Wales state-owned utilities, (Sydney Water Corporation, WaterNSW, and Hunter Water Corporation), are created by and derive their responsibilities and areas of operations from their respective Acts (the Sydney Water Act, the Water NSW Act, and the Hunter Water Act) and operate as major utilities under the Water Management Act.

The 90 LWUs derive their responsibilities from and operate mainly under the Local Government Act. Four LWUs (Central Coast Council, Essential Energy, WaterNSW [but only in relation to the Fish River water supply scheme] and Cobar Water Board) operate as water supply authorities under the Water Management Act.

## F2.3 Operation of water utilities

The regulatory oversight of water utilities in New South Wales is shared between different agencies. IPART regulates operating licences that have been issued to Sydney Water Corporation (under Part 5 of the Sydney Water Act), Hunter Water Corporation (under Part 5 of the Hunter Water Act), and WaterNSW (under Part 2 of the Water NSW Act). The operating licences include obligations relating to water quality, water conservation, system performance standards, environmental/catchment management, asset management, customer relations, compliance, and performance reporting. IPART also determines the maximum prices these utilities can charge their customers for water services.

IPART conducts major operational audits each year. These identify any areas of non-compliance and make recommendations to improve performance. It also undertakes end-of-term reviews of operating licences and makes recommendations to the relevant minister on the terms for renewal of the licences.

The Department of Planning and Environment is the primary regulator of LWUs, under sections 56ff and 409(6) of the Local Government Act, and administers the New South Wales Government's comprehensive [Water Supply and Sewerage Regulation and Assurance Framework](#) for LWUs. The Framework is the key policy and regulatory framework for strategic service planning, management, pricing, performance reporting and continuing performance improvement of the LWUs. A LWU may pay a dividend to council's general fund subject to demonstrating that it has reasonable strategic planning and pricing in place as per the Framework.

Under the *Regulation and assurance framework for LWUs* the department establishes what outcomes effective, evidence-based strategic planning must achieve and then assesses whether a local water utility's strategic planning and decision-making achieves these outcomes to a reasonable standard.

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<sup>12</sup> The NSW Local Government Act 1993 has been amended as a consequential amendment to the NSW Water Industry Competition Amendment Act 2021, enabling DPE Water to be the primary regulator for Hawkesbury City Council's sewerage business. The amended provisions are expected to take effect once the Regulations are amended.

For effective, evidence-based strategic planning to occur, the department expects strategic planning to achieve the following outcomes to a reasonable standard:

- understanding service needs
- understanding water security
- understanding water quality
- understanding environmental impacts
- understanding system capacity and efficiency
- understanding other key risks and challenges:
- understanding solutions to deliver services
- understanding resourcing needs
- understanding revenue sources
- make and implement sound strategic decisions
- implement sound pricing and prudent financial management
- promote integrated water cycle management.

A reasonable standard is met if the utility considers and addresses an outcome in a way that is:

- **sufficient:** underpinned by evidence-based analysis that supports the conclusions reached
- **appropriate:** underpinned by relevant departmental guidance and industry standard approaches to conduct planning and reach conclusions
- **robust:** underpinned by evidence that draws on appropriate sources and recognises and rebuts potential alternative interpretations.

The assessment considerations that the department apply and how these may be addressed are set out in more detail in the Framework.

Proposed construction or modification of water or sewage treatment works or for the development of a water-recycling system by LWUs in New South Wales requires [approval under section 60 of the Local Government Act](#). This ensures that an independent and objective review of the proposed works is undertaken by the Department of Planning and Environment, where insights and expertise obtained from the department's involvement in overseeing the design and operation of these works can be effectively utilised. The review provides assurance that the proposed infrastructure will be fit for purpose and will provide a robust, safe, cost-effective, and sound solution, without wasteful 'gold-plating'. Similarly, the acceptance of a high-risk or medium-risk trade waste discharge to the sewerage system requires a departmental concurrence under section 90(1) of the Local Government Act.

Under section 61 of the Local Government Act, the department conducts regular inspections of LWU treatment works and provides feedback and mentoring to the LWU operators. Each operator in charge of a water or sewage treatment works in regional New South Wales is required to have appropriate qualifications and experience.

The department conducts operator-training courses for LWU water and sewage treatment works operators.

The annual performance of each of the LWUs activities and outcomes is publicly reported via the interactive [performance monitoring data dashboard](#) and the NSW Water supply and sewerage benchmarking reports.

NSW Health regulates water quality in New South Wales and administers functions relating to water suppliers (Sydney Water Corporation, Hunter Water Corporation, and the regional LWUs) under the Public Health Act. NSW Health also enters into memorandums of understanding with the metropolitan water utilities (including WaterNSW) to facilitate interaction between the agencies and to establish the scope of drinking water management plans and procedures for communicating the results of water quality programs. NSW Health also conducts the NSW Drinking Water Quality Program, which tests and monitors the water quality of samples collected by the LWUs in accordance with the Australian Drinking Water Guidelines 2011.

Under the Public Health Act, each water supplier needs to prepare and implement a risk-based drinking water management system in accordance with the Australian Drinking Water Guidelines 2011. The water quality management system is regulated by NSW Health.

## F2.4 Water utilities in New South Wales

Sydney Water Corporation, a statutory corporation wholly owned by the New South Wales Government, is Australia's largest water utility, with an area of operations covering almost 13,000 km<sup>2</sup>. It provides drinking water, recycled water, wastewater services, and some stormwater services to more than 5 million people in Sydney, the Illawarra, and the Blue Mountains. Drinking water is sourced from a network of dams managed by WaterNSW, from the Hawkesbury River, and from the desalination plant at Kurnell before it is treated and delivered to customers.

WaterNSW is a state-owned corporation established in 2015 by the Water NSW Act through the merging of the Sydney Catchment Authority and State Water Corporation. WaterNSW supplies raw water in bulk. The urban component of WaterNSW reporting is based on the former Sydney Catchment Authority area of operations as defined in its operating licence and includes catchments in the Blue Mountains, Shoalhaven, Warragamba, upper Nepean, and Woronora areas. WaterNSW also provides bulk water services in regional New South Wales and operates the Fish River water supply scheme.

