



EPA Sustainability Covenant



City West Water
LIMITED

City West Water - EPA Sustainability Covenant

This voluntary SUSTAINABILITY COVENANT is a statutory agreement under section 49AA of the *Environment Protection Act 1970* (“the Act”) made on the 22nd day of January, 2009.

Between:

Environment Protection Authority (EPA Victoria) of 40 City Road Southbank in the State of Victoria;

-and-

City West Water Limited (City West Water) (ABN – 70 066 902 467) of 247-251 St Albans Road, Sunshine in the State of Victoria;

In which the parties agree to work together to:

- develop and implement a sustainability program that:
 - » enhances the resource efficiency; and
 - » reduces environmental impact associated with domestic clothes washing.
- assist City West Water to continue to achieve net zero greenhouse gas emissions through the implementation of EPA Victoria’s Carbon Management Principles and to share information on the implementation of greenhouse gas management programs.
- develop a streamlined licence that:
 - » delivers red tape reduction for City West Water;
 - » provides the community with transparency and accountability; and
 - » supports City West Water to work towards delivering a sustainable water business.

EPA Victoria is of the opinion that this Sustainability Covenant is likely to be effective in increasing the resource use efficiency and reducing the ecological impact of the water industry.

EXECUTED as a deed.

THE COMMON SEAL of the **ENVIRONMENT PROTECTION AUTHORITY** is duly affixed by the Chairman on the _____th day of _____ 2009

MICHAEL JOHN BOURKE

Chairman
Environment Protection Authority Victoria

THE COMMON SEAL of **CITY WEST WATER LIMITED** was affixed to this document in accordance with its constitution in the presence of:



ANNE BARKER
Managing Director
City West Water Limited



STEPHEN ROBERTSON
Company Secretary
City West Water Limited



About This Sustainability Covenant

This Sustainability Covenant (Covenant) is a public commitment by City West Water and EPA Victoria to work together to achieve resource use efficiencies and to reduce operational ecological impacts. It represents the next step in an ongoing relationship of working together to help the Victorian community live sustainably. Some of the specific actions required to achieve this Covenant's purpose will require further exploration, given the innovative nature of the programs. It is expected that the options investigated and trialled will form an important component of the information shared between the organisations and will contribute to making the Victorian community more sustainable.

Strategy and actions

This Covenant will focus on three programs.

Program 1 – Sustainable clothes washing

Washing of clothes is generally undertaken using domestic washing machines, detergents and water. This operation gives rise to a range of environmental impacts including:

- Depletion of water resources - approximately 15% of household water use relates to clothes washing;
- Greenhouse gas emissions associated with use of electricity;
- Discharge of waste detergents to the sewerage system - this discharge includes salts, which in combination with salt discharges from industry can reduce the ability to recycle water without energy intensive processes such as reverse osmosis.

City West Water and EPA Victoria will partner to develop and implement a sustainability program that:

- enhances the resource efficiency; and
- reduces environmental impacts, associated with domestic clothes washing.

The program will be developed in three phases:

- **Phase 1 – Conceptual design.**

This phase will involve:

- » Brainstorming a range of innovative approaches to improve the overall resource efficiency and reduce the overall environmental impact of this lifecycle. This may include consideration of washing machine exchange programs, centralised cleaning services, product leasing etc;
- » Preliminary lifecycle assessment of all identified options; and
- » Adoption of a triple bottom line framework for selection of a preferred option.



- **Phase 2 – Detailed design.**

This phase will involve:

- » Developing a detailed program structure, costings and objectives for the preferred option;
- » A detailed lifecycle assessment including a comparison to the current stock of domestic washing machines;
- » Identification of additional program partners; and
- » Preparation of a business case and implementation plan for approval by the parties.

- **Phase 3 – Implementation.**

This phase will only be implemented if the new program is shown to have significant sustainability benefits over and above the existing domestic washing machine stock.

The timeline for completion of each phase is:

- Phase 1 – 3 months from the day on which this Covenant is signed.
- Phase 2 – 12 months from the day on which this Covenant is signed.
- Phase 3 – Implemented during the final 2 years of this 3 year Covenant.



Program 2 – Net zero greenhouse gas emissions

The management and reduction of greenhouse gas emissions has emerged as an issue of significance for organisations worldwide. A key aim of this Covenant is for City West Water and EPA Victoria to work together on strategies to address this business and environmental issue. The activities undertaken under this Covenant will build the parties' capacities to work with their stakeholders and the broader community on greenhouse gas emissions reduction strategies.

Under its Environmental Sustainability Plan 2 (ESP) City West Water has committed to achieving net zero greenhouse gas emissions. This Covenant formalises EPA Victoria's support for City West Water in achieving this goal.

The strategy committed to under the ESP and this Covenant is the achievement of zero net greenhouse gas emissions from operations under City West Water's control. This will be achieved by implementing EPA Victoria's carbon management principles including:

- **Measure** – City West Water will continue to prepare an annual inventory consistent with the International Greenhouse Gas Protocol;
- **Set objectives** – City West Water will seek to achieve net zero greenhouse gas emissions for the period of the Covenant;

- **Avoidance** – where practicable, City West Water will avoid indirect and direct greenhouse gas emissions associated with its business;
- **Reduction** – where greenhouse gas emissions cannot be avoided, City West Water will investigate and implement practices to enhance energy and resource use efficiency;
- **Switch** – City West Water will investigate opportunities to switch to renewable energy for existing operations;
- **Sequester** – Opportunities to sequester carbon on the City West Water head office site will be investigated;
- **Assess** – City West Water will undertake an assessment of residual greenhouse gas emissions that cannot be avoided; and
- **Offset** - where all other options have been exhausted, City West Water will offset residual greenhouse gas emissions. EPA Victoria's guidance provided at www.carbonoffsetguide.com.au will be used by City West Water to ensure credibility of purchased offsets.

