

WATERMATTERS

VICTORIAN WATER INDUSTRY ASSOCIATION NEWS

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Suite 1, Level 6
2 Collins Street, Melbourne,
Victoria 3000
T: (03) 9639 8868
F: (03) 9639 8860
E: vicwater@vicwater.org.au
www.vicwater.org.au

If you'd like to have an article considered for inclusion in Water Matters, email the finished article to vicwater@vicwater.org.au
Due dates: 15 January, 15 April, 15 July and 15 October or call T: (03) 9639 8868

CONFERENCE KEYNOTE SPEECH *an eye opener!*

Representatives of Victorian Water businesses attending the opening session of VicWater 2004 may have arrived thinking they have enough issues to grapple with, including White Paper implementation, ESC pricing submissions and an ongoing drought just to name a few. But a few minutes listening to entertaining key note speaker, Professor Alan Alexander would have had them feeling that their lot wasn't so bad after all.

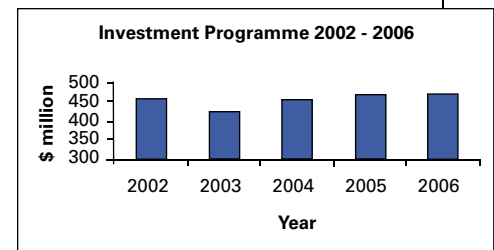
Professor Alexander described the huge challenge he faced as the Chair of Scottish Water, a government owned urban water provider established by the Scottish Parliament on 1 April 2002 following the merger of the three Scottish Water Authorities. On establishment, it became the twelfth largest business in Scotland and the fourth largest water provider in the United Kingdom.

The enormity of the merged authority is realised in the statistics provided – turnover of 900M. pounds annually, a population served of 5 million and 4,100 employees. All this would be pretty daunting in itself, but as Alan described the condition of many of the assets taken over by the new authority "...to use the technical term, they were buggered!..."

An example of an obsolete water treatment works inherited by Scottish water



One of the first priorities faced by the new authority was the implementation of a massive capital works program, aimed at upgrading much of the ailing (and failing infrastructure). The following table indicates the size of the capital program being undertaken:



The strategic priority of the business is in the short to medium term to create a viable and successful water services business, using a model similar to that adopted in Victoria – public ownership of assets while matching the efficiency of the private sector. Environmental objectives, including improving the aquatic environment in Scotland was and remains a key performance objective. The strategic vision is being achieved by understanding the needs of customers and meeting their expectations, ensuring they have the right people in the right jobs; managing assets efficiently and effectively in terms of service delivery and demonstrating levels of customer service that are comparable to the best.



Professor Alan Alexander, Chair of Scottish Water, addresses the conference.

“from
the CEO’s
desk”



The submission of Water Plans by Victoria’s 17 metropolitan and regional urban water authorities to the Essential Services Commission (ESC) marks an important achievement on the road to the establishment of a three year price path to commence from 1 July 2005. Now, of course, the real battle begins, with the release of a summary paper by the ESC, the conduct of public forums and the engagement by the ESC of experts to provide analysis and review of each water plan submitted. The ESC will also provide advice to the Minister, who will determine the all important Regulatory Asset Values, which will have a major impact on the prices ultimately to be charged.

It is pleasing to see recognition in the ESC’s summary paper of the background

pressures that are faced by Victoria’s water businesses – drought, environmental standards, drinking water quality regulation all have significant cost impacts which need to be recognised in determining pricing. The summary paper however talks about the need for “trade offs” to be considered by Government and responsible regulators. This may mean accepting a longer time frame for meeting environmental standards or upgrading drinking water quality in some areas, or investing in backlog sewage schemes. Such trade offs are often the dilemma faced by government’s in delivering upgraded services within what is considered to be reasonable cost parameters. What is important that any such trade offs made are done transparently and involve an open dialogue between government, regulators, the water businesses involved and the customer. We must avoid the situation of a decision to reduce price increases

without clearly defining the reductions in expenditure and what impact these might bring on the environment and water quality.

This initial price path to be determined by the ESC will be critical to the industry and the perception of the success of independent economic regulation for the water industry.

