

Water Industry Act 1994
STATEMENT OF OBLIGATIONS
As amended at 30 October 2008

I, John Thwaites, Minister for Water, Environment and Climate Change, as Minister administering the **Water Industry Act 1994**, pursuant to section 4I of the **Water Industry Act 1994**, make and issue the attached Statement of Obligations to Melbourne Water Corporation.

JOHN THWAITES MP

Minister for Water, Environment and Climate Change

Water Industry Act 1994

STATEMENT OF OBLIGATIONS

MELBOURNE WATER CORPORATION

INDEX

PART 1	PRELIMINARY	PART 5	PLANNING AND SERVICE DELIVERY (cont.)
1	Commencement and Term	23	Waterways and Drainage Services – Operating Charter
2	Authorising Provision	24	Consulting Others
3	Purpose	25	Reporting on Drainage Services
4	Interpretation	26	Regional and Local Government Planning
5	Availability of <i>Statement</i>	27	Knowledge and Research
PART 2	GENERAL	28	Sustainability Management
6	Guiding Principles	29	Sustainable Water Strategy
PART 3	THE WATER PLAN	PART 6	ENVIRONMENTAL MANAGEMENT
7	Preparation and Delivery	30	Environmental Management System
8	Procedural Requirements	31	Blue-Green Algal Blooms
PART 4	GOVERNANCE AND RISK MANAGEMENT	32	River and Aquifer Health
9	Board Performance	33	Monitoring River and Aquifer Health
10	Customer and Community Engagement	PART 7	PAYMENT SCHEMES AND CONTRIBUTIONS
11	Consulting other Authorities	34	Smart Water Fund
12	Managing Risks	PART 8	COMPLIANCE
13	Responding to Incidents and Emergencies	35	Complying With Obligations
14	Managing Assets	36	Compliance Audits
15	Dam Safety	37	Other Audits and Reviews
PART 5	PLANNING AND SERVICE DELIVERY	SCHEDULE	
16	Conserving and Recycling Water	A	Definitions
17	Metropolitan Water Conservation and Recycling Plan		
18	Water Supply Demand Strategy		
19	Metering		
20	Responding to Drought		
21	Drinking Water		
22	Trade Waste		

STATEMENT OF OBLIGATIONS

PART 1 – PRELIMINARY	
1	Commencement And Term
	This <i>Statement</i> of Obligations commences on 1 July 2007 and operates until it is revoked.
2	Authorising Provision
	This <i>Statement</i> of Obligations is issued by the <i>Minister</i> for Water under section 4I of the Water Industry Act 1994 .
3	Purpose
	The purpose of this <i>Statement</i> is to impose obligations on the <i>Authority</i> in relation to the performance of its functions and exercise of its powers.
4	Interpretation
4.1	The definitions of the terms contained in Schedule A to this <i>Statement</i> apply in this <i>Statement</i> . ¹
4.2	<p>The following rules apply in interpreting this <i>Statement</i>, except where the content makes it clear that a rule is not intended to apply.</p> <p>(a) Terms defined in the Water Act 1989 and Water Industry Act 1994 have the same meaning in this <i>Statement</i>.</p> <p>(b) Whenever this <i>Statement</i> requires the <i>Authority</i> to make something "available to the public", the <i>Authority</i> must:</p> <ul style="list-style-type: none"> (i) publish that thing on the <i>Authority's</i> website; and (ii) make a copy of the thing available for inspection at each of the <i>Authority's</i> offices; and (iii) provide a copy on request at no charge, or where providing the copy involves significant cost to the <i>Authority</i>, for a charge that covers the fair and reasonable costs of making the copy available. <p>(c) Whenever this <i>Statement</i> requires an <i>Authority</i> to "develop" something, the <i>Authority</i> must be taken to have complied with that obligation if it has already developed the thing before this <i>Statement</i> commenced.</p>
5	Availability Of Statement
	The <i>Authority</i> must make this <i>Statement</i> available to the public.
PART 2 – GENERAL	
6	Guiding Principles
	<p>In performing its functions and providing its services the <i>Authority</i> must:</p> <ul style="list-style-type: none"> (a) manage water resources in a sustainable manner; and (b) effectively integrate economic, environmental and social objectives into its business operations; and

¹ Terms used in this *Statement* that are defined in Schedule A have been italicised.