Hunter Water Corporation is a wholly state-owned corporation providing drinking water, recycled water, wastewater, and some stormwater services to almost 600,000 people in the lower Hunter region. The Hunter Water area of operations covers the local government areas of Cessnock, Lake Macquarie, Maitland, Newcastle, Port Stephens, and Dungog and parts of Singleton.

Regional New South Wales currently has 93 LWUs. Ninety of these LWUs are either general purpose local government councils or county councils, which operate as financially separate to general council operations. Other LWUs operate as water supply authorities under the Water Management Act, including the Cobar Water Board, Essential Energy and WaterNSW for the Fish River Water Supply.<sup>13</sup> The 93 regional LWUs in New South Wales range in area from 285 km<sup>2</sup> (Orange City Council) to over 50,000 km<sup>2</sup> (Central Darling Shire Council), while the population served ranges from 1,000 (Central Darling Shire Council) to over 340,000 (Central Coast Council). There are 28 LWUs that serve 10,000 or more connected properties.

Performance monitoring and reporting are considered important for public accountability and have been strongly endorsed by the New South Wales Government, IPART and the Productivity Commission.<sup>14</sup>

The state-owned water utilities are required to report on the performance indicators in their operating licences and this reporting is audited through the operating licence audit. The audit results are presented to the responsible minister. These utilities also report the National Water Initiative performance indicators required for the Urban NPR.

With the exception of the pricing and financial indicators, IPART audits one-third of the auditable NWI indicators each year. The audit is conducted concurrently with the annual operating licence audits. The Audit Office of NSW, or other qualified auditors, audits the pricing and financial NWI indicators once every 3 years.

LWUs are required to annually report the fair value and the current replacement cost depreciation of their water supply and sewerage assets in their audited annual financial statements.

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<sup>13</sup> Councils exercising water supply and/or sewerage functions do so under the Local Government Act, including under a division generally administered by the minister responsible for water. Central Coast Council exercises its functions under both the Local Government Act and as a water supply authority under the Water Management Act. The Cobar Water Board, Essential Energy and WaterNSW (for the Fish River Water Supply) carry out their functions under the Water Management Act.

<sup>14</sup> Productivity Commission 2011, Australia's urban water sector, Report No. 55, Final Inquiry Report, Canberra.

Department of Planning and Environment annually reports the performance of all the New South Wales utilities by way of its NSW Performance Monitoring and Reporting System.

- The audit of the 30 NWI financial performance indicators is affected by the annual independent audit of the financial statements of each of the 93 regional LWUs.
- All the auditable non-financial performance indicators are independently audited every 3 years for each of the 28 regional NSW utilities that are required to report nationally.

The remainder of the information reported in NSW Performance Monitoring and Reporting System is not independently audited. However, to assure data accuracy and reliability, the data are subject to a comprehensive quality assurance process.

The NSW Performance Monitoring and Reporting System functions as a 'one stop shop' to minimise red tape and to avoid duplication in reporting. The NSW Performance Monitoring and Reporting System provides LWU performance data to the Bureau of Meteorology annually (for the Urban NPR) and the Australian Bureau of Statistics, as well as for the NSW State of the Environment Report.

## **Private water utilities**

In New South Wales, private utilities can also provide water and sewerage services if licensed under the Water Industry Competition Act (WIC Act). The WIC Act is designed to encourage competition in the supply of water and wastewater services and facilitate private sector delivery of recycled water infrastructure. The Act sets out a licensing and compliance framework and establishes strict rules to ensure drinking water meets Australian standards, recycled water is 'fit for purpose', and all services are delivered safely, reliably and with minimal environmental impacts.

The Minister for Lands and Water administers the WIC Act and is advised by the Department of Planning and Environment. IPART administers the licensing system, which includes assessing licence applications and making recommendations to the Minister on whether to grant a licence, as well as auditing and enforcing licences. All licensees are required to report annually against a limited suite of NPR indicators. At this stage, no current licences have the 10,000 connections that would trigger reporting requirements for this report.

The WIC Act commenced operation on 8 August 2008. There are 20 private water schemes licensed to operate in NSW. As of June 2022, these schemes were providing services to 8,248 drinking water customers, 11,424 recycled water customers and 10,302 sewerage customers. Comprehensive reforms of the licensing framework were enacted in 2021, including:

- narrowing the focus of regulation on higher-risk utility-like schemes such as large-scale drinking water production, recycling and sewerage schemes or those servicing 30 or more residential or small business customers
- separating the licensing of operators and retailers from the approval of individual schemes so operators don't need to apply for a new licence for each scheme they operate
- requiring more rigorous assessment of the financial viability of proposed schemes to check their longevity and affordability and minimise the risk of last-resort events
- strengthening customer protection by introducing a deemed standard customer contract and new operator of last-resort arrangements to protect customers if an operator should fail financially.

The reforms will come into effect in mid-2023 once the supporting regulations have been revised in line with the amendments to the Act.

## F3 Northern Territory

### F3.1 Introduction

The Northern Territory's *Water Supply and Sewerage Services Act 2000* provides the regulatory framework for the territory's water and sewerage industry. The NT Department of Treasury and Finance and the Northern Territory Treasurer are responsible for administering this Act insofar as it relates to economic regulation; the Northern Territory Minister for Essential Services in terms of its relationship to licensed supply and service; and the Department of Health (NT) in terms of its relationship to water quality standards.

The objects of the Water Supply and Sewerage Services Act are:

- to promote the safe and efficient provision of water supply and sewerage services
- to establish and enforce standards of service in water supply and sewerage services
- to facilitate the provision of financially viable water supply and sewerage services
- to protect the interests of customers.

Among other things, this Act provides for the following:

- that the supply of water and sewerage services be licensed, and that licences issued by the Utilities Commission are for defined, gazetted, geographical areas
- that the Minister be responsible for the declaration of water supply and sewerage service licence areas (by notice in a government gazette).