On a personal note, this will be my last column as CEO of VicWater. After four years in the job it is time for me to move on, having accepted a position with the Gold Coast City Council. I have enjoyed enormously my time working with VicWater. The industry is blessed to have a talented and dedicated group of men and women involved at Board and senior management level, and achieves its aim of providing high quality services to the Victorian community. My thanks to you all for your kindness and support, and my best wishes to all for the future.

VICWATER 2004 WORKING TOGETHER – Meeting the Challenge of Water Reform

Over 150 delegates gathered at Eden on the Park in Melbourne for the annual VicWater Conference from September 8-10. Minister for Water, the Hon. John Thwaites opened the conference with a passionate discussion on the key objectives of the Government’s policy manifesto “Securing Our water Future Together.”

The Minister referred in particular to the significance of the deal brokered with the VFF and environment groups involving the trading of a portion of the sales pool in the Goulbourn Murray system to secure environmental flows, which will see Victoria as the first state to meet water savings targets as part of the plan to restore 500GL of annual flows to the Murray River.

Among other important points was the initiatives to support urban water conservation, including the impending introduction of a 5% environmental contribution on water business revenue (2% for rural customer revenues), the introduction of a rising block tariff for Melbourne from 1 October 2004 and for other customers as part of the Water Plan process, and the review of water conservation measures, with the likely introduction of permanent measures across the State. The Minister said that he looked forward to the continuing support of the industry in the introduction of the proposals contained in the White Paper.

The Minister’s address was followed by a keynote address by the Chair of Scottish Water, Professor Allan Alexander (see separate article).

Conference delegates were able to choose from a wide range of other speakers over the two days, on such diverse subjects as



Minister Thwaites (centre) opened the conference. Pictured here with VicWater Chairperson John Barnes and VicWater CEO Mark Harvey.

water sensitive urban design, the introduction of plumbing regulations designed to encourage water conservation, recycled water, issues associated with dam decommissioning.

An interesting presentation from Les McLean of Western Water and Mark Roberts from Coomes Consulting outlined the development of a new subdivision known as the Eynesbury township. This development of some 3000 home sites will see each site supplied with dual water supplies with potable and A class recycled water for urban use. In addition, a C Class recycled water pipeline is also included for agribusiness activities in and around the township site.

Presentations from the Conference can be downloaded from the VicWater web site.

Delegates listen to the Opening address by the Hon. John Thwaites, Minister for Water.



WOMEN IN WATER WEBSITE

VicWater has developed a section on its website dedicated to women working in the water industry. It showcases City West Water's Business Women's Network, Southern Rural Water's staff women network and Goulburn Murray Water's women's

professional development network. Contact details are provided to allow those of you that are interested in setting up something similar at your authority to learn how others have approached it. The website also provides access to a range information

relating to working women including links to Victorian and Commonwealth government organisations, grants, professional networks, NGOs etc. Please visit the website at www.vicwater.org.au/women and tell us what you think by emailing women@vicwater.org.au

ENHANCING EMERGENCY RESPONSE CAPABILITY *Within the Victorian Water Sector – Seminar*

VicWater, in conjunction with the Department of Human Services (DHS) and the Department of Sustainability and Environment (DSE) are conducting a workshop on "Enhancing Emergency Response Capability with the Victorian Water Sector". As part of water businesses Statement of Obligation (SoO) they are required to develop and

implement plans, systems and processes, to ensure those risks to the businesses assets or services are identified, assessed, prioritised and managed. Furthermore business must also undertake such periodic training and exercises as may be necessary to ensure that an emergency management plan can be implemented effectively.

The workshop will discuss these issues. Details of the workshop are:

Date: Wednesday 23 November 2004

Time: 10.30 – 2pm

*Venue: CEDA, Level 5,
136 Exhibition Street, Melbourne*

Cost: Free

To RSVP please contact Fiona Ould on (03) 9639 8868 or vicwater@vicwater.org.au

BEST PRACTICE GUIDE TO TRADE WASTE MANAGEMENT *Launched*

EPA Victoria Chairman Mick Bourke has used the VicWater Annual Conference to launch the latest output from the longstanding EPA Victoria/VicWater Trade Waste Partnership.

Best Practice Trade Waste Management by Water Businesses provides practical, up-to date guidance to Victorian water businesses on the implementation of best practice trade waste management frameworks and practices. It will be an important complement to water businesses current activities, regardless of business size and the characteristics of their trade waste customers.

