



MEMORANDUM OF UNDERSTANDING

BETWEEN

SYDNEY WATER CORPORATION

AND

THE ENVIRONMENT PROTECTION AUTHORITY

June 2015

1. Introduction

This Memorandum of Understanding (MoU) provides the foundations for a co-operative relationship between the Environment Protection Authority (EPA) and Sydney Water Corporation (Sydney Water). This MoU reflects the requirements of section 35 of the *Sydney Water Act 1994* as well as the Sydney Water Operating Licence. Further it acknowledges the role of the EPA as the environmental regulator of the state of NSW.

Sydney Water's responsibilities are to provide drinking water, wastewater services and some stormwater services to Sydney, the Blue Mountains and the Illawarra communities. The EPA constitutes Sydney Water's environmental regulator in carrying out such activities. More specifically, under the *Protection of the Environment Operations Act 1997*, the EPA regulates those Sydney Water activities that are scheduled under this Act, and is the appropriate regulatory authority for Sydney Water's other activities. The environment protection licences for Sydney Water's sewage treatment systems are primary examples of such regulation. Furthermore, the importance of Sydney Water's broad environmental responsibilities, and the relationship between these and the requirements of the *Protection of the Environment Administration Act 1991*, is directly reflected in Sydney Water's principal and special objectives.

In addition to recognising the respective roles of EPA and Sydney Water, this MoU outlines the co-operative structures and processes between them, including the Strategic Liaison Group and the Joint Operational Group. These structures and processes allow for joint consideration of strategic, operational and regulatory issues as well as joint deliberation on progress and alignment of Sydney Water's commitments to ongoing environmental improvements with EPA's broader environmental protection charter.

The EPA and Sydney Water will work co-operatively through the Strategic Liaison Group, the Joint Operational Group and other mechanisms to achieve the objectives of both organisations. In doing so, the EPA expects Sydney Water to meet environmental requirements, and will regulate Sydney Water in a manner consistent with its regulation of other organisations.

This MoU replaces the previous Sydney Water and Office of Environment and Heritage (OEH) MoU document dated November 2011.

2. Parties to this Memorandum

This Memorandum of Understanding (MoU) is entered into by the Sydney Water Corporation (Sydney Water) and the Environment Protection Authority (EPA), pursuant to section 35 of the *Sydney Water Act 1994*.

3. Principles and objectives of the MoU

- 3.1. The parties shall work together to establish and maintain an open and cooperative relationship between the parties, at all levels, to achieve the objectives of both Sydney Water and the EPA, especially in regard to the principles of ecologically sustainable development, preventing environmental degradation, and minimising human health risks.
- 3.2. The parties shall establish and maintain open and effective communication through the structures and processes established by this MoU in regard to its liaison on issues associated with Sydney Water's commitments to environmental improvement.
- 3.3. The parties shall recognise the role of each other and the relationship that exists between regulator and regulatee.
- 3.4. The parties shall recognise the important role of the community and of other stakeholders, especially Water NSW (Sydney Catchment Authority) and the NSW Ministry of Health, in managing the urban water cycle in the catchments supplying water in Sydney Water's area of operations.
- 3.5. The parties shall recognise the need to apply innovation and full integration of water services in the pursuit of ecologically sustainable development. Interactions between the parties will be founded on the recognised need to maximise such opportunities for innovation and for a co-ordinated government approach to urban water cycle planning.

4. Structures and Processes

4.1. Chief Executive Officer (CEO) Meetings

- 4.1.1. The CEO of Sydney Water and the CEO of the EPA, or respective deputies, shall meet to discuss matters of mutual concern and any matters referred by the Strategic Liaison Group or the Joint Operating Group.
- 4.1.2. CEO meetings will be on a regular basis but not less than once per financial year.
- 4.1.3. Either party shall initiate CEO meetings as required.

4.2. Strategic Liaison Group (SLG)

- 4.2.1. Sydney Water and the EPA will continue to operate the Strategic Liaison Group.
- 4.2.2. The role of the SLG will be to consider those issues determined by members of the group to be relevant, but may include:
 - long-term joint strategic issues and policies arising from the functions of the parties, including future directions for water cycle

- management, managing sewage treatment system and environmental regulation;
- the implications of EPA's objectives for Sydney Water;
 - the interaction between regulation by the EPA and other regulation Sydney Water must comply with;
 - strategic issues of a scientific nature; and
 - areas for co-operative research and joint initiatives.
- 4.2.3. The SLG members shall report to their respective CEOs on significant issues that relate to the functions of the parties.
- 4.2.4. The membership of the SLG will include relevant members of the organisations' executive teams. Specific membership will be as agreed between the parties from time to time. The chairperson of the SLG will alternate per meeting.
- 4.2.5. The SLG shall meet at least twice per financial year. The SLG shall determine the specific frequency and procedure for calling meetings and the manner in which business is to be conducted at, and in relation to, those meetings.