Power and Water Corporation (the licensed utility) is subject to water quality monitoring programs and emergency directions issued by the Chief Health Officer (Department of Health).

The Northern Territory Utilities Commission is the independent industry regulator. It has responsibility for the licensing functions conferred by the Water Supply and Sewerage Services Act.

Statutory conditions of water and sewerage licences issued under this Act include:

- that the licensee monitors and reports to the Utilities Commission on compliance with the licence
- that the licensee procures an audit, if required by the Utilities Commission, of its compliance with the terms of the licence.

The NT *Water Act 1992* is another major piece of legislation pertaining to the regulation of water in the territory. This Act provides for the investigation, allocation, use, control, protection, management and administration of water resources, and for related purposes. The Water Act also allows for the issue of waste discharge licences and water extraction licences by the Controller of Water Resources (Department of Environment, Parks and Water Security [NT]).

### F3.2 Operation of water utilities

Power and Water Corporation is responsible for monitoring the quality of drinking water in line with its Drinking Water Operational and Verification Monitoring Program and reports the results to the Chief Health Officer. The program is based on the *Australian Drinking Water Guidelines 2011*.

While Power and Water Corporation has primary responsibility for providing safe drinking water, several government agencies are also involved. The Department of Health applies the guidelines and monitors compliance with them in the interest of public health, and the Department of Environment, Parks and Water Security and the Northern Territory Environment Protection Authority (NT EPA) also have roles in protecting water quality, including the regulation and management of water resources and the regulation of pollution control.



The NT Department of Infrastructure, Planning and Logistics has a major role in protecting water quality through land-use planning in the territory. In addition, NT legislation such as the Water Act and the *Land Acquisition Act 1978* contain provisions for infrastructure and land use relating to water supply.

A condition of the waste discharge licences issued to Power and Water Corporation is the submission to the NT EPA of annual audit and compliance reports related to environmental impacts that discharged water may cause, and the assessment of water-recycling schemes. The corporation also investigates and reports to the NT EPA on pollution incidents under the *NT Waste Management and Pollution Control Act 1998*.

Water and sewerage tariffs and charges for the Power and Water Corporation are regulated by the NT Government via a Water and Sewerage Pricing Order issued by the Treasurer as Regulatory Minister. The Utilities Commission monitors compliance with the Pricing Order and enforces it under section 23 of the *NT Utilities Commission Act 2000*. The Commission is also required to investigate any complaints made by customers about non-compliance with the prices outlined in the order.

### F3.3 Water utilities in the Northern Territory

In the Northern Territory, Power and Water Corporation's water and sewerage business is licensed and is responsible for the supply of water and sewerage services to the territory's 5 major centres (Darwin, Katherine, Tennant Creek, Alice Springs and Yulara) and 13 minor centres.

No significant distinction between urban and rural areas is made under the legislation or the licensing framework under which Power and Water Corporation operates. Geographical coordinates (latitude and longitude) define the declared water supply and sewerage service licence.

### F3.4 Performance reporting

Urban NPR data is gathered within Power and Water Corporation by a central coordinator, who collates the report, while other areas in the organisation supply information. Some key NPR indicators are provided to Power and Water Corporation's executive management, board, and shareholders on a regular basis. Performance data that is publicly available are reviewed and/or signed off at the senior management level. NPR data are signed off at the senior management level. Some NPR indicators are audited at an aggregate level.

## F4 South Australia

### F4.1 Introduction

The SA [Water Industry Act 2012](#) and [Water Industry Regulations 2012](#) establish the regulatory framework for the water and sewerage industry, covering licencing of retail services, economic regulation, technical regulation, water planning, and customer complaint handling. The Act commenced on 1 July 2012 and governs all water industry entities providing 'retail services' to SA customers.

[The Essential Services Commission](#) (the Commission) is the independent economic regulator of water and sewerage retail services in the state. The Commission's primary objective is to protect the long-term interests of SA consumers with respect to the price, quality and reliability of those services. The Commission's role includes industry licensing, consumer protection, retail pricing regulation and performance monitoring.

The [Department for Environment and Water \(DEW\)](#) is responsible for the management of the state's water resources through administering the *Landscape South Australia Act 2019*. It also has a role in policy development relevant to the Water Industry Act. Regional landscape boards are responsible for developing water allocation plans for prescribed water resource areas as required by the Landscape South Australia Act.

The [Office of the Technical Regulator \(OTR\)](#) and DEW share the role of jurisdictional coordinator for National Performance Reporting with DEW taking the lead on policy and OTR responsible for all other operational matters.



The OTR, which sits within the Department for Energy and Mining, has the following main functions under the Water Industry Act:

- development of technical standards in connection with the water industry
- monitoring and regulating technical standards with respect to water and sewerage infrastructure and associated equipment, products and materials (including on the customer's side of any connection point) and plumbing
- providing advice in relation to safety or technical standards in the water industry to the Commission at its request, and in the plumbing industry
- fulfilling any further function assigned to the Technical Regulator under the Act.

[SA Health ensures that drinking water](#) is delivered to consumers according to the requirements of the [Safe Drinking Water Act 2011](#) and the [Safe Drinking Water Regulations 2012](#). Under the Safe Drinking Water Act, all drinking water providers must:

- register as a drinking water provider
- implement a risk management plan
- report water quality incidents to SA Health
- provide water quality results to consumers
- commission audits and inspections.

Under the [SA Public Health Act 2011](#) and [SA Public Health \(Wastewater\) Regulations 2013](#), SA Health protects public health through the development and administration of prescribed codes, protocols, guidelines and public health policy for wastewater management, treatment, disposal, and recycled water use. The [Australian Guidelines for Water Recycling](#) are also applied to South Australian recycled water schemes.

SA Health assess and approve the design, installation and ongoing operation of:

- community wastewater management systems (CWMS)
- CWMS wastewater treatment plants
- recycled water supply and use from CWMS and SA Water networks
- on-site wastewater systems >40 equivalent persons.

