

Ministerial Advisory Committee
Inquiry into the Environment Protection Authority
PO Box 21428
Little Lonsdale Street
Victoria 8011

Dear Committee Member

RE: INQUIRY INTO THE ENVIRONMENT PROTECTION AUTHORITY

Yarra Valley Water welcomes the release of the Environmental Protection Authority Inquiry Discussion Paper and the opportunity to respond.

We would like to take this opportunity to acknowledge the role the EPA has played in driving significant infrastructure and operational improvements in our industry which have contributed to world leading performance and significant improvements to the environment despite growth in population and industry.

We believe that the well-being of the community and the strength of the economy depends on the health of the environment and as such, we are committed to providing our services within the carrying capacity of nature - in this regard the outcomes of our two organisations are very much aligned.

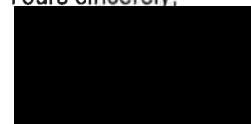
At present, we have a complex set of interactions with the EPA, covering many different aspects of the services we provide across many organisational levels. We hope that reforms in the areas set out within the scope of the inquiry may lead to improvements in our relationship with the EPA and Yarra Valley Water, ultimately contributing to better environmental and community health outcomes at the lowest possible cost.

We believe that for the EPA to be an effective regulator, open and collaborative relationship is essential. Several opportunities that we have identified include more risk-based regulation with an emphasis on lowest community cost solutions, defining clear but flexible objectives with broad based outcomes, clearly defined roles of EPA in the policy, implementation and regulation functions, and the establishment of clearer communication channels. These are described in more detail in Attachment 1.

I would also like to acknowledge our support of the VicWater submission which was developed in collaboration with the broader water industry.

If your team has any queries regarding our submission, please contact [REDACTED], Manager Asset Planning, by email on [REDACTED] or by phone on [REDACTED].

Yours sincerely,



Pat McCafferty

Managing Director

ATTACHMENT 1

Acknowledging EPA's Achievements

YVW appreciates the role that the EPA has played within the water industry. We acknowledge that the EPA have made significant contributions and would particularly like to note the following:

- Over the years we have valued the level of in-house expertise within the EPA that we have been able to draw on to provide robust guidance around environmental issues. It is important that EPA continues to provide this level of expertise to ensure environmental policy is successfully implemented into the future.
- In the past, we highly valued having a Client Relationship Manager assigned to us. We believe this role was extremely useful in providing regulatory context to us, as well as for us to provide operational context to the EPA.
- We feel there has been significant improvement in the EPA's engagement with the water industry since they moved towards more of an enforcement approach in 2009. Although at times we struggle to "continue the dialog" without a regular point of contact, we find EPA staff are very co-operative and willing to work with us on matters such as Works Approvals, licence amendments and other environmental challenges we may be facing.
- An example of a recent positive working experience was our application for a Works Approval for the Aurora Waste to Energy Facility. Despite being an industry first and a lack of specific policy to govern certain aspects of the facility, EPA provided technical assistance, encouragement and support.
- In the past, EPA have demonstrated environmental stewardship in a number of areas such as the application of biosolids to land, and the development of a regional EIP template. Further demonstrating this stewardship is a sense of the value placed on risk-based regulation by partnering with the industry to explore new ways of recognising consistent environmental performance/citizenship through the Earned Autonomy program.
- We also value regular forums such as the Water Industry Reference Group as a vehicle for two way communication with EPA. The difficulty in managing these forums so that all attendees benefit from them is challenging given the scope of issues that the EPA deals with, however we feel that it is imperative such gatherings continue to further improve performance and drive collaboration and innovation.

We offer the following opportunities as areas for EPA to focus on going forward so as to best fulfil its role as environmental regulator.

1. Clear But Flexible Objectives With Broad-Based Outcomes

Without clarity on the EPA's objectives, we often have to make an assessment on risk which may not necessarily deliver the best environmental or community outcome. It is therefore important that water authorities are clear about the EPA's drivers at all times.

It would be helpful to have visibility of EPA's LORA risk assessment tool, to understand where their concerns are focussed and identify exactly when we should report and when shouldn't. Water authorities may perceive a licence breach very differently to the EPA, investing disproportionate amounts of money as a result.

EPA's objectives should be focussed on outcomes, rather than being prescriptive about how to achieve them. A good example is the Waterways Investment Prioritisation (WIP) study on the Merri Creek, where an

Although this stance has shifted in recent times, we feel there is still room for the EPA to bolster its commitment to policy development and implementation. For example, we see a missed opportunity in the development of septic tank regulation which would benefit from more strategic input from the EPA.

There is a need for informed and timely decision-making within EPA to enable solutions to be reached at lowest community cost. We have had circumstances where lengthy delays to assessments have resulted in significant unnecessary costs to the community - as a result of prolonged chemical and energy usage or delays to project approvals.

With reference to specific points made regarding environmental justice within the VicWater discussion paper, we believe where needed these principles are upheld by NGOs and community groups. Whilst it should form an underlying principle in EPA's future strategies (such as Earned Autonomy), we believe EPA is not the appropriate body to handle environmental justice.

In terms of greenhouse gas reduction, there is currently a void in this area of regulation. We believe EPA would be best placed to play the role of advocate, although it is important that the terms of this role are clearly defined to ensure consistency of approach throughout any change of government.

4. Clearer Communication

Along with clarity around roles and responsibilities, there needs to be clearer communication channels between the industry and the EPA at all organisational levels.

In recent times, it has been challenging for us to identify the right person to engage with following the discontinuation of the Client Relationship Manager role, streamlining of processes within EPA, and several restructures. This has made it increasingly difficult to know who to deal with for different situations. Along with this there have also been challenges with conveying operational context to EPA (and maintaining EPA's continuity of understanding) to support approvals and implementation of EPA decisions.

Equally, the context for EPA's changes are often not well communicated back to the industry. The quarterly Water Industry Reference Group meetings go some way to resolving this, however, due to the broad nature of the group and the full agenda, these messages often don't get through. Similarly communication of these messages within EPA itself is often lacking, with field officers sometimes enforcing regulation to principles contrary to those communicated from a higher level within EPA to the water industry.

5. Additional Items For Consideration

The EPA possesses a lot of data on environmental spills and licence breaches. There is an opportunity for the industry to utilise this data more effectively to inform decision making and assist with risk-based prioritisation.

Further to the points raised about the Water Industry Reference Group, we feel there is an opportunity to further leverage the good work done to date. A more focussed forum with invitations based on geography or topic may result in more meaningful dialogue. Although there are opportunities for authorities to contribute to some of the discussions, it feels that much of the communication is one way, with industry issues raised typically being taken "on notice" with little follow up due the sheer number raised. We believe more valuable innovation and collaboration between EPA and the industry could be achieved through targeted, more focussed working groups, as opposed to a catch-all forum.