

Information to licensees regarding the end of the WIC Act transitional period

Water Industry Competition Act 2006

7 March 2025

1 The transitional period ended on 1 March 2025

On 1 March 2024 substantial changes were made to the *Water Industry Competition Act 2006* (WIC Act) after the commencement of the *Water Industry Competition Amendment Act 2021* and the *Water Industry Competition (General) Regulation 2024* (WIC Reg). We refer to the law as amended by these changes as 'new WICA'.

Following a 12-month transitional period for the transitioning of existing licences to the new WICA framework, all existing licensees are now operating under their new transitioned licences and approvals. Licensees must also implement or comply with new aspects of the amended legislation.

The purpose of this Fact Sheet is to highlight some of the key changes that commenced on 1 March 2025 for licensees.

2 What is the new WICA framework?

The new WICA framework made the following significant changes:

- There are new state-wide operator and retailer licences, and separate approvals to construct and operate each scheme. Licences are approved by the Minister; scheme and operator approvals are approved by IPART.
- The operator licence authorises the licensee to construct and operate certain types (classes) of water industry infrastructure and specifies the maximum number and scale of the authorised schemes.
- A retailer licence authorises the sale of water and sewerage services for schemes supplying services to small retail customers (i.e. residential or small business customers) and specifies the maximum scale of the authorised schemes.
- Each scheme has a separate scheme approval which authorises construction of a scheme by a registered operator.
- The scheme approval specifies the area of operations, the location of infrastructure (other than the reticulation network pipelines), the class and design capacity of infrastructure, and the purpose and staging (if any) of the infrastructure.

- The registered operator needs an operational approval to start operating the scheme once it has been constructed.
- Licences and approvals can be varied, for example if an operator seeks to change the class, maximum number or maximum scale of schemes or infrastructure it is authorised to construct and operate.
- Each small retail customer of a regulated scheme is deemed to have entered into a contract for services with the registered operator and registered retailer of the scheme (**the deemed customer contract**).
- The Minister has designated last resort providers (LRPs) for all transitioned 'essential infrastructure' schemes, which took effect on [1 March 2025](#).
- Contingency plans are required to be prepared for all essential infrastructure schemes.

3 What do I need to do from 1 March?

New obligations if you have small retail customers

Deemed customer contract

- If you have small retail customers, the deemed customer contract will be in force for your water and/or sewerage services from 1 March 2025, unless you have sought and been granted an exclusion or modification to the contract.^a The terms and conditions of the deemed customer contract are found in [WIC Regulation, Schedule 4](#). You can find the [application form](#) and [guide](#) to apply for a modification or exclusion on our website.
- If the deemed customer contract applies to any of your customers, you must also publish [IPART's summary of the deemed customer contract](#) on your website.^b You must also give a copy of IPART's summary to any customer to whom the deemed customer contract applies each year.^c

Publication of your charges and fees for a 4-year period

- For each of your schemes that provide services to small retail customers ('regulated scheme'), you must publish on your website:
 - i the contract charges payable for the services during the current financial year and the subsequent 3 financial years, and
 - ii the rebates, refunds, discounts or similar payments available to customers, or classes of customers, for the services during the current financial year, and
 - iii if the contract charges are to be varied—the date from which the charges as varied become payable.^d
- You must also give IPART written notice of the contract charges, and if there is any variation of the contract charges you must give IPART written notice of the changes and the reasons for the variation. Written notice of your customer contract charges or variations can be lodged with IPART (using the [form](#) provided in the Reporting Manual available on our website) via WILMA (using notification type 'Notification – Other').^e

^a WIC Act, s. 46AB.

^b WIC Reg, Sch 2, cl.12(1).

^c WIC Reg, Sch 2, cl. 12(2).

^d WIC Act, s. 46AC.

^e Ibid.