Under the [Environment Protection Act 1993](#), the [SA Environment Protection Authority](#) licences the following activity:

Schedule 1(3)(4): Resource recovery, waste disposal and related activities - Wastewater treatment.

The conduct of wastewater treatment works, being sewage treatment works, a CWMS, winery wastewater treatment works or any other wastewater treatment works with the capacity to treat, during a 12 month period—

- a. in the case of works located wholly or partly within a water protection area—more than 5 megalitres of wastewater; or
- b. in the case of works located wholly outside of a water protection area—more than 50 megalitres of wastewater.

## F4.2 Water utilities in South Australia

Any person or entity providing 'water retail services' to SA customers is required to be licensed by the Commission. The Commission has determined separate regulatory obligations for major retailers (those providing retail services to 50,000 or more connections) and small scale networks (also known as minor and intermediate water retailers, with less than 50,000 connections).

SA Water Corporation is the only major retailer in SA, and there are currently 68 other retailers (mainly council-run operations and some private businesses). SA Water Corporation is a government entity and, as the state's main supplier of urban water, is required to deliver, monitor, and report on its primary functions concerning:

- supply of water by reticulated systems
- storage, treatment and supply of bulk water
- removal and treatment of wastewater.

SA Water Corporation provides drinking water to approximately 823,600 connections, servicing around 99% of the state's drinking water customers. SA Water Corporation also provides sewerage services to approximately 642,700 connections, servicing around 87% of the state's sewerage customers.

Mount Barker District Council operate the largest Council wastewater treatment plant and recycled water scheme in SA. As an intermediate retailer Mount Barker District Council provides a retail service to over 13,700 connections across seven townships in the Adelaide Hills Region. Mount Barker District Council now meet the National performance report threshold and has begun reporting from the 2021-22 reporting year.

### F4.3 Operation of water utilities

Section 35 of the Water Industry Act empowers the Commission to make a determination under the *SA Essential Services Commission Act 2002*, regulating prices, conditions relating to prices and price-fixing factors for water retail services.

The Commission made its final revenue determination for the *South Australian Water Corporation Act 1994* in June 2020, setting maximum allowed revenues for drinking water and sewerage retail services for the 4-year period from 1 July 2020 to 30 June 2024. SA Water Corporation and the South Australian Government are responsible for setting specific prices (such as supply and usage charges for residential and non-residential customers); however, those prices must comply with the Commission's allowed revenues.

A different, proportional approach to price regulation has been applied to other water retailers through a combination of pricing principles and a price-monitoring framework.

Pursuant to Part 4 of the *Essential Services Commission Act 2002*, the Commission is empowered to make industry codes and rules regulating the conduct or operations of a regulated industry or regulated entities. The Commission has devised a Water Retail Code for major retailers that sets out the minimum requirements to be complied with by SA Water Corporation when dealing with its customers, and it includes obligations relating to customer connections and the quality, safety, and reliability of water and sewerage supply. SA Water Corporation is required to meet several operational service standards relating to customer service, service interruptions, and new connections.

A water retail code for minor and intermediate retailers has been devised which sets out the behavioural standards and minimum requirements to be complied with by small scale networks when engaging with their customers.

### F4.4 Performance reporting

The Commission produces an [annual performance report on the water and sewerage industry](#). The report covers customer service, financial assistance offered by retailers to customers infrastructure reliability performance and compliance issues. The Commission also publishes specific event reports, where material or major issues arise.

SA Water Corporation [reports against customer service and water service indicators quarterly](#) and in its annual report. The indicators include:

- compliance with the Australian Drinking Water Guidelines 2011
- the Water Quality Management Index
- compliance with water and sewerage services targets
- the Incident Response Index.

## F5 Tasmania

### F5.1 Introduction

The key piece of legislation governing the water and sewerage industry is the Tasmanian *Water and Sewerage Industry Act 2008* (the Industry Act). The Industry Act requires any persons or entities owning and/or operating water and/or sewerage infrastructure or supplying water and/or sewerage services to others, to be licensed, unless exempted.

The Tasmanian Water and Sewerage Corporation Pty Ltd (TasWater) is the only licensed water utility in the state.

Industry regulators for the sector are the: Tasmanian Economic Regulator (TER), responsible for licensing, price regulation and service standards; Director, Environment Protection Authority (EPA) Tasmania, responsible for regulating wastewater treatment plants; Director of Public Health, responsible for regulating water quality and fluoridation; and the Secretary of the Department of Natural Resources and Environment Tasmania<sup>15</sup>, responsible for water licence allocations and regulating dam safety.

In addition to the Industry Act, regulatory requirements are imposed by Tasmanian legislation including the *Environmental Management and Pollution Control Act 1994*, the *Public Health Act 1997* and the *Water Management (Safety of Dams) Regulations 2015*.

### F5.2 Water utilities in Tasmania

Since 1 July 2013, TasWater has owned, controlled and operated water supply and sewerage systems in Tasmania. As the only licensed water utility in the state, TasWater manages all aspects of the water supply chain, from dams and reservoirs to customer property connections and from customer sewer connections to wastewater treatment and disposal.

The licensing requirements place several regulatory obligations on TasWater through reference to various regulatory instruments such as codes and guidelines, as well as requiring the preparation of management plans in relation to matters such as asset and emergency management and compliance.

TasWater's objectives, as prescribed by the Water and Sewerage Corporation Act 2012, are to:

- efficiently provide water and sewerage functions in Tasmania
- encourage water conservation, the demand management of water and the reuse of water on an economic and commercial basis
- be a successful business and, to this end:
  - operate its activities in accordance with good commercial practice
  - deliver sustainable returns to its members
  - deliver water and sewerage services to customers in the most cost-efficient manner.

TasWater is owned by Tasmania's 29 councils, with the Tasmanian Government also becoming a shareholder in early 2019.

### F5.3 Operation of water utilities

TasWater is subject to various economic, environmental, public health and customer service regulatory requirements.