The manual, which has been produced in a folder style to enable future updating, meets a need identified by the Trade Waste Partnership Steering Committee for a comprehensive and practical guide to managing trade waste issues in Victorian Water businesses. The guide provides a significant step, by describing practical, up-to date guidance to Victorian water businesses on the implementation of best practice trade waste management frameworks and practices. A working group involving water industry and EPA trade



L-R John Barnes, VicWater Chairperson, Mick Bourke, Chairman EPA Victoria and Mark Harvey, CEO, VicWater

waste representatives developed this guideline over 18 months, including direct consultation with the broader Victorian water industry. It will be an important complement to water businesses current activities, regardless of business size and the characteristics of their trade waste customers.

The guidelines represent the hard work of a dedicated team of representatives from member businesses. Our special thanks go to Rosemary Bissett, (City West Water, then SEAV) joint Chair, Steve Muir,

South East Water (joint Chair), Lidia Harvey, Barwon Water, then Melbourne Water, Hamish Reid (EPA) Steve Shinnars (Gippsland Water) and Rebecca Tierney (Melbourne Water).

Copies of the manual are being distributed widely to member businesses and is available in electronic format from the VicWater web site www.vicwater.org.au

Hard copies can be purchased by contacting VicWater on 9639 8868 or vicwater@vicwater.org.au.

NYLEX WATER SOLUTIONS

Nylex Ltd has a corporate strategy to become Australia's leading water products company, with a range of new products and services to be offered progressively from September 2004 – February 2005 for the domestic, rural and commercial sectors.

These products will provide a very strong base to cover all aspects of water management and control for small and large-scale users – a market, which will grow dramatically over the next decade.

The group has established a new business, called Nylex Water Solutions, which launched the new products progressively from September 2004.

The acquisitions of strategically placed Water Tank suppliers, being ARI Plastank, Envirotuff Tanks and Complas Tanks are the catalyst for the Nylex group's entry into the water market.

"Nylex Water Solutions is no longer a tank supplier as were ARI, Envirotuff or Complas, but a total water conservation solutions provider" said Ian Male, the Nylex Group Marketing

Manager - Water. *"Our approach to market is simple - Water Conservation. That is all of our activities will be focused under the umbrella of Water Conservation, where we will provide leading solutions that will give the customer real savings"*, he added.

Nylex intends on expanding Nylex Water Solutions manufacturing operations into NSW and WA, providing national mainland coverage, along with the injection of new products and services to facilitate the growing demand expected in the markets they service.



Nylex Water Solutions Product Range

Nylex Water Solutions will distribute their products under the Nylex Water Conservation brand.

"We assessed the domestic water usage problem, how water enters the property,

how it is used, how it is disposed of and how to conserve it. This provided us with a base to develop solutions", Mr. Male said.

Some of the new products include a range of rainwater collection devices including water tanks, under eve tanks, bladders for under the house and even underground tanks. Other products will include grey water systems, and pump systems to distribute to the garden or inside.

In addition, Nylex will launch in October flow controlled devices for domestic and rural applications, including watering kits for gardens and lawns that will compliment Gardena and Nylex products already on the market, including drip irrigation systems, timers, pool covers and water audit kits.

Inside the home, Nylex's products will cover FloMasta shower controllers, reducers for toilet water usage and fresh water filters. The total range of products has the potential for an average household to reduce its water consumption by as much as 40%.

What's It All Save?

Reduce outside water usage by up to 60%



Reduce inside water usage by up to 30%

Overall Up To 40% Savings

Potential reuse of grey water on the garden in water saving environment, 74% of water used.

SMART WATER FUNDS ITS OWN GROWTH THROUGH SUCCESS

The Smart Water Fund – an initiative funded by Melbourne’s water businesses and the Victorian Government to encourage innovation in water savings and bio-solids recycling – has been extended by four years to 2008.

Under the Smart Water Fund, \$5 million will be made available to innovative water savings schemes each financial year until 2008.

The Minister for the Environment, Mr John Thwaites, announced the extension of the Smart Water Fund, along with other initiatives while launching the Government’s White Paper for water reform, **‘Our Water Our Future’**.

