



28 October 2010

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***Comments on Revised Permanent Water Savings Plans –
Proposed Permanent Water Saving Measures for Non-Residential Water Efficiency***

The Australian Industry Group (Ai Group) is a leading industry association in Australia. Ai Group member businesses employ around 750,000 staff in an expanding range of industry sectors including: manufacturing; engineering; construction; automotive; food; transport; information technology; telecommunications; call centres; labour hire; printing; defence; mining equipment and supplies; airlines; and other related service industries. Ai Group represents over 4,000 businesses in Victoria. Ai Group is pleased to make this submission in response to the Proposed Permanent Water Saving Measures for Non-Residential Water Efficiency. In the course of developing this submission, Ai Group consulted broadly with members of Ai Group's Environment Working Group.

Industry is responding strongly to calls for greater water efficiency. Melbourne's non-residential customers have made significant water savings, reducing their per capita daily water consumption by some 41 per cent per capita, compared with Melbourne's overall reduction of about 38 per cent compared to the 1990s averages.

Ai Group is committed to working with member companies to encourage continuous improvement, resource efficiency, use of recycled water where possible, and reduced usage of drinking water. In 2007/08 Ai Group implemented our waterMAP Assist program with the support of the Department of Sustainability and Environment to deliver water savings in industry. Services provided under the program, which is now completed, included: water saving seminars in metropolitan and regional areas; development of factsheets and case studies which are published on Ai Group's website; undertaking of investigative and feasibility studies; and provision of capital support to implement water savings initiatives.

WaterMAP customers have saved approximately 15 billion litres of water since the program's inception in 2007. This is an outstanding achievement. In addition, over 4,000 businesses have signed up for the Support 155 program which aims to help business save water through water use assessments, ideas for working with employees to save water and other assistance.

In 2008/09, Ai Group partnered with metropolitan water retailers in the delivery of a series of industrial water seminars to raise awareness and industry participation in the Support 155 program. These forums assisted participants identify practical water saving solutions specific to a range of industry sectors. The forums also provided an opportunity to promote the assistance programs available to companies to reduce water usage.

Current Proposal

The Victorian water industry is now proposing to extend the waterMAP program to include all industrial, commercial and institutional water customers that consume 5 million litres or more of drinking water per annum. It is of concern that no cost benefit analysis has been provided in support of the implementation of this proposal. Ai Group seeks clarification of the additional water savings that it is projected will be achieved from extension of the waterMAP program, particularly in the context of the water savings that have been already been achieved to date and the number of companies that have committed to the Support 155 Program.

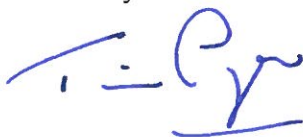
Ai Group is concerned extension of the mandatory requirements may not in themselves cost effectively generate additional water savings given resourcing constraints within industry. The Ai Group and Sustainability Victoria National Survey on Environmental Sustainable Practices 2007 – *Road to a Sustainable Future* found that 54% of firms had no staff with environment responsibilities. The lack of environment skills within a company severely limits its ability to identify opportunities to identify and implement opportunities for improved environmental management. The imposition on SMEs under the current proposal of additional measuring and reporting requirements can be expected to exacerbate existing resource constraints within businesses and divert management time away from implementation of sustainability initiatives.

It is essential that SME businesses are provided with comprehensive support, including financial assistance in the identification and implementation of initiatives to reduce water usage. Such a support program could include:

- Broad industry reach program incorporating briefings and sustainability forums
- Development and delivery of practical industry based training to develop the necessary in-house expertise to achieve sustainable environment solutions
- Identification of priority sectors and projects to increase the uptake of water savings initiatives
- Trialling of water saving options for different industry sectors
- On-site assistance

Ai Group would welcome the opportunity to discuss how we can work cooperatively with the Government and water corporations to support sustainable improvements in industry's water usage.

Yours sincerely



Timothy Piper
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