	<ul style="list-style-type: none"> (c) minimise the impacts of its activities on the environment; and (d) manage risk to protect public safety, quality and security of supply; and (e) operate as efficiently as possible consistent with sound commercial practice; and (f) manage its business operations to maintain the long-term financial viability of the <i>Authority</i>; and (g) undertake continuous review, innovation and improvement; and (h) collaborate with other public authorities and government agencies to take account of regional needs.
PART 3 - THE WATER PLAN	
7	Preparation and Delivery of a Water Plan
7.1	<p>The <i>Authority</i> must develop a <i>Waterways Water Plan</i> that complies with the requirements of this <i>Statement</i> for the purpose of enabling the <i>Commission</i> to make a decision with respect to <i>Prices</i> for metropolitan drainage services and diversion services, as defined in the Water Industry Regulatory Order in respect of the five year <i>Regulatory Period</i> commencing 1 July 2008.</p> <p>The Water Plan submitted to the Commission on 19 December 2007 is to be taken to be the <i>Waterways Water Plan</i>.</p>
7.2	The <i>Authority</i> must develop a Bulk Services <i>Water Plan</i> that complies with the requirements of this <i>Statement</i> for the purposes of enabling the <i>Commission</i> to make a decision with respect to <i>Prices</i> for <i>Prescribed Services</i> , other than metropolitan drainage services and diversion services, as defined in the Water Industry Regulatory Order in respect of the <i>Regulatory Period</i> .
7.3	The <i>Authority</i> must deliver the <i>Bulk Services Water Plan</i> to the <i>Commission</i> by 5 November 2008.
7.4	<p>The <i>Authority</i> must include in the Bulk Services <i>Water Plan</i>:</p> <ul style="list-style-type: none"> (a) outcomes to be delivered with respect to: <ul style="list-style-type: none"> (i) <i>Standards and Conditions of Services and Supply</i>; (ii) meeting future demands on the <i>Authority's</i> services; and (iii) complying with any obligations specified in this <i>Statement</i>, a <i>Regulatory Obligation</i> and other obligations imposed by or under legislation; and (b) a description of how the <i>Authority</i> proposes to deliver those outcomes; and (c) the <i>Authority's</i> revenue requirements in the <i>Regulatory Period</i>; and (d) the proposed <i>Price</i> to be charged for each of the <i>Authority's Prescribed Services</i>.
8	Procedural Requirements
8.1	<p>The <i>Authority</i> must consult:</p> <ul style="list-style-type: none"> (a) each <i>Regulatory Agency</i> on outcomes to be included in the Bulk Services <i>Water Plan</i> that relate to a <i>Regulatory Obligation</i>; and (b) the <i>Commission</i> on <i>Standards and Conditions of Service and Supply</i> to be included in the Bulk Services <i>Water Plan</i>.
8.2	In developing the Bulk Services <i>Water Plan</i> the <i>Authority</i> must consult with the Department on matters to be included in the Bulk Services <i>Water Plan</i> that relate to the performance of the <i>Authority's</i> functions and the obligations included in this <i>Statement</i> .