Mr Thwaites also announced the Smart Water Fund would be rolled out to regional Victoria with grants for innovative water and biosolids projects available to business, industry, local government, schools and universities, individuals and community groups.

“The Smart Water Fund’s growth is the product of its own success,” says Chris Lee, Smart Water Fund Manager.

“Over 217 proposals with a total request for funding of almost \$50 million were received in the Fund’s first year. From that, 26 projects were funded at a value of \$3.5 million. The diversity of projects is amazing – from reducing water use at an aquatic centre to trialing a composting toilet!”

“Projects already underway are showing the way to improved water management in the broader community and industry,” Mr Lee said.

And in September, 22 new Smart Water funded projects, worth over \$3.5m, were announced by the Minister for Water, John Thwaites.

The recipients ranged from community and sporting groups, business and industry groups and associations such as the CSIRO.



The Minister for Water and local school children from the Briar Hills Primary School at the announcement of Round 2 funding recipients.

The announcement was made at the Briar Hills Primary School – a successful round 1 project – and local school children shared their water conservation tips with the Minister for Water and Round 2 recipients.

The Smart Water Fund was established in 2002 to support and fund sustainable water use projects to support the government’s targets of reducing Melbourne’s water consumption by 15% and to recycle 20% of wastewater by 2010.

The Smart Water Fund is a joint initiative of Melbourne’s water businesses, City West Water, South East Water, Yarra Valley Water and Melbourne Water, and the Department of Sustainability and Environment, to encourage innovation in water conservation, with funding assistance for projects ranging between \$50,000 and \$500,000.

“In assessing the applications for Smart Water funding, we look at projects that

will deliver broad environmental, community and commercial benefits”.

“The Smart Water Fund was initially targeted at Melbourne’s metropolitan community, but I believe its success in encouraging innovation and real results in water savings saw the Minister extend the program to regional Victoria”.

“Because much of regional Victoria has been battling eight years of drought, its people and industry is already very water smart – the availability of funding for regional Victoria will help further their cause.

“One of the great aims of the Smart Water Fund is to take any learning about water conservation research, development and implementation – from any sector – and share it across business, industry and the wider community so that we can all benefit from Smart Water funded projects,” Mr Lee said.

TRAINING AND OH&S MATTERS

Concurrent meetings of the Training and OH&S Networks

As was trialled in 2003, the second meetings of the Training and OH&S Networks for 2004 were held on the same day at the Committee for Economic Development of Australia venue in Exhibition St with both groups coming together over lunch.

The Training Network had presentations on:

- ◆ Western Water's Customer First program
- ◆ The Water Authorities of Gippsland Existing Worker Traineeship program
- ◆ Proposed Course for Trade Waste Officers
- ◆ Course in Water Industry Construction Site Supervision

The Trade Waste Course is an initiative of the EPA, VicWater and the National Centre for Sustainability at Swinburne University and it is proposed that the first course will be piloted in February 2005. The Course is currently under development with the Hatlar Group as contractors working with an industry Steering Group. Four Units of Competency will be developed and it is expected they will be taken up into the National Water Training Package when the Review of the Training Package completes next year.

The Course in Water Industry Construction Site Supervision has been developed by the Curriculum Maintenance Manager for the water industry, Holmesglen TAFE, and focuses on OHS compliance issues for water industry construction sites. It is expected that the course will be available and piloted early in 2005.

The Water Authorities OH&S Network had presentations on:

- ◆ OH&S Benchmarking Project
- ◆ Manual Handling
- ◆ Roadside Worksite Safety
- ◆ Falls Protection
- ◆ Dangerous Goods
- ◆ Hazards Identification
- ◆ National Safety Council of America Conference

Con Mavrelis of City West demonstrated the initial results of the Benchmarking Project with the first sets of combined data to be returned to participating Authorities by end October. The Roadside Worksite Safety item refers to a new initiative of VicRoads and WorkSafe where WorkSafe will be seeking compliance with the new Worksite Safety-Traffic Management Code of Practice though increased inspections.

The Chair of the Water Authorities OH&S Network, Tony Smith of East Gippsland Water gave an informative presentation on East Gippsland Water's Fall Protection Register.

Jim Watt of Southern Rural Water presented on Manual Handling and a proposition was put to the meeting about developing a CD based training course on Manual Handling if sufficient Authorities are interested in financially supporting its development.

