

Invited Speakers:

Kate Vinot, South Eastern Water

1. Overview of South East Water

- Retailer, SE Melbourne, 1.36 million people served
- Delivers 155 billion litres p.a. to customers (less under restrictions) and 4 billion litres recycled water
- Melbourne Water, as Catchment and Dam manager, provides water and sewage treatment services to SE Water. SE Water also treats 10% of its sewage in 8 treatment plants.
- 8,400 km water pipes, 7,800 km sewer pipes

2. Why is the concept of Water Stewardship important to South East Water?

South East Water's interest is two-fold:

1. South East Water has to manage 'non-revenue water', which is water used in flushing leaks after repairs etc, but also theft, fire water, discrepancies in metering, leakage. The company is a good performer when benchmarked locally and internationally but we still get the media stories about major GL of wasted water.

The company also collects and treats sewage to meet environmental and, increasingly, recycling standards, and our ability to do this depends upon how our customers use and pollute the water.

Question – could a Water Stewardship initiative assist in communicating responsible water use by South East Water, in terms of both quality and quantity throughout its life-cycle?

2. South East Water's Industrial, Commercial and Institutional customers are being scrutinised by the community and media for their water use. The focus is on quantity rather than the way it is being used:
 - a. What is a reasonable use of water (e.g. hospital, school, park, sports ground, manufacturing)?
 - b. How to measure the environmental, social and economic benefits?
 - c. How to be responsible about the state in which it is discharged from the site?

Question – could a Water Stewardship initiative assist our Customers in communicating their responsible use of water, in terms of both quality and quantity throughout its life-cycle?

3. Some issues for consideration in developing the Concept

1. Is there a real difference between the performance of a certified operation/company and the performance of others in the industry? – is it meaningful?
2. Does it provide for a reduction in business risk or present opportunities for market differentiation? Would it encourage others to perform better?
3. Is there anything different about water as a product for stewardship?

- o Not (usually) a commodity, like timber, but an input to the commodity
- o Varies in quality, in space and in time...sometimes difficult to separate process use from land or environmental uses
- o It is subject to vastly different regulatory regimes depending upon its location, use and state
- o Emotional and equity issues – cultural and ethical issues (who has rights to it, who decides whether it should be for the environment or for consumptive uses)
- o Need to look not only at successful product stewardship schemes but also the unsuccessful ones.

Misha Coleman, World Vision

Why is water stewardship important to us?

- For past seven years I've been living and working in the Mekong Basin in Southeast Asia, so the issue of equitable access to enough water and to clean water has been very evident to myself and to my family.
- World Vision Australia already considers the lack of affordable, drinkable water and the lack of basic sanitation to be a silent humanitarian crisis, and we've recently launched a campaign to highlight this crisis- together with WaterAID, which is especially focussed within our own backyard of Asia and the Pacific.
- Let me hit you with some figures to demonstrate what we mean by the humanitarian crisis:
 - o billion people in developing countries have inadequate access to water;
 - o 2.6 billion people lack basic sanitation,
 - o So about 5 million people die every year of water-related illnesses. Of these, one child dies every 15 seconds, so during my 5 minutes today, 20 kids will die because they don't have access to enough clean water.
- We consider access to water a human right.
- Consider that the minimum threshold requirement for one person is about 20 litres day. Most of the 1.1 billion people categorised as lacking access to clean water use about 5 litres day – which is 1/10 of the average daily amount used in developed countries just to flush their toilets.
- The majority of developing countries don't have potable water systems, so a few people like myself who can afford to do so buy drinking water
- Everyone else drinks whatever non-potable source they have access to, and deals with the resulting health impacts, which can often be death
- The economic impact of this situation translates in areas like sub-Saharan Africa to 5% of their GDP, or about 38.4 billion dollars annually
- But it's estimated that for every \$1 invested on water and sanitation, another \$8 are gained in productivity savings and in losses averted.