PART 4 – GOVERNANCE AND RISK MANAGEMENT	
9	Board Performance
	The <i>Authority</i> must annually review and report to the <i>Minister</i> and the Treasurer on the performance of the Board of the <i>Authority</i> .
10	Customer and Community Engagement
10.1	The <i>Authority</i> must develop and implement open and transparent processes to engage its customers and the community in its planning processes to ensure, among other matters, that the services it provides reflect the needs and expectations of customers.
10.2	The <i>Authority</i> must: <ul style="list-style-type: none"> (a) make available to the public, information about the bulk supply, sewage treatment and <i>Waterways and Drainage Services</i> it provides; and (b) make available on request to everyone who is liable for a drainage rate, a copy of its <i>Operating Charter</i>; and (c) make available to schools in its area, educational material about the services it provides, at no charge or, for educational material that involves a significant cost to the <i>Authority</i>, at a charge that covers the fair and reasonable costs of making the material available.
11	Consulting other Authorities
11.1	The <i>Authority</i> must consult a <i>Licensee</i> : <ul style="list-style-type: none"> (a) about operational issues which affect or may affect both the <i>Authority</i> and that <i>Licensee</i>; and (b) about changes to environmental obligations which affect or may affect both the <i>Authority</i> and that <i>Licensee</i>; and (c) when assessing and prioritising risks that may have an affect on that <i>Licensee</i>; and (d) about the <i>Authority's</i> strategies to service growth in customer demand for water and sewage treatment; and (e) about strategic issues related to long term security of water supplies; and (f) when devising and implementing innovation and research programs on matters of common interest.
11.2	The <i>Authority</i> must consult effectively with the <i>Licensees</i> to co-ordinate, and prevent duplication of, information and educational material referred to in sub-clause 10.2.
12	Managing Risks
	The <i>Authority</i> must develop and implement plans, systems and processes, having regard to the Australian/New Zealand Standard AS/NZS 4360 – Risk Management to ensure that risks to the <i>Authority's</i> assets or services are identified, assessed, prioritised and managed.
13	Responding To Incidents And Emergencies

13.1	<p>The <i>Authority</i> must include in any plan, system or process to manage its risks, measures to deal with emergencies and incidents, including measures to deal with:</p> <ul style="list-style-type: none"> (a) the disruption of services; and (b) incidents resulting in waste discharges to the environment; and (c) a dam failure; and (d) potential security risks, including but not limited to terrorist attacks; and (e) flooding in any waterway in the metropolis or which flows into works operated by the <i>Authority</i>.
13.2	<p>The <i>Authority</i> must undertake such periodic training and exercises as may be necessary to ensure that an emergency management plan can be implemented effectively.</p>
14	Managing Assets
14.1	<p>The <i>Authority</i> must develop and implement plans, systems and processes to manage its assets in ways which:</p> <ul style="list-style-type: none"> (a) allow the <i>Authority</i> to supply its services sustainably; and (b) maintain the levels and standards of service; <ul style="list-style-type: none"> (i) specified by the <i>Commission</i> in a Code issued under section 4F of the Water Industry Act; or (ii) included in a <i>Water Plan</i> and approved by the <i>Commission</i>; and (c) minimise the overall whole of life costs of assets; and (d) minimise detrimental social, economic or environmental effects of managing its assets.
14.2	<p>The <i>Authority</i> must develop and maintain a comprehensive database of all relevant asset information, including the condition and performance of its assets.</p>
14.3	<p>The <i>Authority</i> must manage and maintain assets on behalf of the Crown as directed by the Minister consistent with s155 of the Water Industry Act 1994 and s29F of the Crown Land (Reserves) Act 1978.</p>
15	Dam Safety
15.1	<p>The <i>Authority</i> must develop and implement processes to identify, assess, manage, prioritise improvements to, and periodically review the safety of, dams operated by the <i>Authority</i>.</p>
15.2	<p>In developing processes under sub-clause 15.1, the <i>Authority</i> must have regard to the <i>ANCOLD Guidelines</i> and have particular regard to:</p> <ul style="list-style-type: none"> (a) prioritising risks posed by the <i>Authority's</i> dams over all dams, components of dams and the types of failure; and (b) giving priority to reducing risks to life above other risks; and (c) basing the urgency of reducing the risk posed by a dam on the relativity of risks to the tolerability limits as defined in the <i>ANCOLD Guidelines</i>; and (d) basing programs for reducing risk on the concept "As Low As Reasonably Practicable" as defined in the <i>ANCOLD Guidelines</i>; and (e) where feasible, progressively implementing risk reduction measures to achieve the best outcomes for the available resources.
15.3	<p>The <i>Authority</i> must develop and implement a dam safety monitoring and surveillance program for</p>