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<sup>15</sup> On 1 December 2021, the then Tasmanian Department of Primary Industries, Parks, Water and Environment changed its name to the Department of Natural Resources and Environment Tasmania.

The economic regulatory framework, established under the Industry Act, is focused on ensuring competitive market outcomes from the sector in relation to both price and service, ensuring the financial sustainability of the water and sewerage industry, and providing sufficient funding for capital expenditure to improve compliance with regulatory obligations and ensure operational efficiencies.

EPA Tasmania administers and enforces the provisions of the Environmental Management and Pollution Control Act, which is principally concerned with the prevention, reduction and remediation of environmental harm. The Director of Public Health is responsible for drinking water quality and safety through the application of drinking water quality guidelines and for the fluoridation of drinking water through the application of a code of practice. The Dam Safety Regulator monitors TasWater's performance against its dam safety regulatory obligations and guideline requirements to ensure that the dams TasWater is responsible for do not pose an unacceptable level of risk to the public.

Independent regulation of water and sewerage prices in Tasmania commenced on 1 July 2012.

Price reform of the industry is designed to transition customers to a single set of tariffs across the whole state by the statutory due date of 1 July 2020 (that is, customers are required to be paying the same price for the same service by this date). However, at the end of 2021/22, a small number of customers are still to be transitioned to consistent pricing. Price reform has also introduced two-part pricing for water (a fixed charge based on the size of the connection and a variable charge reflecting metered water consumption) and sewerage charges based on the assessed equivalent tenements (that is, the estimated demand placed on the system) of each property.

## F5.4 Performance reporting

One of the TER's functions is to monitor and report on the state of the Tasmanian water and sewerage industry.<sup>16</sup> The performance indicators reported upon are based on the National Performance Reporting (NPR) Framework with some additional Tasmanian based measures, as set out in the TER's *Tasmanian Water and Sewerage Industry Performance and Information Reporting Guideline, Version 1.6*.

TasWater is required to carry out regular independent audits (performance appraisals) to assess:

- its compliance with, and the adequacy of, its management and compliance plans
- the quality, reliability, and conformity of its regulatory information, including performance information.

Independent audits of TasWater's performance indicators are conducted at least once every three years as required by the NPR Audit Handbook. As a result, TasWater's performance indicators are audited in three tranches over a three-year period. The tranche one audit, of TasWater's performance indicator results for 2021/22, was completed in September 2022.

The TER's approach to regulatory reporting is set out in its *Regulatory Reporting Guideline, Version 5*. Its approach to managing non compliance is outlined in its *Compliance Enforcement Policy, Version 3*.

## F6 Queensland

### F6.1 Introduction

Regulation of the urban water sector is undertaken by a number of Queensland Government departments with the aim of providing communities with access to safe and reliable water and sewerage services and ensuring efficient business operations, efficient water use, water security, protection of the environment, competition and the prevention of monopoly pricing.

### F6.2 Water utilities in Queensland

There are 204 registered service providers in Queensland. Most are private entities and water boards that supply non-potable water for irrigation, commercial or stock and domestic purposes.

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<sup>16</sup> The TER's annual water and sewerage state of the industry reports are available from [www.economicregulator.tas.gov.au](http://www.economicregulator.tas.gov.au).

Drinking water services are provided to communities by:

- 4 bulk water entities (Seqwater, SunWater, Gladstone and Mount Isa Water Board)
- 2 distributor-retailers in South East Queensland (SEQ) (Urban Utilities and Unitywater)
- 3 local governments in SEQ (Gold Coast, Logan and Redland City Council)
- 67 local governments outside SEQ private providers.

Despite the large number of drinking water service providers, 95% of connected properties receive water and sewerage services from the 22 service providers that report for the National Performance Reporting Framework. The remaining 5% of connected properties receive services from 52 small and very small service providers. In general, the communities these providers supply services to are very small and often geographically isolated.

This variation in scale means that there are significant differences in capacity and capability across the urban water sector in Queensland.

In addition to drinking water and sewerage service provision, there are 172 registered recycled water schemes in Queensland. Most of these schemes are managed by a local government (although a small number of recycled water schemes are run by a private entity).

### F6.3 Operation of water utilities

Water and sewerage service provision is regulated by the *Water Supply (Safety and Reliability) Act 2008* (Water Supply Act). The purpose of the Water Supply Act is to provide for the safety and reliability of water supply across Queensland. The Department of Regional Development, Manufacturing and Water (RDMW) is the water supply regulator under Water Supply Act.

The powers and obligations for service provision, performance reporting, drinking water management, and recycled water management apply to registered service providers according to the services provided.

To protect public health, RDMW closely monitors and regulates drinking water in Queensland.

Drinking water service providers are required to have an approved drinking water quality management plan and must comply with the plan and any conditions placed upon the plan. Water quality monitoring and reporting are integral components of the plan. Drinking water service providers are responsible for ensuring the safe supply of drinking water to the community and managing incidents that compromise drinking water quality.

The *Public Health Act 2005* and the *Public Health Regulation 2018* include provisions relating to drinking water quality. As the administrator of the Public Health Act and the Public Health Regulation, Queensland Health has:

- set specific standards for drinking water quality in the Public Health Regulation
- the power to respond when drinking water supplied by a provider may present a risk to public health or be considered unsafe.

In addition to these provisions, Queensland Bulk Water Supply Authority (Seqwater) also has specific powers and obligations under the *Water Act 2000*, and SEQ services providers (Urban Utilities, Unitywater, City of Gold Coast, Logan City Council and Redland City Council) have powers and obligations under the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*.

Other Acts that regulate one or more aspects of service provision include the:

- *Water Act 2000* (managed by RDMW)
- *Public Health Act 2005* (managed by Queensland Health)
- *Water Fluoridation Act 2008* (managed by Queensland Health)
- *Environmental Protection Act 1994* (managed by the Department of Environment and Science).
- *Local Government Act 2009* (managed by the Department of State Development, Infrastructure, Local Government and Planning)
- *Planning Act 2016* (managed by the Department of State Development, Infrastructure, Local Government and Planning).
- *Plumbing and Drainage Act 2018* (managed by the Department of Energy and Public Works)
- *Queensland Competition Authority Act 1997* (managed by Queensland Treasury).

