

15 June 2004

Mr Marcus Crudden
Project Manager, Water
Essential Services Commission
2/35 Spring Street
Melbourne VIC 3000

Our Ref: 54702 Part 3

Dear Marcus

DRAFT PERFORMANCE REPORTING FRAMEWORK MAY 2004

Thankyou for the opportunity to comment on the aforementioned document. The Essential Services Commission should be commended for the extensive consultation they have undertaken despite the restrictive timelines imposed on the process. EPA Victoria has appreciated the openness of discussions and the opportunity to be involved in the working group for the development of the performance reporting framework.

The Commission has invited stakeholder comments on the proposed set of performance indicators. From EPA these are:

1. Sewerage network reliability and efficiency – Sewer spills from reticulation and branch sewers; and
Sewer spills from reticulation and branch sewers fully contained within 5 hours.

EPA preference is that Priority 1 and Priority 2 spills are reported separately.

2. Water conservation, reuse, recycling – Effluent reuse.
As outlined at the consultation workshop of 7 June, EPA believes that there are potential difficulties with the proposed water recycling indicators.
The first difficulty is that it may be problematic to differentiate between recycling that involves potable substitution as compared with 'new' water uses. Arguably, a dual pipe network could be either substitution or 'new' water, depending on the level of garden watering restrictions that are in force. There could also be practical difficulties where an existing water intensive industry relocates to an area to use recycled water where potable water is not available. To counter these potential issues, EPA suggests the recycling definitions should be based on end-use.

The second difficulty arises due to the inclusion of treatment plant process water within the recycling percentages. The use of recycled water within sewage treatment plant processes is typical practice and therefore should not necessitate inclusion in a performance indicator as an industry incentive. Depending on how the percentages are calculated, there are also potential issues with community reporting, since it appears illogical that a treatment facility with 100 ML/day influent and 100 ML/day effluent could report 10 or 15% recycling. Further, it is likely that through inclusion of within process recycling, some treatment plants could report 100% recycling but continue to have a wastewater discharge to surface waters. Therefore, if within treatment plant process recycling is included in the percentage, EPA believes the recycling percentage should include the within-process recycling in the equation denominator.

Given these identified issues, EPA suggests that the recycling indicator should be split based on:

- Volume of effluent produced (excludes evaporation);
- Percentage recycled for urban and industrial uses;
- Percentage recycled for agricultural uses;
- Percentage recycled for beneficial allocations (i.e. environmental flows);
- Percentage recycled within process;
- Volume discharged to the environment (i.e. ocean outfalls or inland water discharges).

The percentage of recycling would be calculated as:

$$\% \text{ category recycling} = \frac{\text{(category volume recycled)}}{\text{(volume effluent produced + volume of within process recycling)}}$$

During analysis of the within-process water recycling, it may be useful to undertake a benchmarking exercise, since 'high' performance could reflect inefficient water use and poor practices.

EPA has discussed the reporting of water recycling with the Water Services Association of Australia (WSAA) and the above suggestion is believed to be consistent with the proposed WSAA indicator.

3. Water conservation, reuse, recycling – Biosolids reuse.

Due to the nature and frequency of biosolid harvesting from many regional water authorities the current split of mass produced, mass reused and mass stored may not accurately reflect the percentage that is actually available to recycle in a given year. The nature of this reporting, may for some water authorities, indicate that there has been limited recycling for prolonged periods. This would then be followed by extremely high recycling rates when lagoons are desludged and the biosolids is available for use.

It is recommended that the current reporting requirements around this issue remain, however there may be a need to review the indicators depending on the information received over the reporting period.

The commission has invited stakeholders to comment on whether there are opportunities to minimise the costs of the proposed performance reporting framework. As has been stated in the draft performance reporting framework, one of the areas where costs can be minimised is in the reduction of duplicate reporting requirements. EPA would again like to encourage the direction ESC has taken in its proposal to work with existing regulators such as EPA to streamline industry reporting. The areas that EPA will require further reporting from industry are;

- licence compliance;
- biosolids and water recycling; and
- implementation of EIPs;

As I have previously stated, EPA has appreciated the involvement in this process and supports ESC in the direction they proceeding with regards to the regulation of the water industry. Should you require further clarification of the above points, please contact Damien Gerrans on 96952549.

Yours sincerely

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WATER AND CATCHMENT