Further details of City West Water's net zero greenhouse gas approach are outlined in its ESP which has been endorsed by EPA Victoria and the City West Water Community Liaison Committee.

Program 3 – Corporate licensing

Corporate licensing is a world-first initiative pioneered by EPA Victoria. This initiative seeks to cut red tape by:

- » streamlining existing reporting structures to a single annual performance statement; and
- » creating opportunities for companies to invest in projects that create the biggest environmental and economic returns.

A corporate licence retains and simplifies all compliance requirements into a single, easier to understand document.

City West Water holds a licence for its Altona Treatment Plant. City West Water and EPA Victoria will work together to develop a streamlined licence that:

- » delivers red tape reduction for City West Water;
- » provides the community with transparency and accountability; and
- » supports City West Water to work towards delivering a sustainable water business.

This program will be progressed in the first year of this Covenant.



Principles

City West Water and EPA Victoria will share information to help facilitate City West Water's sustainability programs.

City West Water and EPA Victoria will jointly investigate options to assist City West Water to achieve its vision of being a truly sustainable water business.

Reporting

Public reporting will be conducted through City West Water's annual Sustainability Report and in accordance with commitments under the ESP.

Life Span of the Sustainability Covenant

This Sustainability Covenant will operate until 30 June 2011.

About the parties

City West Water

City West Water provides drinking water, sewerage, trade waste and recycled water services to approximately 276,000 residential and 31,300 industrial and commercial customers in Melbourne's Central Business District and inner and western suburbs.

City West Water is one of the three retail water companies servicing metropolitan Melbourne. It is wholly owned by the Victorian Government. City West Water's boundaries contain the local government areas of Brimbank, Hobsons Bay, Maribyrnong, Melbourne (north of the Yarra River), Moonee Valley, Wyndham, Yarra and parts of Melton and Hume.

Relative to the other metropolitan Melbourne water retailers, City West Water has a smaller customer base and geographic area (which includes Melbourne's Central Business District), with a greater proportion of non-residential customers. Many of the non-residential customers are large industrial operations in the brewing, chemical manufacturing, oil refining, textile and automotive manufacturing industries.

City West Water's vision is to be a truly sustainable water business. For City West Water, sustainability means balancing social, environmental and economic responsibilities. In a local context, the potential impact of climate change could result in less water being available from Melbourne's existing water supplies as a

result of the impacts of climate change. City West Water recognises that it cannot solve climate change itself due to the size and scale of this issue. Hence, City West Water commits to constructively working with a range of partners including its residential

EPA Victoria

EPA Victoria is a statutory body that was established under an Act of the Victorian Parliament in response to community concern about pollution. The Environment Protection Act 1970 replaced statutory provisions scattered throughout more than 25 existing Acts, bringing together under one umbrella (symbolised by the EPA Victoria logo), control of pollution on land, in water and air, and industrial noise. In particular, it puts the responsibility for sound environmental management on all Victorians – businesses, communities and individuals – where it belongs. The emphasis is shifting to market mechanisms, collaboration and co-regulation, rather than just the traditional ‘command and control’ approach to achieve environmental performance.

EPA Victoria’s Vision is ‘*The Victorian community living sustainably.*’ A community living sustainably knows the impacts of the decisions it makes and the actions it takes on the environment and:

- Efficiently uses and renews resources;
- Understands how what is good for the

and commercial customers, EPA Victoria, Sustainability Victoria, Department of Sustainability and Environment and the local, national and international water industry to reduce the impact of climate change.

environment is good for the economy and society;

- Lives in a healthy environment that provides clean air, water and land; and
- Meets the needs of today without compromising the ability of future generations to meet their needs.

EPA Victoria’s purpose is to protect, care for and improve our environment. EPA Victoria’s values are collaboration, innovation, integrity and respect. EPA Victoria’s objectives are to increase resource efficiency, reduce emissions impact, tackle climate change, enhance our reputation and benefit the economy.

EPA Victoria continues to strive to improve the environmental performance of its own operations and activities, through the implementation of its Environment Management System. EPA Victoria is now aiming to go ‘beyond carbon neutral’. To achieve this they will avoid and reduce our energy use and associated greenhouse gas emissions wherever possible.



More Information

In accordance with section 49AC(b) of the Act, the parties will ensure that this covenant is readily accessible to the public and that it is published on the Internet.

In accordance with section 49AC(c) of the Act, the parties authorise the copying of all or any part of this Covenant by any person who wishes to do so. The parties also authorise the use by such a person of any copies made by that person.



Contact Information

City West Water

Locked Bag 350
Sunshine Victoria 3020
Tel: (03) 9313 8422
www.citywestwater.com.au

EPA Victoria

40 City Rd
Southbank
GPO Box 4395QQ
Melbourne VIC 3001
Ph: 03 9695 2722
www.epa.vic.gov.au
