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Mr Chris Hutchins
Essential Services Commission (ESC)
Level 2, 35 Spring Street
Melbourne Vic 3000

water@esc.vic.gov.au

Dear Chris

Submission in Response to the Developing a Trade Waste Customer Service Code Scoping Paper

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 provide the following comments on issues raised in the *Trade Waste Customer Code Scoping Paper*. This submission builds on our discussions with you at the November 2010 meeting of Ai Group's Environment Working Group.

Acceptance criteria

Ai Group supports increased transparency in processes of setting of acceptance criteria. However, Ai Group considers that it is not feasible to set uniform trade waste standards across the state given the variations between regions in treatment systems and therefore in capacities to accept and treat trade waste. It is therefore important that the Customer Code is drafted to afford flexibility to take local conditions into account in setting trade waste acceptance criteria.

Variation Requests

Key issues raised by Ai Group member companies in relation to variation requests include:

- The need to re-apply for variations on each renewal of the trade waste agreement is a cause of significant uncertainty and cost to business
- Delays in approvals of variations
- Lack of clarity and transparency in relation to the basis for decisions made on variation requests
- Lack of effective dispute resolution processes in some service areas

Industry requires greater certainty around the continuation of variations to trade waste agreements where these relate to ongoing issues for companies (other than short term events). Ai Group therefore supports ESC scrutiny of the variations process in particular if this leads to increased certainty and decreased delays.

Confidentiality

Businesses continue to raise concerns regarding the confidentiality of trade waste agreements and variations to such agreements. Ai Group does not support general publication of variations.

Water Efficiency Initiatives and Trade Waste

Industry has responded 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.

Implementation by business of water efficiency initiatives has in many instances resulted in increases in their trade waste concentrations. A number of member companies have raised the concern that they face the prospect of significant increases in trade waste charges necessitating the purchase and installation of pre-treatment systems prior to discharge to the trade waste system.

It is essential that in the setting of trade waste parameters there is a balanced approach to the dual imperatives of improving water efficiency and reducing discharges to ensure that businesses are not penalised for their water efficiency initiatives.

Resourcing of ESC

It is vital that in assuming the trade waste management role, the ESC accesses appropriate technical expertise and resources. Decisions on trade waste management are complex and must be based on sound science and consideration of community net benefits.

Ai Group supports the establishment of trade waste consultative groups consisting of stakeholders across relevant industry sectors to provide expert input to the ESC decision making processes.

Dispute Resolution and Right of Appeal

Ai Group member companies continue to report lengthy delays in trade waste decision making processes which adversely impact on business costs. Ai Group

supports introduction of a dispute resolution and appeals process to address such concerns as well as issues relating to acceptance of discharges from trade waste customers.

Ai Group would welcome the opportunity to discuss how we can work cooperatively with the ESC to ensure the efficient operation of the trade waste system. Please contact me if you require additional information on 9867 0283 or vfilling@aigroup.asn.au

Yours sincerely

A handwritten signature in blue ink that reads "Vivienne Filling". The signature is written in a cursive, flowing style.

Vivienne Filling
National Manager
Environment Policy & Membership Services
The Australian Industry Group