Reframing the Future Project

The VicWater Training Manager, Paul O'Brien, has been managing an Australian National Training Authority Reframing the Future Project on contract to the Water Industry

Education and Training Association of Australia. The project is setting up a network of training providers and industry to identify and meet training needs arising from the Living Murray initiatives across the Murray Darling Basin in Victoria, New South Wales and South Australia.

The project has attracted national interest and a very successful seminar/workshop was held in Echuca in late October with over 20 participants from three States.

ITAB Consultative Committee

The VicWater ITAB Consultative Committee, chaired by Les Mathiesson, CEO of East Gippsland Water met at Melbourne Water on 13 October. Among its deliberations, the Consultative Committee decided to support VicWater in the development of a template for the employment of indigenous Victorians by Water Authorities under the State Government's Wur-cum Barra program.

The Committee also passed a resolution confirming John Harris of South East Water as the water industry representative on the new National Government Skills Council.

Government Reference Group for Roadside Worksite Safety

Vicwater represents the Water Authorities on this Committee that meets every month to oversight the WorkSafe/VicRoads Safety, Workers and Traffic (SWAT) Campaign. Outcomes of those meeting are reported by group email to the Water Authorities OH&S Network.

TASK GROUP TOPICS

SAFE DRINKING TASK GROUP

The VicWater Safe Drinking Task Group has responded to the Exposure Draft for Safe Drinking Water Regulations released by the Department of Human Services (DHS).

Victoria's water businesses have a strong record in managing Victoria's drinking water. This is highlighted by many of the businesses having accredited risk management programs in place together with all business having well established and effective water quality monitoring programs.

In coordinating the response to the draft Regulations, it has become apparent to VicWater that a high level of uncertainty currently exists surrounding the interpretation of the draft Regulations. It is therefore evident that further consultation with the Victorian water industry is required by DHS to ensure consistent interpretation of the Regulations.

A copy of the VicWater submission can be viewed at www.vicwater.org.au/default.php3?sectionid=16

The Task Group has also recently surveyed water businesses to help identify potential actions the Task Group could undertake to further assist the water industry in relation to the Safe Drinking Water Act 2004. The Task Group will be analysing the survey results shortly.

FINANCE ISSUES STEERING COMMITTEE (FISC)

FISC is continuing its negotiations with the Department of Sustainability and Environment (DSE), Department of Treasury and Finance (DTF) and the Victorian Auditor General's Office in trying to resolve the long standing issue over asset valuations and determining whether an entity is "for profit or not for profit".

PERFORMANCE MEASUREMENT TASK GROUP

The VicWater Performance Measurement Task Group recently met to review all the information to be published in the 2003/04 Victorian Water Review. The 2003/04 edition of Victorian Water Review will be published in December 2004. The Review reports on the environmental, social and economic performance of all the urban water businesses in the state. The report is an important example of the public reporting practices that are voluntarily undertaken by the members of the Victorian Water Industry Association, and reflects the considerable breadth of issues faced in effective water industry management.

The report is available to non-VicWater members at \$88 (including postage and handling to anywhere in Australia). To order a copy, please contact VicWater on (03) 9639 8868 or vicwater@vicwater.org.au

SUSTAINABILITY TASK GROUP

With renewed energy that comes with new members, the Sustainability Task Group has finalised its business plan for 2004/05 and is busy implementing projects to assist businesses on their journey to improved sustainable decision making and performance. The new members are:

Owen Phillis – CEO,
Portland Coast Water

Rowan McKenzie – Strategic Planner,
Barwon Water

Bruce McDonald – Water Recycling,
Melbourne Water

Don Jackson – Mgr Technical Services,
North East Water

Jason Walker – Project Officer,
VicWater

The Task Group would also like to recognise the work of recently departed members Katrina Hermann (departed VicWater), Jacqueline Mekken (City West Water) and Cameron Howie (Barwon Water).

Upcoming Sustainability Task Group projects:

◆ **Presentation** by Dr Paul Sinclair, Environment Victoria. 30 November from 1-2pm at CEDA, Level 5, 136 Exhibition Street, Melbourne.