	each dam operated by the <i>Authority</i> , consistent with the <i>ANCOLD Guidelines</i> .
15.4	The <i>Authority</i> must develop and maintain a comprehensive database of all relevant dam safety information.
15.5	The <i>Authority</i> must prepare and give to the <i>Secretary</i> by 30 June each year a report that contains: <ul style="list-style-type: none"> (a) a prioritised list of proposed dam safety works identified under clause 15.1 and the dates by which the <i>Authority</i> proposes to complete each of those works; and (b) summary information: <ul style="list-style-type: none"> (i) of the risk profile of each dam operated by the <i>Authority</i>, at the date of the report; and of each dam on which the <i>Authority</i> proposes to undertake safety works, after those works are complete; or (ii) for each dam as agreed to by the <i>Secretary</i>; and (c) a summary of the overall risk reduction profile of the <i>Authority's</i> dams or such other information as agreed to by the <i>Secretary</i>.
15.6	If for any reason the <i>Authority</i> is unable to undertake any proposed dam safety works identified under sub-clause 15.1 within the time advised, it must promptly prepare and give to the <i>Minister</i> a report which explains why the <i>Authority</i> is unable to undertake those works and includes any other information requested by the <i>Secretary</i> .
PART 5 - PLANNING AND SERVICE DELIVERY	
16	Conserving And Recycling Water
16.1	To implement sustainable water resource management the <i>Authority</i> must develop and implement programs for: <ul style="list-style-type: none"> (a) assessing and monitoring available water supplies; (b) reducing leakage and minimising other losses of water from its works to an economically sustainable level; and (c) the sustainable use of recycled water from its wastewater treatment plants and sustainable use of stormwater.
16.2	Programs developed by the <i>Authority</i> under sub-clause 16.1 must: <ul style="list-style-type: none"> (a) specify objectives to be achieved and measures for monitoring performance in accordance with any written directions issued by the <i>Minister</i> for that purpose; and (b) in relation to total dissolved solids, be consistent with any salinity reduction strategy developed by the <i>Authority</i>.
17	Metropolitan Water Conservation and Recycling Plans
17.1	Programs developed by the <i>Authority</i> under sub-clause 16.1 must be consistent with the <i>Metropolitan Water Conservation and Recycling Plans</i> .
17.2	In conjunction with the <i>Licensees</i> , the <i>Authority</i> must regularly review and revise the <i>Metropolitan Water Conservation and Recycling Plans</i> .
17.3	The <i>Authority</i> must promptly give the <i>Minister</i> a copy of the <i>Metropolitan Water Conservation and Recycling Plans</i> after any revision.
17.4	The <i>Authority</i> must make any variation to the <i>Metropolitan Water Conservation and Recycling Plans</i> requested in writing by the <i>Minister</i> after consultation with the Treasurer.

18	Water Supply-Demand Strategy
18.1	By 31 March 2007, and within each five years thereafter, the <i>Authority</i> , in conjunction with the <i>Licensees</i> , must develop a joint water supply demand strategy to identify the best mix of demand measures and supply options for its urban supply systems.
18.2	The water supply demand strategy referred to in sub-clause 18.1 must: <ul style="list-style-type: none"> (a) include water conservation targets established in conjunction with the <i>Licensees</i>; and (b) be developed in accordance with any written guidelines issued by the <i>Department</i>, after consultation with the Department of Treasury and Finance, for that purpose.
19	Metering
19.1	The <i>Authority</i> must meter all new water licences to take and use surface water for commercial and irrigation use prior to the use of any water by the licensee.
19.2	The <i>Authority</i> must meter all existing licences to use unregulated surface water in accordance with the Memorandum of Understanding – Metering Program for Water Use Under Existing Groundwater and Unregulated Surface Water Licences, to which the <i>Authority</i> is a party.
19.3	The <i>Authority</i> must develop and implement a program to maintain and replace faulty meters.
19.4	The <i>Authority</i> must ensure that all meters are read at appropriate frequencies to ensure compliance with a licence.
19.5	The <i>Authority</i> must periodically review metering data to ensure compliance and inform the management of the resource.
20	Responding To Drought
20.1	The <i>Authority</i> must not agree to any amendment to, or the revocation or replacement of, the <i>Drought Response Protocol</i> , without obtaining the prior written consent of the <i>Minister</i> .
20.2	The <i>Authority</i> must cooperate with, and assist a <i>Licensee</i> to review its <i>Drought Response Plan</i> , in accordance with the <i>Drought Response Protocol</i> .
20.3	In times of actual or anticipated shortage, the <i>Authority</i> must cooperate with the <i>Licensees</i> to jointly provide information requested by the <i>Secretary</i> regarding the implementation of <i>Drought Response Plans</i> in the form and manner requested.
21	Drinking Water
21.1	The <i>Authority</i> must inform any <i>Licensee</i> or water authority to which it supplies water of any change or likely change to the quality of that water immediately after it becomes aware that a change has occurred or is likely.
21.2	Sub-clause 21.1 does not apply to a change or likely change arising from any planned works or other activities about which the <i>Authority</i> has previously provided advice, in writing.
22	Trade Waste
22.1	The <i>Authority</i> must develop policies and practices to manage trade waste: <ul style="list-style-type: none"> (a) to protect its sewerage systems, including treatment works and processes, and the health and safety of the public and of people working in or operating those systems; and

