

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE DEPARTMENT OF NATURAL RESOURCES
AND
STATE WATER CORPORATION**

Introduction

This Memorandum of Understanding (MoU) has been prepared by the Department of Natural Resources (DNR) and State Water Corporation (SWC) to fulfil requirements under Section 2.3.2 of the State Water Corporation Operating Licence.

1. Purpose of the memorandum

The purpose of the MoU is to serve as the basis for co-operative relations between DNR and SWC in fulfilling their responsibilities including water management and ensuring environmental sustainability.

The MoU recognises the role of DNR as the agency responsible for regulating water access, use and management.

The MoU recognises the role of SWC in delivering water and managing assets.

The MoU addresses the coordination of functions and associated responsibilities between DNR and SWC in undertaking their respective roles, including arrangements in relation to information sharing and the making and announcements of available water determinations and controlled flows.

The MoU outlines the function and objectives of both parties and their expectations of one another in:

- Water resource management;
information and data exchange;
liaison and consultation; and
- dispute resolution processes.

The MoU also sets out the duration, modification and review of the agreement.

SWC will make the MoU available to the public as stipulated in the Operating Licence.

2. Function and objectives of the parties

DNR is the primary regulator for water management in NSW. It also has a major role in promoting environmental sustainability. Its functions are to:

- work towards healthy rivers cared for and enjoyed by the whole NSW community;
- promote sustainable water resource use; and
- regulate activities to protect rivers and foreshores.

DNR's specific responsibilities include:

- Water resource assessment, water sharing plans and monitoring; and
- Catchment management including conservation and rehabilitation.

The objectives of DNR are contained in numerous pieces of legislation. The Act most relevant to DNR's interaction with State Water is the *Water Management Act 2000*.

SWC's principal objectives under the *State Water Corporation Act 2004* are to capture, store and release water in an efficient, effective, safe and financially responsible manner.

SWC also has other objectives including:

- (e) to be a successful business and to that end:
 - iii. to operate at least as efficiently as any comparable business; and
 - iv. to maximise the net worth of the State's investment in SWC;
- (f) to exhibit a sense of social responsibility by having regard to the interests of the community in which SWC operates;
- (g) where its activities affect the environment, to conduct its operations in compliance with the principles of ecologically sustainable development contained in section 6(2) of the *Protection of the Environment Administration Act 1991*;
- (h) to exhibit a sense of responsibility towards regional development and decentralisation in the way in which it operates.

SWC's responsibilities under the Operating Licence include complying with the Licence and all applicable laws including those relating specifically to the environment such as the *Water Management Act 2000*, *Protection of the Environment Operations Act 1997*, *Environmental Planning and Assessment Act 1979* and the *Fisheries Management Act 1994*.

SWC is also responsible under its operating licence for exercising certain functions under the *Water Management Act 2000*. SWC and DNR will continue to work together to develop operational procedures to guide the exercise of these functions and ensure that any necessary delegations are in place.

3. Term of the agreement

The MoU should continue as long as it is required in SWC's Operating Licence and/or agreed to by the parties, subject to periodic review (see Section 9 for review process).

4. Principles of the agreement

The following principles are agreed by the parties. The first group contains statements of principles important to the parties. The second group relates to the MoU itself.

Principles relating to the parties:

- Both parties acknowledge the statutory status of the Water Sharing Plans;
- Both parties acknowledge the importance of Ecologically Sustainable Development;
- Both parties will conduct their operations in a manner that minimises the impact of such operations on the environment;
- Occupational health and safety requirements must be followed to protect employees, other workers, visitors and the community;
- In the event of emergencies such as flooding or structural failure, it is acknowledged, that activities and works must be undertaken to reduce risk to human life and wellbeing that may have an adverse environmental impact. In such cases, every effort will be made to reduce long-term environmental damage.

Principles relating to the agreement:

- The MoU is to facilitate and encourage cooperation between the parties;
- The MoU must be consistent with the functions and objectives of both parties;
- The MoU should be efficient, by setting up processes that are streamlined and covering matters that relate to the business of the parties;
- The MoU should effectively meet the needs of the parties in carrying out their functions and responsibilities; and
- Requests between the parties will be dealt with in a timely and professional fashion.

5. Environmental obligations

The parties agree to cooperate to work towards achievement of agreed water management objectives, such as water sharing plan objectives, the standards and targets developed by the Natural Resources Commission, and other environmental objectives, as agreed between the parties or by Government. These may include objectives for construction, maintenance and operation of SWC structures.

The parties will cooperate, as needed, in developing and implementing agreed positions on issues, relevant to their functions and objectives. These may include, but are not limited to, environmental flows and water savings.

SWC will consult with DNR in developing indicators and targets for SWC's Environmental Management Plan. The parties will share information relevant to measuring SWC's environmental performance and progress towards agreed objectives.

6. Resource sharing, information and data exchange

Unless covered by the Service Agreements between DNR and SWC, the information and data (HYDSYS, LAS, WO&U) held by each party shall generally be available free of charge, on request from the other party, subject to relevant statutes. Such information will be supplied in a reasonable timeframe, given the level of complexity of the requested information, and in the form requested, as far as possible.

Any guidelines or published material relevant to the functions and objectives of the parties will be supplied to the other party, free of charge.

As specified in the Service Agreements, when cooperating on projects, both parties will share expertise, personnel and facilities to the extent necessary to fulfil the project objectives. This may include, but is not limited to, carrying out sampling or measurements on the other party's behalf.

Each request for access to expertise, personnel and facilities when conducting non-mutual projects will be considered on its own merits. Regulatory functions of DNR will be provided free of charge to SWC. As far as possible, any services exchanged will be on a reciprocal, rather than commercial, basis, unless covered in the Service Agreement.

7. Liaison and consultation

Each party shall nominate one Contact Officer to be the first point of call for any matters between the parties. The Contact Officer may subsequently refer matters on at a local level for direct contact between the parties. It is the responsibility of the Contact Officers to keep their organisations informed of relevant matters, and to nominate a replacement Contact Officer, if they may be unavailable for a period greater than 2 weeks.

The Contact Officer of one party should inform the Contact Officer of the other party when matters arise within each organisation that are relevant to the functions and objectives of each party, as set out in this MoU.

Liaison between the parties, and including other parties as necessary, should be organised by the Contact Officers.

There should be meetings between the Chief Executive Officers (CEOs) of both parties, as required, to discuss any relevant matters. Such meetings should be held at least once a year, to review the previous year's interactions and discuss plans, as relevant to the functions and objectives of each organisation as set out in this MoU, for the following year.

8. Dispute resolution

If there is a failure to agree on matters at officer level, then the matter should be escalated to CEO level for resolution.

9. Review and amendment of agreement

The MoU should be reviewed at intervals not greater than three years, or sooner if either party requests, in writing, a review from the other party.

Each party should prepare a report of the operation of the MoU since the previous review, and outline matters to be addressed in the review. If no matters require addressing and no changes are proposed, then the CEOs of both parties should agree to continue the MoU unchanged (to "roll-over" the MoU).

The Portfolio Minister of State Water Corporation should be informed when the MoU is under review and given an opportunity to provide comment. The Independent Pricing and Regulatory Tribunal (IPART) and Other organisations and groups can also be informed of the review, as individually desired by the parties.

Amendments to the MoU can be made at any time at the request of either party. The proposed amendments should be sent in writing to the CEO of the other party. The MoU will only be amended after both parties agree to the proposed amendments.

Signature



Date 26.7.06

Richard Sheldrake

Director General

Department of Natural Resources

Signature



Date 28/7/06

Abel Immaraj

Chief Executive Officer

State Water Corporation