Paul leads Environment Victoria's Healthy Rivers Program that is dedicated to building and supporting laws, institutions and community action that protects and restores clean water and freshwater ecosystems. Paul was influential in affecting the policy decisions in the White Paper particularly those relating to environmental flows and water conservation. As an important stakeholder of the water industry Paul will provide his perspective on these critically important issues.

If you are working on water conservation, recycling or environmental flows, this is a must for your strategic and operational planning. If you would like to attend this presentation please contact Fiona Ould at VicWater on (03) 9639 8868 or vicwater@vicwater.org.au

◆ Annual Report Debriefing Seminar

The Task Group is currently gauging the interest of water businesses to participate in a small debriefing seminar on Triple Bottom Line (TBL) styled annual reporting. Such a debrief would provide an opportunity to learn from each other and assist in better TBL Reports in the future. The debriefing will only take place if there is sufficient interest from VicWater members.

Please contact Jason Walker at VicWater on (03) 9639 8868 or jason.walker@vicwater.org.au if you are interested in nominating someone from your organisation to attend the seminar.

The VicWater sustainability web-based resource is one way of providing readily accessible information to the Victorian water industry and other stakeholders about current tools and activities relevant to sustainability. Take the time to browse the website at www.vicwater.org.au/sustainability.

Specific enquiries about the Task Group can be emailed to sustainability@vicwater.org.au

VICWATER becomes Foundation Member of Water Aid Australia

VicWater is proud to announce that we have become a foundation member of Water Aid Australia. The decision was made at the August Board meeting and continues the growing relationship between VicWater and the charity.

A workshop for foundation members and other interested persons was held in conjunction with the recent VicWater Annual Conference, and attendees had the opportunity to hear from two of the leading lights of Water Aid UK, the charity upon which the model for the Australian version is based.

Water Aid Australia has been formed with the aim of making a difference for the 1.1 billion people in the world who today lack access to safe drinking water and the 2.4 billion people who lack adequate sanitation, a major cause of disease and death in developing nations. Water Aid Australia's vision is



At the Water Aid Australia Workshop were: Llew Vale (Board Member, Water Aid Australia), Professor Alan Alexander (Water Aid UK), Tony Kelly (Chair, Water Aid Australia), Chris Wootton (CEO) and Alan Machin (Water Aid UK).

for a world where everyone has access to safe water and effective sanitation. Water Aid Australia will work with some of the world's poorest communities in South East Asia, the Pacific Region and

in South Asia in conjunction with Water Aid UK.

To find out more about Water Aid Australia, and how your organisation can join, visit www.wateraid.org.au.

WATERMARK PROJECT LAUNCHED

The Victorian Women's Trust has launched a landmark project aimed at increasing the engagement of the community in the debate over our water future.

Watermark Australia has the objective of involving 150,000 Australians in planning the way forward for people on the issue of protecting our scarcest resource, water. The concept is to merge lay experience and wisdom with more technical and scientific knowledge culminating in the development of a "Water Charter".

"It is the missing piece of the jigsaw in the water debate" the Trust's Executive Director, Mary Crooks said.

Ms. Crooks, along with other Directors of the Women's Trust and members of the Watermark Australia team, launched the project at a riverside venue in Alphington.

"The project creates the much needed public space in which ordinary men and women can enter the discussion about our water future. It is designed to effect real change in peoples knowledge and

behaviour in regards to water use and water management," Ms. Crooks said.

Over the next five months, the project team will seek to recruit 15,000 people to act as group convenors. These bring local groups of up to nine other people together to trigger widespread community dialogue about water.

The project is designed to run for twelve to eighteen months with six phases of activity, each about three to four months long. These phases are:

- ◆ Recruitment of group convenors.
- ◆ First stage of small group dialogue.
- ◆ Merging of different knowledge and experience.
- ◆ Second stage of small group dialogue.
- ◆ Further merging of knowledge and experience.
- ◆ Product of a Water Charter that provides the framework for talk and action in the future.

A number of companies, including the Body Shop, Futureeye and the Melbourne Museum have announced their support. Water businesses, including Melbourne Water, City West Water and Yarra Valley Water also support the project.

Watermark Australia is funded by individual donors, including Jo Baeovski, Helen Handbury, Dame Elisabeth Murdoch and the Myer Foundation.

More information can be obtained from watermarkaustralia.org.au.