- Also note, that you must give each customer at least 3 months prior written notice of an increase in a contract charge payable by the customer, unless IPART has approved a shorter period of notice (see [s. 46AC\(3\) WIC Act](#) for more details).^f

EWON membership

In NSW the ombudsman that deals with complaints and disputes covering water and sewerage services is the Electricity and Water Ombudsman of NSW (EWON). EWON is the approved ombudsman's scheme for customers serviced under the WIC Act. Holders of retailer licences and operator licences of regulated schemes have additional obligations regarding small retail customers.^g A 'regulated scheme' is one servicing small retail customer premises.^h

- A licensed retailer must be a member of EWON and must comply and be bound by the decision of the ombudsman in dispute and complaint resolution.
- A licensed operator that operates infrastructure for a regulated scheme must be a member of EWON and must comply and be bound by the decision of the ombudsman in dispute and complaint resolution.ⁱ

If you operate or service a regulated scheme, in relation to customer complaints:

- You must maintain and implement a procedure for receiving, responding to and resolving customer complaints
- The customer complaints procedure must be consistent with *AS 10002: 2022 Guidelines for complaint management in organisations*.
- You must publish on your website information about how your customers can make a complaint, how the complaint will be received and resolved, and how to escalate the issue to EWON if necessary.
- You must also give a copy of the information to all your customers annually and on request.^j

IPART (or an auditor) may require a report on the complaints received. You must provide the report in the form and way determined by IPART or the auditor.^k

You should check that you are a member of EWON and have put in place appropriate procedures to comply with these requirements for handling complaints and disputes, including updating your website and providing information to customers. You can contact EWON on 1800 246 545 or at ewon.com.au.

Family violence policy

There are also new obligations on retailer licensees to maintain and implement a family violence policy. The policy must provide for the following:

- the protection of private and confidential information,
- access to payment difficulty programs,
- processes that minimise the reliance on individuals to disclose family violence,

^f WIC Act, s. 46AC.

^g See WIC Act, Part 5, Div 1, ss. 46A-50A for details.

^h See Dictionary in the WIC Act for the definition of 'regulated scheme' and 'small retail customer premises'.

ⁱ WIC Act, s. 50.

^j WIC Reg, Sch 2, cl. 14.

^k Ibid.

- processes for referrals to specialist family violence services.^l

This information must be published on your website, along with the customer complaints procedure and the deemed customer contract.^m

Preparation and testing of contingency plans

Nominations to prepare the contingency plan for transitioned schemes are due by COB 21 March 2025

If an existing scheme has a designated LRP, a contingency plan must be prepared by the 'nominated provider', which can be either the LRP **OR** the essential service provider (ie, WICA licensee). If you wish to prepare the contingency plan, you must give written notice to **IPART within 15 business days of the designation of the LRP** (i.e., by 21 March 2025 for transitioned schemes), using the *Notification Form – Notice that an essential service provider will prepare contingency plan* available on our website.ⁿ

If you do not give notice within the timeframe the LRP will be responsible for preparing the contingency plan. You will be required to facilitate the preparation and review of the contingency plan, including by providing information that the LRP reasonably requires in a timely way.^o You must also pay the LRP's reasonable contingency planning costs.^p

A contingency plan must be submitted to IPART for approval by the nominated provider within 6 months after the operational approval for the essential infrastructure is granted (in the case of transitioned schemes, this is by 1 September 2025) **OR** within a longer period approved by IPART.^q If you wish to seek a longer period of time to prepare the contingency plan, please email christine.allen@ipart.nsw.gov.au as soon as possible and provide your reasons. In December 2024, IPART released a [guide](#) and [template](#) on our website to assist you with the preparation of contingency plans.

IPART approves contingency plans, can require testing of plans (which can be carried out as part of an audit), can require the use of 'technical experts' in preparing and testing plans, and appoints a panel of technical experts.^r

A list of approved technical experts who can assist with the preparation or testing of contingency plans is available on our website – see [WIC Act Auditors and Technical Experts Panel](#).

IPART will consult on an audit guideline in respect to contingency plan audits to test contingency plans in April 2025.