	<p>(b) to minimise environmental impacts consistent with any licence issued under the Environment Protection Act 1970; and</p> <p>(c) improve the quality of trade waste entering its sewerage systems in order to maximise opportunities for the reuse of wastewater and biosolids.</p>
22.2	In developing trade waste management policies and practices, the <i>Authority</i> should be guided by the waste management hierarchy principle set out in section 11 of the Environment Protection Act 1970 .
22.3	Policies and practices developed by the <i>Authority</i> under sub-clause 22.1 for total dissolved solids must be consistent with any salinity reduction strategy developed by the <i>Authority</i> .
23	Waterways and Drainage Services - Operating Charter
23.1	<p>The <i>Authority</i> must develop and implement an <i>Operating Charter</i> which sets out the responsibilities, goals and programs of work to deliver the following long term aims:</p> <p>(a) a safe and effective system for dealing with storm run off, a reduced risk of flooding in priority areas and the prevention of inappropriate development in flood prone areas;</p> <p>(b) the protection, restoration and care of the physical and environmental health of creeks, rivers and wetlands and the sustainable allocation of water for irrigation; and</p> <p>(c) in collaboration with others, including government agencies, councils, industry and the community, to improve the quality of stormwater and catchment runoff and protect waterways and bays in accordance with Government objectives and targets.</p>
23.2	<p>The <i>Operating Charter</i> must set out:</p> <p>(a) the process (including consultative processes) for determining the relative priority of particular programs and services; and</p> <p>(b) the process for determining an annual works program, which is consistent with this <i>Operating Charter</i> and any relevant Regional Catchment Management Strategy, catchment sub-strategy and the Regional River Health Strategy;</p> <p>(c) a program of initiatives to reduce the environmental impact of stormwater on waterways in urban areas, including the priority projects identified in the <i>Yarra River Action Plan</i> to tackle significant stormwater quality issues in the lower Yarra; and</p> <p>(d) key performance indicators to monitor and report upon progress in implementing the <i>Operating Charter</i>; and</p> <p>(e) any other matter which the <i>Authority</i> considers necessary or desirable; and</p> <p>(f) procedures for reporting to the Board of the <i>Authority</i> on the matters set out in the <i>Operating Charter</i>.</p>
23.3	<p>The <i>Authority</i> must review and amend the <i>Operating Charter</i>:</p> <p>(a) at least once in every five years; and</p> <p>(b) whenever the <i>Minister</i> requests in writing.</p>
23.4	The <i>Authority</i> must promptly give the <i>Minister</i> a copy of the <i>Operating Charter</i> after it is developed or amended.
23.5	The <i>Authority</i> must make any variation to its <i>Operating Charter</i> requested in writing by the <i>Minister</i> .
24	Consulting others about Waterways and Drainage Services
	<p>The <i>Authority</i> must:</p> <p>(a) establish one or more consultative committee relating to its <i>Waterways and Drainage</i></p>

