


**Barwon
Water**

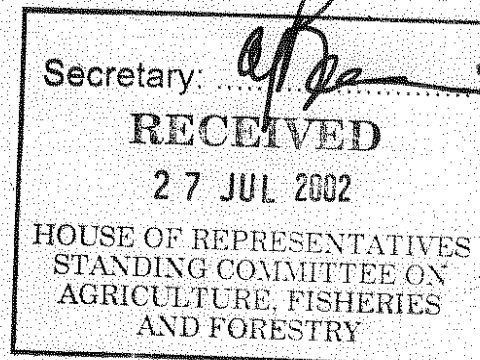
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Our Ref: 25/001/0012C
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24th July 2002

Ian Dundas
Committee Secretary
Parliament House
CANBERRA ACT 2600

Dear Ian Dundas,



INQUIRY INTO FUTURE WATER SUPPLIES FOR AUSTRALIA'S RURAL INDUSTRIES AND COMMUNITIES

Thank you for the opportunity to comment on the Terms of reference.

Barwon Water is the largest regional water authority in Victoria. An acknowledged industry leader, it provides quality water and sewerage services to a permanent population of approximately 250,000 people. The authority's area of responsibility covers more than 8,100 square kilometres, stretching from Little River and the Bellarine Peninsula in the east to Colac in the west, and from Meredith and Cressy in the north to Apollo Bay on the south-west coast. The authority manages ten major water storages and water treatment plants, nine sewage treatment plants and has a 10-year, \$260 million capital works program.

Barwon Water is in the process of finalising its Water Resources Development Plan (WRDP) that will provide a framework for sustainable water resource management to regional and rural communities in south-west Victoria for the next 20-30 years. The draft WRDP was released for public comment between March and May 2002 and over 300 submissions on the draft plan were received. Barwon Water is now considering those submissions as part of finalising the plan.

The WRDP has a strong emphasis on water conservation and making the most use of current water supply systems before developing new resources, as it is clear from the response we received that people want to conserve water. One of the most effective ways to conserve water is through using water efficient appliances such as shower heads and washing machines. The Commonwealth could support a nation wide water conservation program, to encourage uptake of water efficient appliances.

Recycling of treated wastewater needs to become an integral element of the water cycle. The Commonwealth should facilitate adoption of national standards for recycling to strengthen the communities acceptance of recycled water as a valuable resource.

The other important component in our WRDP is climatic change, and its likely impacts on water resources. There is a general consensus that climatic change due to greenhouse effect has commenced, and will impact on future water resources, however the effects are still uncertain. For example, winter-spring rainfall in southern Victoria is projected to vary from +5% to -15% by 2030. Given these figures, modelling the impacts of climatic change would produce a wide range of results, and as such, be of limited value. This is another area where the Commonwealth could play an important role through increased funding for scientific research.

As a custodian of the region's most precious natural resource - fresh water, Barwon Water has adopted the Triple Bottom Line (TBL) - environmental, social and economic - focus on the authority's operations. The way we manage this resource impacts our environment, our economy and the health and well being of the communities we serve. It is also important to note the changing role of organisations over recent years. Over time, economic rationalism has received significant review and criticism as the role of organisations is seen to encompass more than the achievement of financially oriented goals and objectives.

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Barwon Water has embraced the TBL philosophy and the authority realises it cannot afford to focus on an operating surplus while ignoring environmental and social considerations if it is to be a sustainable business.

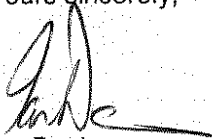
Barwon Water believes the role of the Commonwealth in ensuring a sustainable water industry was espoused by the Strategic Framework for Water Reform, endorsed by the Council of Australian Governments in February 1994. The framework sets out a number of features in relation to water reform. Barwon Water has implemented the key initiatives outlined in the framework:

- Consumption-based pricing - Barwon Water was the first water authority in Victoria to introduce a two-part tariff for water and sewerage, comprising an access charge and a usage charge.
- Reduction or elimination of cross-subsidies - Following consultation with concessional benevolent customers, Barwon Water has commenced a program that will progressively eliminate discounts to subsidised customers.

Furthermore, Barwon Water has recently completed a review of its developer charges based on the principles of cost reflective pricing and transparency. In its approach, the authority has embraced the TBL philosophy by taking into account any adverse impacts on social affordability and regional development. Only through this approach, (ie, by taking into account the TBL principles), can the authorities and the industries long-term sustainable development be assured. Barwon Water will continue to address the above framework in the future.

Please contact Paul Northey on telephone 5226 2355 or email paul.northey@barwonwater.vic.gov.au if you wish to discuss any of the comments made above. I wish you and the committee well in finalising the electronic publishing of submissions and look forward to receiving the final version in due course.

Yours sincerely,



Ian Davis
A/Executive Manager
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