- These figures underlie so many of the root causes of poverty, which is why we so strongly support water stewardship:
 - Collecting water and carrying it over long distances keep millions of girls out of school, which obviously keeps them illiterate and uneducated which ultimately severely restricts their employment opportunities.
 - Water-related diseases such as diarrhoea and parasitic infections cost 443 million school days every day.
 - HIV-infected mothers can't offer breast milk substitutes to their babies if they don't have access to clean water.
 - And diverting water from agriculture into industry exacerbates rural poverty even further – noting that water is the key input for smallholder farmers who account for more than half the world's population which lives on less than \$1/day
- In the developing world, more people are moving into urban areas, meaning that there are less agricultural producers, whilst the population continues to grow alarmingly, so the issue of food availability is critical to the water debate – in the 1960's 2/3 of the world's population lived in rural areas and its expected that by 2050, 2/3 will live in the cities instead; population is expected to increase by 80 million people over the next 3 decades, and almost all this growth will take place in developing countries. At the same time, projected water withdrawals are expected to be 27% higher in 2025 than they were in 1995, so you can see that sustainable water usage and stewardship is critical not just for prosperity but for the entire future of developing nations
- From a social justice perspective, and especially thinking about the developing country context, the reason we need global stewardship mechanisms are these:
 - Water rights are not considered in the same way as land rights, therefore, when a waterway is dammed, the revenue to be derived from either the reservoirs or power and irrigation purposes is almost always transferred into private or government ownership, regardless of the usage patterns prior to damming
 - Water stewardship needs to be global because as you all know, water is a Transboundary issue.
 - 1.4 billion people live in river basins where water use exceeds recharge rates
 - Regional initiatives go part of the way but for example, while the Mekong River Commission tries to encourage inter-country co-operation on water usage, diversions and dams, China is still not a member of the commission and villages in Cambodia are still flooded when dams in Vietnam release surplus capacity without warning, so neither private nor public operators are self-regulating in an ethical manner
 - Not that there is much surplus water in Asia lately – one of the inter-related socio-economic problems is that a large amount of electricity is generated through macro-hydro electricity schemes. Obviously as seasonal rainfall decreases, the effects on electricity generation capacity are dramatic- in Hanoi a couple of months ago we only had power every second day – imagine the effect that has on economic growth, schools, hospitals, not to mention the fisheries sector!

What constitutes a “responsible water user”?

- A key plank of our advocacy agenda at WVA is to work with corporates on a range of social, ethical and environmental objectives. So, part of the due diligence process we run when companies and corporations express an interest in supporting WVA is to ask them what measures they are taking, in terms of their core business activities, to reduce their water consumption?
- We also ask about a range of industry standards and reporting initiatives in terms of assessing their current position within a sector, so, whether they’re a leader or a laggard, and we’d like to see Water Stewardship appear in some of the reporting indices that we are recommending that corporates sign up to, or also perhaps as a key plank of their sustainability reporting.
- When companies are working in developing countries, we’d like to know how their access to water is impacting on community access:
 - for example, a Multinational soft drink company might establish bottling facilities in India, and draw heavily on the local water resource
 - At a minimum, we’d want that enterprise to do no harm
 - But at the other end of the spectrum, we’d encourage corporates to think about how they could improve the sustainable use of the resource
 - Ultimately, Multinationals especially have the capacity to positively contribute to better national governance and regulation on water usage and we’d like to see this corporate to government advocacy
- The equity issue is paramount, because wealth and power enables you greater access to water. So you can sink a deeper well or bore if you have the money and you can then extract the public resource for commercial gain
- We’d also like to see the stewardship make reference to the Millennium Development Goals – we’re engaging businesses through the Business for Poverty Relief Alliance, so we’re specifically asking the private sector to make progress towards achieving the Millennium Development Goals, and for those interested, goal #7 aims to halve the proportion of people without access to safe drinking water by 2015
- In the medium-term, we’re asking companies how they can actively use their resources, products, services and expertise to achieve this target
- As a longer-term objective, we’re asking corporates to undertake and act on environmental impact assessments of a company’s activities in the developing country context, noting that EIA requirements are much easier to get around than in developed countries like Australia.
- In terms of setting concrete targets for companies working in developing countries, utilising the Human Development indicators might be part of a suite of measurable targets to aspire.
 - In Cambodia, 59% of the population don’t have sustainable access to an improved water source, and only 17% actually have access to an improved sanitation system
 - So a company that was to improve these national average indicators in its area of operation could be a responsible water user

- We are very supportive of the stewardship initiative and from my experience with talking to the private sector about the plethora of reporting initiatives, codes of conducts and industry standards, what we'd also hope to see is some consistency with any appropriate existing schemes or targets to which companies might already be aspiring to
- I'll close with a comment relating Victoria to the developing world: as you know, the dairy industry in Victoria is responsible for 78% of the irrigated water use from the Murray. 80% of the milk produced in northern Victoria however is converted to milk powder and unprocessed cheese and then exported, primarily to Asia. This contributes to the fact that Australia is the 4th largest exporter of virtual water – virtual water being the amount of water it takes to produce a good or service.
- So I hope I've made the case for the Water Stewardship initiative to ultimately become a global initiative, but we certainly agree that it should establish it and get it right here in Australia first of all.

Sam Pudney, Australian Paper

Les Gordon, Rice Growers Association of Australia

Matthew Ruchel, Australian Conservation Foundation

Steven Ross, Murray Lower Darling Rivers Indigenous Nations