	<p><i>Services</i>; and</p> <p>(b) consult any such committee while it is preparing and before it adopts:</p> <p>(i) its <i>Operating Charter</i> or any amended <i>Operating Charter</i>; and</p> <p>(ii) its annual works program; and</p> <p>(c) consult the Port Phillip and Westernport Catchment Management Authority and the Environment Protection Authority while it is preparing and before it adopts its <i>Operating Charter</i> or any amended <i>Operating Charter</i>.</p>
25	Reporting on Waterways and Drainage Services
	The <i>Authority</i> must report to the <i>Minister</i> by such date as specified on its progress in the preceding financial year against the performance indicators referred to in clause 23.2(d).
26	Regional and Local Government Planning
26.1	The <i>Authority</i> must participate in and support the development and implementation of any Regional Catchment Management Strategy or catchment sub-strategy or Regional River Health Strategy which may affect, or be affected by, the <i>Authority's</i> activities.
26.2	The <i>Authority</i> must participate in and support the development and implementation of any municipal planning scheme, local planning policy framework or municipal strategic statement which may affect, or be affected by, the <i>Authority's</i> activities.
26.3	A principal objective of the <i>Authority's</i> participation will be to promote consistency of any strategy or any scheme with its planning and programs for sustainable water management.
27	Research and Knowledge
	<p>The <i>Authority</i> must:</p> <p>(a) identify the <i>Authority's</i> research needs;</p> <p>(b) prioritise the research needs identified;</p> <p>(c) identify how the <i>Authority</i> proposes to meet its research needs.</p>
28	Sustainable Management
28.1	<p>The <i>Authority</i> must:</p> <p>(a) in performing its functions, exercising its powers and carrying out its duties, apply the Sustainable Management Principles; and</p> <p>(b) demonstrate in its <i>Water Plan</i> how the <i>Authority</i> proposes to apply those principles.</p>

28.2	<p>In applying the <i>Sustainable Management Principles</i> the Authority must develop and implement programs for assessing, monitoring and continuously improving the <i>Authority's</i> sustainability performance, including:</p> <ul style="list-style-type: none"> (a) responding to climate change; (b) maintaining and restoring natural assets; (c) using resources more efficiently; and (d) managing everyday environmental impacts, and <p>must include those programs in its <i>Water Plan</i>.</p>
29	<p>Sustainable Water Strategy</p>
	<p>The <i>Authority</i> must:</p> <ul style="list-style-type: none"> (a) manage its demand and supply balance to ensure it can meet current demand plus a buffer of contingency water equivalent to seven years growth in demand for urban areas; (b) develop a program of works or initiatives to secure water supplies beyond seven years: and (c) ensure that the program of works or initiatives is consistent with any government sustainable water strategy and subject to customer consultation on the costs and benefits of different demand management and supply initiatives.
<p>PART 6 - ENVIRONMENTAL MANAGEMENT</p>	
30	<p>Environmental Management System</p>
	<p>The <i>Authority</i> must develop and implement an Environmental Management System which;</p> <ul style="list-style-type: none"> (a) must be in accordance with the following standards from the Standards Australia AS/NZS ISO 14000 Series of Environmental Management Systems Standards: <ul style="list-style-type: none"> (i) AS/NZS ISO 14001:– Environmental Management Systems – Requirements with Guidance for Use; and (ii) AS/NZS ISO 14004: – Environmental Management Systems – General Guidelines on Principles, Systems and Support Techniques; but (b) need not be accredited under those standards.
31	<p>Blue-Green Algal Blooms</p>
31.1	<p>The <i>Authority</i> must report any blue-green algal blooms impacting on water supply services to:</p> <ul style="list-style-type: none"> (a) the Department of Human Services; and (b) the relevant <i>Convening Agency</i>; and (c) a <i>Licensee</i>.
31.2	<p>If the <i>Authority</i> is a <i>Convening Agency</i>, the <i>Authority</i> must:</p> <ul style="list-style-type: none"> (a) develop and maintain on an annual basis a contingency plan for regional blue-green algal blooms; and (b) undertake its duties as a <i>Convening Agency</i> in accordance with that contingency plan.
32	<p>River and Aquifer Health</p>