## F6.4 Performance reporting

Urban water service providers are required to report on their performance under the Queensland Government Key Performance Indicator (KPI) Framework in the Water Supply Act. The KPI Framework captures almost all drinking water and sewerage service providers in Queensland and requires them to monitor and report on key performance indicators and publish an annual performance report. Larger providers (those with over 10,000 connections) are also required to report for the National Performance Reporting framework.

# F7 Victoria

## F7.1 Introduction

The Victorian Department of Environment, Land, Water and Planning (DELWP) has overall governance oversight, on behalf of the Victorian Minister for Water, for the establishment of water utilities and their performance in this state. This responsibility pertains to certain aspects of water utility performance and is also shared with the Victorian departments of Treasury and Finance (DTF, regarding business financial risks), Health and Human Services (DHHS, regarding water quality), the Victorian Environment Protection Authority (EPA, regarding environmental performance), and the Essential Services Commission (ESC, regarding price regulation and service standards).

Reporting and compliance obligations are imposed by Victorian legislation including the *Water Act 1989*, the *Water Industry Act 1994*, the *Financial Management Act 1994*, the *Safe Drinking Water Act 2003*, and the *Environment Protection Act 1970*. In addition, regulatory instruments such as the Statement of Obligations (2015), the Water Industry Regulatory Order 2014, and the State Environment Protection Policy (SEPP) (Waters of Victoria) also impose some compliance and reporting obligations.

## F7.2 Establishment of water utilities

The Victorian water sector is made up of 18 water utilities<sup>17</sup> constituted under the Victorian Water Act. The key aspects of the frameworks governing drinking water quality, environmental protection, price regulation, and consumer protection are the same across all 18 water utilities.

Under section 41 of the Water Industry Act, water utilities are subject to statements of obligations, issued by the Minister for Water following consultation with the Treasurer and the ESC, that impose obligations in relation to the performance of their functions and the exercise of their powers.

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<sup>17</sup> In 2021-22 the number of water utilities in Victoria went from 19 to 18 due to the formation of Greater Western Water from City West Water and Western Water.

## F7.3 Operation of water utilities

Apart from DELWP, 4 other agencies jointly oversee the regulation of water utility operation in Victoria.

The DTF oversees governance of the water utilities' proposed strategic directions and business management activities in terms of their potential for financial risk to the utility and its implications for the Victorian Government, focusing on the state's budget, net debt position, and credit rating.

The DHHS oversees governance of water quality under the Safe Drinking Water Act and the Safe Drinking Water Regulations 2005. This provides a framework for drinking water quality that includes risk management obligations, a set of standards for key water quality parameters, and information disclosure requirements for water utilities. The Regulations establish an auditing framework.<sup>18</sup> Under the legislation, the DHHS is required to publish an annual water quality report that is tabled in parliament by the Victorian Minister for Health.

The EPA regulates the environmental performance of the water utilities, particularly as it relates to treated wastewater quality, through a corporate licence (previously, each wastewater treatment plant was licensed). The level of wastewater treatment required usually depends on the type of waterway into which the treated wastewater is discharged. Under the licence provisions, water utilities must regularly sample and monitor wastewater quality and advise the EPA if there are specific incidents of non-compliance. A corporate licence also includes a requirement to submit an annual performance statement to the EPA.

Most wastewater treatment plants operated by the water utilities are subject to the SEPP (Waters of Victoria) schedules, which are developed and administered by the EPA. The schedules require wastewater treatment plant operators to ensure that the sustainable reuse of treated effluent and biosolids is maximised wherever possible.

Water utilities are also subject to EPA works approval permits before construction of new treatment plants or major alterations can begin.

The ESC is responsible for price regulation and setting service standards for water services in Victoria under Part 1A of the Water Industry Act, the *Essential Services Commission Act 2001* and the Water Industry Regulatory Order. The legislative framework provides the ESC with powers and functions to:

- make price determinations
- regulate standards and conditions of service and supply
- require regulated businesses to provide information.

## F7.4 Water utilities in Victoria

The Victorian Government owns all 18 water utilities in the state. There are 4 water utilities in metropolitan Melbourne: Melbourne Water, Greater Western Water, South East Water Ltd, and Yarra Valley Water Corporation. The 3 retailers (Greater Western Water, South East Water Ltd, and Yarra Valley Water Corporation) deliver retail water supply and sewerage services to customers in the Melbourne metropolitan area. The 3 retailers also provide some localised sewerage services to their customers not connected to the Melbourne sewerage network.

Melbourne Water provides bulk water and bulk sewerage services in the Melbourne metropolitan area and manages rivers, creeks, and major drainage systems in the Port Phillip and Westernport regions. Melbourne Water also controls the catchment for most of its supply.

Outside Melbourne, 13 regional urban water utilities provide water and sewerage services (Barwon Water<sup>19</sup>, Central Gippsland Water, Central Highlands Water, Coliban Water, East Gippsland Water, Goulburn Valley Water, GWMWater (Grampians Wimmera Mallee Water), Lower Murray Water, North East Water, South Gippsland Water, Wannon Water, and Westernport Water).

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<sup>18</sup> Details of the drinking water regulatory framework, the audit arrangements and the annual drinking water quality report are available at <https://www.health.vic.gov.au/water/drinking-water-quality-annual-reports>.

<sup>19</sup> Barwon Water, Central Gippsland Water, South Gippsland Water and Westernport Water also draw on Melbourne Water's bulk water services.



Lower Murray Water also provides rural water services such as irrigation and stock and domestic supplies. GWMWater and Coliban Water also provide a rural water service largely for stock and domestic use.

Additionally, 2 rural water utilities (Goulburn–Murray Water and Southern Rural Water) provide irrigation and rural water services.

Most water utilities in regional Victoria have their own bulk water supplies. Goulburn–Murray Water, Southern Rural Water, and GWMWater also provide both bulk and retail services.

