



Katy Gallagher MLA

CHIEF MINISTER

MINISTER FOR HEALTH

MINISTER FOR TERRITORY AND MUNICIPAL SERVICES

MEMBER FOR MOLONGLO

Ms Caroline Le Couteur MLA
Chair
Standing Committee on Public Accounts
ACT Legislative Assembly
CANBERRA ACT 2600



Carole
Dear Ms Le Couteur

Authorised for publication
31.1.12

I refer to your request of 17 October 2011 where you sought, on behalf of the Assembly's Standing Committee on Public Accounts, clarification and further information on some matters related to the Government Submission to the Auditor General's Report on Water Demand Management. I apologise for the delay in responding.

Please find attached, as requested, an update on the implementation of recommendations either agreed to, or agreed to in part.

Yours sincerely

Katy Gallagher MLA
A/g Minister for the Environment and Sustainable Development
23 JAN 2012

ACT LEGISLATIVE ASSEMBLY

In response to the Standing Committee's request for clarification and further information on the Government's implementation of recommendations in the Auditor-General's Report No. 4 of 2010

(i) Summary of action to date on recommendations agreed to or agreed to in part.

Recommendation 1

DECCEW, in consultation with ACTEW, should:

- clearly define the method being used to assess outcomes against the water consumption targets in the Think water, act water strategy and in the Implementation Plan;*
- ensure the method is robust and used consistently by all relevant agencies;*
- formally approve and document any variations to the method that may occur over time; and*
- provide relevant information to the public.*

Government position – Agreed

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Update - In progress

ACTEW has provided a methodology to Government. This has been applied.

The methodology will be reviewed as part of the overall review and subsequent revision of the *Think water, act water* strategy to ensure its applicability to the future assessment of programs.

Recommendation 2

ACTEW should consult appropriately with the Environment Protection Authority (EPA) on any proposals or decisions on Temporary Water Restrictions or Permanent Water Conservation Measures.

Government position – Agreed in part

Update - Implemented

ACTEW has consulted with the EPA over changes to Temporary Water Restrictions (18 August and 8 October 2010). Additionally, the EPA has been included in the broad consultation currently being undertaken by ACTEW to proposed amendments for future Permanent and Temporary Water Restrictions.

Recommendation 3

ACTEW should update its procedures to reflect a consultative approach as required by the Utilities (Water Conservation) Regulations 2006. All consultation should be documented.

Government position – Agreed

Update – Implemented

ACTEW has updated procedures to ensure liaison with Government in relation to water issues. ACTEW is represented on both the Government's Directors General Water Group and the Senior Executives Water Group which continue to provide agency representation at the highest level. Records of minutes and discussions from both these forums are now held in the Environment and Sustainable Directorate, as the Secretariat for both these groups.

Recommendation 4

For future reporting, ACTEW should consider the measurement of water savings against a new consumption baseline that does not include the savings already achieved from the Permanent Water Conservation Measures. In the interim period, ACTEW should make it clear to the community that the savings are a combined result from Temporary Water Restrictions and the ACT Government's demand management program.

Government position – Agreed

Update – In progress

Prior to 2002 there was a well developed relationship between monthly water demand and weather. Water demand is weather dependent and the implementation of Temporary Water Restrictions means that this relationship can no longer be reliably used to determine water savings.

Water demand remains unpredictable and without more data (i.e. more time) it is impossible to establish a new baseline consumption (i.e. what is the new relationship between water consumption and weather after Permanent Water Conservation Measures and other demand management initiatives).

ACTEW will set a new baseline; however, it will take several summers to gather enough data to establish the new relationship between weather and demand, and the revised Permanent Water Conservation Measures Scheme.

Recommendation 5

ACTEW should improve the transparency of its decision making process by providing, to the extent practicable, information to the public of the relative significance or weighting of the key factors considered by ACTEW in selecting stages of water restrictions.

Government position – Agreed in part

Update – In progress

As part of its major review of both Temporary and Permanent Restrictions, ACTEW is looking to provide more clarity and distinctiveness between the different restriction levels.

Recommendation 6

DECCEW should implement its custom-made project management system to manage water saving initiatives. This will encourage consistent management practices, including the centralised recording of relevant information, which will facilitate reporting and evaluation of the initiatives.

Government position – Agreed in part

Update – Complete

The Environment and Sustainable Development Directorate has expanded and refined the capability for budget tracking in the Sustainability Program's project management system. The Directorate also continues to use a centralised recording of program participation data and calculation of water and energy savings; and has developed a procedures manual for both these applications.

Implementation of water saving programs is reported in the *Think water, act water* progress report published biennially. Water savings from these programs for the period 2004 to June 2009 was published in the *Think water, act water* 2009 Demand Management Report. This is available on the *Think water, act water* website (www.thinkwater.act.gov.au).

Recommendation 7

DECCEW should ensure data used for estimates and assumptions for water savings from residential initiatives is updated and verifiable.

Government position – Agreed in part

Update – In progress/ongoing

The Environment and Sustainable Development Directorate undertook an internal review of water saving calculations in November 2010 as part of the *Think water, act water* 2009 Demand Management Report. This review is part of the ongoing management of its programs. Water savings calculations will again be reviewed as part of the development of the *Think water, act water* 2011 Demand Management Report.

An external review of water savings of four key programs was also conducted in 2011 by the Institute of Sustainable Futures, Sydney University of Technology. The resulting report, currently being reviewed by the Directorate, demonstrates measurable and statistically significant reductions in average household water consumption for three of the four program analysed. The Directorate will review its water savings assumptions in the light of findings from this review.

Recommendation 8

DECCEW should:

- *progress with the developer contributions to the cost of delivering the Canberra Integrated Urban Waterways Project as originally planned, or*
- *if developer contributions are not to be pursued, seek approval from the ACT Government of revised funding arrangement and formally advise the Commonwealth government and seek an amendment to the Funding Deed.*

Government's position - Agreed

Update – In progress

The Developer Contribution Scheme is not core to the wider outcomes being sought under the Canberra Integrated Urban Waterways scheme. The Government will review the proposed Scheme as part of the *Think water, act water* review. If necessary the Government will discuss the need for any revision to the funding deed with the Commonwealth.

In relation to the status of the *Think water, act water strategy*, the review is being conducted in stages, these being:

- review and analysis of the *Think water, act water* Implementation Plan (Progress Report) to determine the performance outcomes of the current strategy;
- evaluation of existing strategic objectives, water saving targets and water reuse targets – this will determine where the ACT needs to be in an agreed policy timeframe in the context of water availability relative to projected climate change, levels of water use, infrastructure development and projected population growth; and
- the development of a revised strategy with an integrated approach to water planning and management, outlining measures to be put in place to enable strategic objectives to be realised within the agreed policy timeframe.

An independent assessment of the progress and performance of the strategy has been undertaken. This work is guiding the development of a revised strategy.

The revised strategy will also take into account recent local developments, updated research and any improved modelling, as well as external policy development and influencing factors such as the Murray-Darling Basin Agreement, the National Water Initiative Agreement and COAG water reforms.

The review of the strategy will be finalised once the Murray Darling Basin Plan is finalised. This will allow the Government to accurately factor in the targets in order to achieve the set Sustainable Diversion Limit (SDL). The need to factor in the SDL means the review will be completed in mid 2012.