32.1	The <i>Authority</i> must manage the impact of its activities on any waterway, aquifer or wetland to minimise environmental impacts on and risks to the aquatic ecosystem.
32.2	When the <i>Authority</i> renews or carries out major works on a dam or existing structure on a waterway, or constructs a new structure on a waterway, the <i>Authority</i> must ensure that <ul style="list-style-type: none"> (a) it is renewed or constructed so that: <ul style="list-style-type: none"> (i) the dam or structure does not pose a barrier to native fish movement; and (ii) water releases do not pose an environmental risk through variations of temperature, dissolved oxygen, sediment, nutrients or other substances; and (iii) adequate offtakes are provided for environmental flows, or (b) if it is not practicable to comply with paragraph (a), it is renewed or constructed in accordance with a plan of works approved by the <i>Secretary</i>.
32.3	The <i>Authority</i> must liaise with the Manager of the Environmental Water Reserve to ensure that environmental flow regimes are managed to maximise ecological benefits.
33	Monitoring River and Aquifer Health
33.1	The <i>Authority</i> must monitor the impact of its activities on waterways, aquifers and wetlands, including the impact of dams on the thermal regime of waterways.
33.2	The <i>Authority</i> must make available to the public: <ul style="list-style-type: none"> (a) water quality and flow data compiled by the <i>Authority</i> relating to waterways; or (b) if the data is available from a central data agency, relevant contact details for that agency.
PART 7 - PAYMENT SCHEMES AND CONTRIBUTIONS	
34	Smart Water Fund
	The <i>Authority</i> must participate in and contribute funds to the <i>Smart Water Fund</i> .
PART 8 – COMPLIANCE	
35	Complying With Obligations
35.1	The <i>Authority</i> must monitor compliance with its obligations under Parts 4 to 7 inclusive of this <i>Statement</i> .
35.2	If the <i>Authority</i> becomes aware of a material failure to comply with its obligation under Parts 4 to 7 of this <i>Statement</i> , the <i>Authority</i> must give the <i>Minister</i> a written report, within 30 days after becoming aware of the failure, that includes: <ul style="list-style-type: none"> (a) the nature of and reason for the failure; and (b) a proposed plan of action to prevent the failure re-occurring.
35.3	The <i>Authority</i> must make any variation to the plan of action referred to in sub-clause 35.2 requested in writing by the <i>Minister</i> .

35.4	<p>The <i>Authority</i> must:</p> <ul style="list-style-type: none"> (a) implement the plan of action referred to in sub-clause 35.2, as varied by the <i>Minister</i>; and (b) report its progress in implementing the plan, whenever the <i>Minister</i> requests in writing; and (c) summarise the contents of any report made under sub-clause 35.2 and its progress in implementing the plan in its annual report.
36	Compliance Audits
36.1	<p>The <i>Authority</i> must, when requested by the <i>Commission</i>, at intervals of not more than once in twelve months, arrange for an audit of its compliance with:</p> <ul style="list-style-type: none"> (a) clause 14 of this <i>Statement</i>; and (b) such other obligation under Parts 4 to 7 of this <i>Statement</i> that the <i>Commission</i> has been requested by the <i>Minister</i> to audit.
36.2	<p>The <i>Authority</i> must ensure that any audit under sub-clause 36.1 is:</p> <ul style="list-style-type: none"> (a) conducted by an independent auditor nominated by the <i>Authority</i> and approved by the <i>Commission</i>; and (b) conducted in accordance with any guidelines issued by the <i>Commission</i>.
36.3	<p>The <i>Authority</i> must ensure that a copy of the auditor's final report is provided to both the <i>Commission</i> and the <i>Minister</i>.</p>
36.4	<p>The <i>Minister</i> may, at any time, require the <i>Authority</i> to report to the <i>Minister</i> in writing on action taken by the <i>Authority</i> on any matter:</p> <ul style="list-style-type: none"> (a) contained in an auditor's report; and (b) specified by the <i>Minister</i> in writing.
37	Other Audits and Reviews
	<p>The <i>Authority</i> must, when requested by the <i>Minister</i>, after consultation with the Treasurer, arrange for an audit or review of any matter specified by the <i>Minister</i> in relation to the performance of its functions and the exercise of its powers.</p>

SCHEDULE A

DEFINITIONS

The following definitions apply:

“**ANCOLD Guidelines**” means the Guidelines issued by the Australian National Committee on Large Dams Inc.

“**Authority**” means Melbourne Water Corporation.

“**Commission**” means the Essential Services Commission.