Although owned by the Victorian Government, all 18 water utilities act as stand-alone entities and are responsible for their own management and performance. Each water utility has a chairperson and a board of directors appointed by the Minister for Water. The board has a range of responsibilities, including:

- setting the entity's strategic direction and steering the entity
- setting objectives and performance targets
- ensuring compliance with legislation and government policy.

Public sector directors must comply with the statutory directors' duties in the Victorian *Public Administration Act 2004*, the Directors' Code of Conduct, and common law directors' duties. In addition, directors of water utilities must also comply with requirements as set out in the Water Act.

Each water utility's board appoints a managing director who is responsible for the day-to-day management of the water utility under delegation from the board.

Each managing director sits on the board and is the primary link between the board and the water utility's management and staff. The managing directors are responsible for communicating board priorities and policies to management and staff and for presenting reports, submissions and budgets to the board. The board of each water utility reports to the Minister for Water via DELWP. In turn, the Minister for Water is responsible for reporting to parliament on the performance of each water utility. To assist with the management of the water industry, the Minister for Water is supported by the Water and Catchments Group within DELWP.

The Financial Management Act is the principal legislation governing financial reporting by water utilities. The Victorian Minister for Finance (through DTF) issues financial reporting directions under the Financial Management Act for the preparation of annual reports. The Minister for Water issues ministerial reporting directions to water utilities for performance reporting and other specific reporting requirements as part of their annual reports. DELWP is responsible for reviewing the annual reports of the water utilities and advising the Minister for Water on tabling the reports in parliament.

The Victorian Auditor-General's Office is responsible for auditing the annual financial statements and performance reports of water utilities. Some data reported in the NPR for Victorian water utilities are either taken directly from the published annual reports or derived from the annual reports.

In accordance with the Water Act, each water utility must submit an annual corporate plan that provides a statement of corporate intent, lists expected activities, and provides a financial forecast for the following 5 years. The Minister for Water (through DELWP) issues guidelines to the water utilities for the preparation of the corporate plans. DELWP and DTF are responsible for reviewing the corporate plans (and business cases for major capital projects above a threshold value) and for advising the Minister for Water and the Treasurer, respectively.

Price submissions (previously called water plans) are generally required every 5 years.<sup>20</sup> They include details about proposed revenue requirements and tariffs and pricing structures and are assessed by the Essential Services Commission (ESC). The process requires extensive customer engagement by the water utilities and the ESC.

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<sup>20</sup> This is the case for 14 water utilities, whose next price determination will come into effect from 1 July 2023. Goulburn–Murray Water, Greater Western Water, Melbourne Water and North East Water are currently operating on slightly different timelines with the next price determination period commencing 1 July 2024 for GMW and GWW and 1 July 2026 for MW and NEW.

## F7.5 Performance reporting

One of the ESC's regulatory functions is to monitor and report publicly on the performance of the Victorian water utilities. The ESC's annual water performance reports are available on its website.

Under the Water Industry Regulatory Order, the ESC has the function of auditing:

- the compliance of a regulated water utility with the standards and conditions of service and supply specified by the ESC in any code or set out in the utility's price determination, and the systems and processes established by the water utility to ensure such compliance
- the reliability and quality of information reported by a water utility to the ESC, and the conformity of that information with any specification issued by the ESC
- the compliance of a water utility with asset management obligations imposed in any statement of obligations issued to it.

The annual audits are an important element of the regulatory framework. They verify that the information collected and reported by water utilities is accurate and reliable and provide evidence to customers and other stakeholders that regulatory obligations are being complied with. Most Victorian data reported in the NPRs are audited under those arrangements.

The audit approach is set out in the ESC's guideline for approving, conducting, and reporting audits, which is available from the [ESC's website](#).

## F8 Western Australia

### F8.1 Introduction

The WA Department of Water and Environmental Regulation has prime responsibility for water resource policy, planning, management and regulation, as well as the administration of water entitlements and water rights within the state. The reporting of water utility performance is the responsibility of the Economic Regulation Authority (ERA). However, the WA Department of Health and the Western Australian Environmental Protection Authority also have some reporting responsibilities.

Reporting and compliance obligations are imposed by Australian Government legislation including the *Corporations Act 2001* and the *Privacy Act 1988*, and by Western Australian legislation including the *Water Services Act 2012*, the *Metropolitan Water Supply, Sewerage and Drainage Act 1909*, the *Health (Miscellaneous Provisions) Act 1911* (which is being replaced by the new *Public Health Act 2016* over the next 3 to 5 years), the *Environmental Protection Act 1986*, and the *Planning and Development Act 2005*.

### F8.2 Establishment of utilities

In Western Australia's legislative framework, water utilities are referred to as 'water service providers'.

Under the Water Services Act, the ERA is the independent regulator responsible for administering the licensing scheme for water services and for reporting on industry performance. To obtain a licence, a water service provider has to demonstrate that it has the financial and technical capacity to provide the service or services that are to be covered by a licence and that the grant of the licence is not contrary to the public interest.

### F8.3 Operation of water utilities

The ERA and other agencies jointly oversee the operation of water service providers in Western Australia.

The Department of Health sets standards for drinking water quality and regulates the public health aspects of water supply (both potable and non-potable), pursuant to the *Health (Miscellaneous Provisions) Act 1911*. The department also supports the Advisory Committee for the Purity of Water, which advises the WA ministers for Health and Water on issues associated with protecting public drinking water. The department has recently introduced new standards that regulate the public health aspects of sewerage services pursuant to the *Health (Miscellaneous Provisions) Act*.

The licence terms and conditions for service providers that supply drinking water require them to enter into a memorandum of understanding with the Department of Health for compliance with the health-related criteria in the Australian Drinking Water Guidelines.

The licence terms and conditions for service providers that provide sewerage services to more than 400 connections require them to enter into a memorandum of understanding with the Department of Health for compliance with the required public health standards.

Each memorandum of understanding is reviewed every 3 years, unless agreed otherwise.

