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Dear Michael,

EPA RESPONSE TO ESC STAFF DISCUSSION PAPER – REVIEW OF WATER PERFORMANCE REPORT INDICATORS

Thank you for the opportunity for EPA to provide comment on the ESC's review of water performance report indicators.

EPA agrees that timely, consistent and effective reporting is very important for all parties involved in the water industry – including community and business as customers, water businesses as service providers, and a range of Government agencies as shareholders and regulators.

EPA's comments provided below are all aimed at ensuring meaningful baseline and comparative data across the water industry to help inform appropriate regulatory standards and decision-making. We are very happy to discuss anything further.

Chapter 2 – Proposed new categories and indicators

2.1 Customer responsiveness and service

We note that you are not proposing to include any measures around hardship due to concerns that they may overemphasise the issues, as experienced the electricity sector. However, we encourage further analysis of this issue and the development of an indicator that measures the correlation and/or impact of hardship on the level of services provided for customer, environment, and human health protection.

In particular, EPA would like to understand if those under hardship are experiencing and contributing to poor environmental quality, through a lack of investment and non-compliance with environmental standards. For example, low sewer connection rates due to hardship may be contributing to poor water quality.

2.4 Resource security

We note that an indicator is proposed to measure the number of independent water supply systems. Given the uptake of a range of alternative water supplies, we recommend that the definition of 'recycled water' is clarified. It is currently unclear whether this includes recycled sewage, rainwater, stormwater and/or industrial water. We recommend

separate information should be captured on each of these independent supply types.

2.6. Trade waste

We note that you are proposing to measure trade waste sampling activities of the water businesses. We recommend enforcement activities taken against non-compliant samples are also measured to ensure fair and consistent services.

2.7 Innovation

We note ESC's desire to measure innovation within the industry. We agree that any measure of innovation needs to include demonstrable benefits of doing something new or differently. We also agree with the high level definition of innovation as 'turning ideas into action that result in efficiency and/or effectiveness gains.' However, we feel that in order to develop meaningful indicators you need to further define or split this into key categories or services of the water industry (e.g. environmental, financial, social, or waste management, resource efficiency, product supply etc).

Chapter 4 – Proposed indicator modification

4.4 Water conservation, reuse and recycling

EPA supports modifying indicator CRR 3 to include the 'number' of sewer spill events as well as the volume. However, we would like to ensure the definition of 'extreme wet weather' and information captured helps measure compliance with the current sewerage capacity design standard of containing a 1-in-5-year rainfall event as set out in the *State environment protection policy (Waters of Victoria)*. We would also recommend the volume indicator is more useful per event rather than overall percentage.

Other

Sewage treatment plants

While environmental performance reporting on sewage treatment plants are covered by EPA licenses and related Annual Performance Statements, we would like to discuss the possibility of measuring whether capital investment upgrades and works have been completed as per Water Plan commitments. For example, an indicator may be 'percentage of Water Plan commitments complete on time.'

Biosolids reuse

Through the work of the VicWater Biosolids Task Group it is apparent that the definition of biosolids used by ESC needs to align with EPA's. The ESC definition currently covers both sludge (possible waste) and biosolids (a product) and creates confusion and inconsistent reporting and auditor expectations within the industry.


Sewerage provision

We also recommend it would be useful to measure the percentage of customers that connect to sewerage services when provided. This can help inform how effective the service provision and connection has been. A major aim of backlog sewerage provision projects are to manage existing

environmental and public health risks, and this measure can help highlight where these may still exist.

We hope these comments help you finalise the review of water performance report indicators. Should you wish to discuss any of these further, please don't hesitate to contact Stephen Lansdell on (03) 9695 2629 or at stephen.lansdell@epa.vic.gov.au.

Yours Sincerely,



Kate Gavens
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