“**Convening Agency**” means an Authority listed as a Convening Agency in Circular No. 287 Blue-Green Algae – Co-ordination Arrangements for 2002-2003 and Related Matters as issued by the *Department*.

“**Department**” means the Department of Sustainability and Environment.

“**Drought Response Protocol**” means the protocol of that name executed by *Melbourne Water* and the *Licensees*, in 2001.

“**Drought Response Plan**” means a Drought Response Plan prepared under section 78B of the **Water Industry Act 1994**.

“**Licensee**” means the holder of a water and sewerage licence under the **Water Industry Act 1994**.

“**Metropolitan Water Conservation and Recycling Plan**” means the plan or plans jointly developed by Melbourne Water and the *Licensees* to reduce Melbourne’s drinking water use by 15% per capita by 2010 and to recycle 20% of Melbourne’s wastewater by 2010.

“**Minister**” means the Minister administering the **Water Industry Act 1994**.

“**Operating Charter**” means the Drainage and Waterways Operating Charter required by clause 23.

“**Prescribed Services**” means the services specified in the *Water Industry Regulatory Order* as Prescribed Services in respect of which the *Commission* has the power to regulate *Prices*.

“**Price**” includes the manner in which such Prices are to be calculated or otherwise determined.

“**Regulatory Agency**” means the Environment Protection Authority, the Secretary to the Department of Human Services, and the *Commission*;

“**Regulatory Obligation**” means

- (i) in relation to the Environment Protection Authority, an obligation imposed by or under the **Environment Protection Act 1970**;
- (ii) in relation to the *Commission*, an obligation imposed by or under a Code made under section 4F of the **Water Industry Act 1994**;
- (iii) in relation to the Secretary to the Department of Human Services, an obligation imposed by or under the **Safe Drinking Water Act 2003**, the **Food Act 1984** or the **Health (Fluoridation) Act 1973**.

“**Regulatory Period**” means

- (i) in relation to the *Waterways Water Plan*, the five year period commencing on 1 July 2008;
- (ii) in relation to the *Bulk Services Water Plan*, the four year period commencing on 1 July 2009.

“**Secretary**” means the person occupying or acting in the position of Secretary of the *Department*.

“**Smart Water Fund**” means the fund established to encourage environmentally sustainable water projects in the greater metropolitan area of Melbourne and the regional urban areas of Victoria.

“**Standards and Conditions of Service and Supply**” means Standards and Conditions of Service and Supply for services specified in the *Water Industry Regulatory Order* as declared services.

“**Statement**” means this Statement of Obligations.

“**Submission Date**” means the date specified in sub-clause 7.2.

“**Sustainable Management Principles**” are:

- the need to ensure that water resources are conserved and properly managed for sustainable use and for the benefit of present and future generations, and
- the need to encourage and facilitate community involvement in the making and implementation of arrangements relating to the use, conservation and management of water resources; and
- the need to integrate both long-term and short-term economic, environmental, social and equitable considerations; and
- the need for the conservation of biological diversity and ecological integrity to be a fundamental consideration; and
- if there are threats of serious or irreversible environmental damage, lack of full scientific certainty as to measures to address the threat should not be used as a reason for postponing such measures.

“**Water Plan**” means the Water Plan required by this *Statement* to be delivered to the *Commission*.

“**Water Industry Regulatory Order**” means the **Water Industry Regulatory Order 2003**.

“**Waterways and Drainage Services**” means services provided by Melbourne Water within its drainage area at the time of the commencement of this *Statement* with respect to:

- (a) managing floodplains, as a delegate of the *Minister*, under Division 4, Part 10 of the **Water Act 1989**; and
- (b) managing drainage and waterways, under the **Melbourne and Metropolitan Board of Works Act 1958**; and
- (c) managing diversions from waterways, as a delegate of the *Minister*, under Parts 4 and 5 of the **Water Act 1989**.

“**Yarra Valley Action Plan**” Yarra River Action Plan means a plan to deliver long term, sustainable improvements in the Yarra River’s water quality, environmental health and amenity through programs aimed at improved stormwater management, upgrading sewerage infrastructure, accelerating sewerage backlog programs, litter management programs, improved monitoring and investigations, improved governance and better community education and awareness.