4.3. Joint Operational Group (JOG)

- 4.3.1. Sydney Water and the EPA will continue to operate the Joint Operational Group.
- 4.3.2. The role of the JOG will be to consider those issues set by the strategic agenda of the SLG as well as issues determined by members of the group to be relevant. Issues considered may include:
- operational and regulatory issues;
 - issues relating to approaches to and progress of Sydney Water's commitments to environmental improvements;
 - unresolved matters of significance to Sydney Water's operations; and
 - requirements of the sewage treatment system (STS) licences, including clarifying the interpretation of clauses, tracking and/or monitoring progress of actions, issues and considerations under the licences.
- 4.3.3. The JOG also provides the opportunity for information sharing between the parties.
- 4.3.4. The JOG members shall report to the SLG significant issues that relate to the functions of the parties.
- 4.3.5. The membership of the JOG will be as agreed between the parties from time to time.
- 4.3.6. The JOG shall meet at least four times per year. The JOG shall determine the specific frequency and procedure for calling meetings and the manner in which business is to be conducted at, and in relation to, those meetings.
- 4.3.7. The JOG shall develop an annual work program to form the basis of JOG meetings, and provide this to the SLG for endorsement following the first meeting for the financial year.

4.4. Joint Forums, Programs and Initiatives

- 4.4.1. Joint forums will be convened where appropriate with Water NSW (Sydney Catchment Authority) and other stakeholders (such as IPART and OEH) on issues relevant to supplying water in Sydney Water's area of operations and sewerage and stormwater services.
- 4.4.2. Sydney Water and the EPA will consider developing joint programs and initiatives and undertaking research to meet the stated objectives of both organisations that are party to this MoU.

4.5. Exchange of Information and Data

- 4.5.1. In recognition of the spirit of co-operation embodied in this MoU and to enable both parties to more effectively carry out their statutory functions, each party will share or supply relevant data and information and provide updated information where necessary. The information and data held by each party shall generally be available, within reason or according to policy, 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.

4.6. Provision of unsolicited information

- 4.6.1. Both parties may provide information, or arrange for information to be provided, on a voluntary basis even though no request has been made.

4.7. Confidentiality

- 4.7.1 Both parties agree to use their best endeavours to preserve the confidentiality of the information received pursuant to this MoU.

5. Emerging environmental issues related to all products and services that Sydney Water provides

- 5.1 The parties shall cooperatively exchange information and Sydney Water shall participate in appropriate research and development on emerging environmental issues related to all products and services that Sydney Water provides so as to enable them to make well informed judgements regarding action to be taken in relation to Sydney Water's systems and operations to maintain the protection of the environment.

6. Dispute Resolution

- 6.1 Any difference or dispute that arises between the parties under this MoU will be addressed at the lowest management level possible. Either party will refer issues that cannot be resolved at a local level to more senior officers or the SLG for consideration and resolution.
- 6.2 The SLG will strive to resolve all disputes, but should there be unresolved issues, these will be referred to the CEOs of the two parties.

7. Regulatory Enforcement

7.1 In the circumstance that the EPA should need to exercise its regulatory powers as the environmental regulator of the state of NSW the following will occur;

7.1.1 The matters will be investigated in accordance with;

- a) The Environment Protection Authority Prosecution Guidelines,
- b) Premiers Memorandum M1997-26 – Litigation Involving Government Authorities,
- c) In accordance with those powers vested in the EPA by the *Protection of the Environment Operations Act 1997*.

7.1.2 In addition to those methods of communication and consultation as agreed within this MoU, when exercising its regulatory functions the EPA may;

- a) Require Sydney Water to provide a written report in accordance with an Environment Protection Licence where an authorised officer of the EPA suspects on reasonable grounds that an event has occurred at the premises and the event has caused, is causing or is likely to cause material harm to the environment,
- b) Require Sydney Water to provide information and records in accordance with Part 7.3 of the *Protection of the Environment Operations Act 1997*,
- c) Enter premises and do such things as detailed in and in accordance with the *Protection of the Environment Operations Act 1997*.

8. Term and Amendments to this MoU

8.1 This MoU commences on the date of endorsement by the respective parties and remains in force until amended or replaced.

8.2 Where Sydney Water's Operating Licence is replaced or amended then the parties shall meet to discuss the implications and revise the MoU as required.

8.3 Upon either party to this MoU giving notice to the other of its desire to see the MoU reviewed, amended or replaced, this MoU must be reviewed, and amended or replaced accordingly.

8.4 Both parties must agree to the timeframe for any process of review, amendment or replacement of this MoU at the commencement of that process.

8.5 Any amendment to or replacement of this MoU shall be exhibited in accordance with the requirements of section 36 of the *Sydney Water Act 1994*.

Sydney Water-EPA Memorandum of Understanding

This Memorandum of Understanding is made between the Environment Protection Authority and the Sydney Water Corporation on the 10th day of June 2015.

SIGNED for and on behalf of the Environment Protection Authority



Barry Buffier, Chief Executive Officer

Witness to the above signature:



(Signature)

ZOE KENNEDY

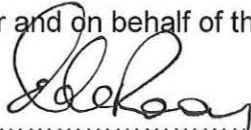
(Print name)

% EPA NSW, L17, 59 GOULBURN ST,

SYDNEY, NSW

(Address)

SIGNED for and on behalf of the Sydney Water Corporation



Eric de Rooy, CEO
~~Kevin Young, Managing Director~~

Witness to the above signature:



(Signature)

CHRISTINE HARRISON

(Print name)

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(Address)