The Department of Water and Environmental Regulation's responsibilities include the collection and analysis of water resources information, the protection of water quality and water resources and water industry planning and policy, management, and regulation. The department also regulates the environmental impacts of water service providers through the Environmental Protection Act. The Act prescribes an environmental registration and licensing scheme, which sets limits on the type and volume of waste that can be discharged from a site. In some circumstances, the water service providers may be required to arrange for audits of their compliance with the conditions attached to their registration and provide a copy of the audit report to the department. The water service providers must notify the department if there is an unauthorised discharge of waste from registered premises.

The Environmental Protection Authority is an independent adviser to the WA Government on a broad range of environmental matters. The functions of the authority include conducting environmental impact assessments, preparing statutory policies for environmental protection, publishing guidelines for managing environmental impacts, and providing strategic advice to the WA Minister for Environment.

The Western Australian Planning Commission, a statutory authority that operates with the support of the Department of Planning, Lands and Heritage, oversees the land-use planning implications of the operations of the water service providers, according to requirements of the Planning and Development Act.

Prices for drinking water and sewerage services provided by the Water Corporation, Bunbury Water Corporation (trading as Aqwest), and Busselton Water Corporation (trading as Busselton Water) are set by the Minister for Water. The WA Government may request the ERA to undertake an independent review of pricing for the water corporations to provide advice to the government (the ERA has carried out 14 inquiries related to water pricing to date). Charges for sewerage services provided by local government authorities are set for each local government area and applied using a formula that depends on the type of property. Prices charged by private water and sewerage service providers are unregulated.

The Water Services Act requires licensees to arrange for an operational audit and a review of asset management system effectiveness at least once every 2 years (or longer, at the ERA's discretion). Independent auditors appointed by the ERA conduct the audit and review. The ERA approves the final audit and review reports, arranges for their publication on its website, and provides a copy of each report to the WA Minister for Water.

The Water Services Code of Conduct (Customer Service Standards) 2018 prescribes the customer service standards applicable to water and sewerage licensees. The Code is administered by the ERA in consultation with the Water Code Consultative Committee comprising representatives from industry, consumer representative organisations and government.

## **F8.4 Water utilities in Western Australia**

Several water service providers are involved in delivering water supply and sewerage services in Western Australia. This report covers the larger service providers (the Water Corporation, Aqwest, Busselton Water and the City of Kalgoorlie–Boulder). There are other water supply and sewerage services that are delivered by privately owned operators and local government authorities.

The Water Corporation is a government trading enterprise operating under the WA *Water Corporations Act 1995* that provides potable and non-potable water, bulk water, sewerage services, and drainage services to most areas of Western Australia. It also undertakes catchment management activities under delegation from the Department of Water and Environmental Regulation according to an operational agreement for catchment management between the 2 organisations. The Water Corporation is the principal supplier of

water, sewerage and drainage services to hundreds of thousands of homes, businesses, and farms, and provides bulk water to farms and growers' cooperatives for irrigation. Its services, projects, and activities span more than 2.5 million km<sup>2</sup>. It has regional offices in Perth, Bunbury, Albany, Karratha, Geraldton, Northam, and Kalgoorlie.

Aqwest and Busselton Water are government trading enterprises operating under the WA Water Corporations Act.

The Aqwest licence permits the supply of potable water to the regional centre of Bunbury, 160 km south of Perth.

The Busselton Water licence permits the supply of potable water to the regional centre of Busselton, approximately 200 km south of Perth, and the Busselton–Capel and Blackwater groundwater areas. Busselton Water also supplies bulk water to the Water Corporation in Dunsborough.

The state-owned corporations (Aqwest, Busselton Water and the Water Corporation) are subject to performance reporting requirements under the WA Financial Management Act 2006. The annual reports prepared by Aqwest, Busselton Water and the Water Corporation include non-financial performance indicators that are independently audited by the WA Office of the Auditor General.

The City of Kalgoorlie–Boulder provides sewerage and non-potable water services to Kalgoorlie–Boulder, located 550 km east of Perth in the Goldfields district. The non-potable water supplied to customers is sourced from recycled effluent.

There are also several small licensed or exempted water service providers in the state. The licensed service providers include Aquasol, Aqua Ferre (Muchea) (trading as Muchea Water), Athena Water Solutions, BHP Nickel West, BHP Iron Ore, Hamersley Iron, Lancelin South, Moore River Water Services, the Rottnest Island Authority, Robe River Mining Company, Peel Water, TMC Witchcliffe, WA Sewage, Water West North Dandalup, and one small regional local government.<sup>21</sup>

## F8.5 Performance reporting

Licensees are required to provide the Economic Regulation Authority with data for performance monitoring purposes, as set out in the licence and the ERA's *Water, sewerage and irrigation licence performance reporting handbook*. Licensees are required to submit completed performance reports to the ERA for each year ending 30 June. Where possible, the performance indicators for licensees who are not required to report under the National Water Initiative Agreement have been aligned with the NPR indicator set for consistency.

The ERA's *Water compliance reporting manual* requires licensees to report to the ERA on their compliance with the terms and conditions of their licence for each year ending 30 June. The ERA uses the compliance reports to monitor the overall level of compliance by licensees. The content of each report is confidential to the licensee and the ERA.

The ERA publishes performance data provided by licensed urban service providers that do not report under the Urban NPR and 3 of WA's largest rural water service providers.<sup>22</sup> Most of the urban performance indicators are consistent with those of the NPR. Except for the licensees that report under the Urban NPR, licensees are not subject to the data audit requirements of the NPRs. For those licensees not reporting under the NPR, confirmation of the accuracy of the performance data they report to the ERA is assessed in the operational audits.

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<sup>21</sup> Since 2022, the WA Minister for Water has exempted 20 small regional local government sewerage and/or non-potable water suppliers from being licensed. The exemption is for a period of 5 years.

<sup>22</sup> The data are available from the ERA, [Water, sewerage and irrigation performance data \(2019 – onwards\) – Economic Regulation Authority Western Australia \(erawa.com.au\)](https://erawa.com.au)