^l WIC Reg, Sch 2, cl. 16.

^m Ibid.

ⁿ WIC Reg, s. 37.

^o WIC Reg, s. 40.

^p WIC Reg, s. 44.

^q WIC Reg, s. 38(1).

^r See WIC Reg, ss. 38(2), 43, 36, 43 and 35.

Notification of commencing operation of water industry infrastructure

It is a standard condition in the operator licence for the licensed operator to notify the following agencies **within 10 days after commencing to operate** water industry infrastructure under an operational approval, or variation to an operational approval, for a scheme they are registered to operate:

- IPART;
- NSW Health;
- any public water utility operating in the area of operations of the scheme; and
- the local council in which the scheme is located.⁵

Details on how to notify these agencies are provided in the Reporting Manual. See details below.

Asset management plans or system

The new WIC Reg (Schedule 2, cl 7) has replaced the previous requirement for an Infrastructure Operating Plan (IOP) with a requirement for licensees to develop and implement an asset management plan or asset management system.

The requirements for an asset management plan are equivalent to the previous requirements for an IOP in the previous regulation (see Sch 2, cl. 7(2)), so licensees may choose to simply rename these documents. However, if licensees wish to move from an asset management plan to an asset management system, this may require more substantial changes to be consistent with AS ISO 550001:2014. *Asset management—Management systems—Requirements* (see Sch 2, cl. 7(3) WIC Reg)

Reporting Manual

The *Reporting Manual for licensed operators and retailers under the WIC Act* (Reporting Manual) has been updated and is available on our website. It includes the following forms, also available from our website [here](#):

- Incident Form A
- Incident Form B
- Form – Change notification
- Form – Non-compliance notification
- Form – Insurance experts report template
- Form – Customer contract charges or variations notification
- Form – Annual Compliance Report
- Form – Commencing operations or services notification.
- Form - Preparation of contingency plan notification

⁵ Operator Licence, standard condition C2.7.

Auditing

We have developed draft audit guidelines to meet the requirements of the new WIC Act. We will consult with licensees on the proposed guides in April 2025, prior to finalising them. These guides include:

- *Audit guidelines – fundamentals, process and findings:* These guidelines set out the fundamentals and processes for undertaking and reporting on audits for licensees, auditors and technical experts.
- *Audit guidelines – Application audits:* New Infrastructure audits and audits of licence plans and systems are usually carried out to support an application for an Operational Approval to commence operation of a scheme. New Infrastructure audits generally need to be completed whenever new infrastructure is brought into service.
- *Audit guidelines – Compliance audits:* We initiate compliance audits periodically for all licensees, to assess the adequacy and implementation of licence plans and systems during operation. We do not anticipate any material change from the current audit guidelines.
- *Audit guidelines – Contingency plan audits:* Contingency plan audits may be required by IPART and must be undertaken by a technical expert. An auditor can also be appointed as a technical expert and contingency plan audits can be undertaken at the same time as other audits. Contingency plan audits will test that the plans are adequate in meeting the legislative requirements, and the currency and accessibility of the information in the plan.

Provide documents and consult with NSW Health

A standard condition of the operator licence requires the licensee to provide documents to and consult with NSW Health.^t

- The licensed operator must provide NSW Health with a copy of any operational approval application audit report at the same time it provides the report to IPART.
- **Each time** the licensed operator either develops, or subsequently proposes to make a material change to the following plans, systems or protocols, it must consult with NSW Health prior to making the changes:
 - Water quality management system, including a detailed risk assessment or technology assessment
 - Sewage management plan or system for the disposal of treated effluent, including a detailed risk assessment
 - Protocol to notify NSW Health of health-related incidents or complaints relating to drinking water, recycled water, non-potable water or treated effluent, as applicable.

Details on how to provide documents and consult with NSW Health are provided in the Reporting Manual. See details above.

^t Operator Licence, standard condition C2.2.