



**Section 1: Victoria's Drinking
Water Quality Regulatory
Framework and activities of the
Department under the Act**



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Victoria's Drinking Water Quality Regulatory Framework

The regulatory framework for safe drinking water in Victoria comprises two pieces of legislation:

- The *Safe Drinking Water Act 2003* (the Act)
- The *Safe Drinking Water Regulations 2005* (the Regulations)

In addition to these legislative instruments, the Department of Human Services provides water businesses with policy direction and other guidance on a range of matters relating to safe drinking water. The guidance material is made available to the water industry through the department's drinking water website: www.health.vic.gov.au/environment/water/drinking

The Act recognises two types of water business: water storage managers and water suppliers. A water storage manager is a water business that supplies water to a water supplier, either by releasing water to the water supplier, or permitting the water supplier to take water from a water storage area. A water supplier is a water business that supplies drinking water or regulated water to the public. It is usually the water supplier who treats the water. The only current exception to this is Melbourne Water, which is a water storage manager for the purposes of the Act, but they also treat the water prior to supplying it to various water suppliers.

A list of the water storage managers and water suppliers to which the regulatory framework applies can be found in Appendix A.

Administration of the Act

The Drinking Water Regulatory Section, which is part of the department's Public Health Branch, administers the legislation on behalf of the Secretary to the Department of Human Services. The primary functions of this section are to oversee the implementation of, and monitor compliance with, the Act and Regulations.

Appendix B provides an overview of the Act and Regulations and details the functions of the Secretary to the Department of Human Services under the Act.

Activities of the Department of Human Services

During the 2006–07 reporting period the major activities undertaken by the department in relation to the regulatory framework were the completion of the specification of water sampling localities, the development of systems to support the regulatory audits of risk management plans under the *Safe Drinking Water Act*, and ongoing liaison with water businesses to address issues of non-compliance with the state's water quality standards.

These activities, plus other work undertaken by the department in relation to the Act and Regulations, are detailed below.

Water sampling localities and water sampling points

The Regulations allow for the specification of water sampling localities and water sampling points. Water sampling localities are areas of similar water quality. These areas may be

defined by water treatment process, system hydraulics or any other factor that has the ability to influence the quality of drinking water received by the customer. In regional Victoria, most water sampling localities typically equate to the water supply for a town.

The process of determining the boundaries of each water sampling locality was done in consultation with the state's water businesses. Each agreed water sampling locality was published in the *Government Gazette*.

By the end of the reporting period, the department specified water sampling localities for all but one water business (South East Water). South East Water's water sampling localities were gazetted on 30 September 2007. The *Government Gazettes* in which the specified water sampling localities were published are listed in Appendix C.

In all 481 water sampling localities were gazetted (although during the 2006–07 reporting period monitoring data was collected for 484 water localities). This represents a significant body of work and provides a published record of where drinking water is supplied within Victoria.

Within each water sampling locality a certain number of water sampling points will be specified. The number of points specified will be determined largely by the permanent population within the water sampling locality. Once the points are specified, samples collected under the Regulations to measure compliance will only be permitted to be collected from the specified water sampling points. This will provide consistency of data over time.

By the end of the reporting period water sampling points for Barwon Water and Gippsland Water had been specified. The water sampling points for all remaining water businesses will be specified by 30 June 2008.

Risk management plans and risk management plan audits

The Act establishes an obligation on the state's water businesses to prepare and implement risk management plans for their supply of drinking water and regulated water. This risk-based approach to the management of drinking water supplies provides a proactive framework for managing, reviewing and maintaining high quality drinking water from catchment to tap, and is consistent with best practice drinking water quality management.

Under the Act, water businesses were required to have their risk management plans in place by 1 July 2005. Therefore, by the current reporting period, the risk management plans were well integrated into the normal operating practice of water businesses.

The Act also establishes a process by which the department can request a water business to have its risk management plan audited by an approved auditor. The requirement to have the plans audited provides confirmation that water businesses are managing risks to the water supply in accordance with the requirements of the Act and Regulations.

During the reporting period the department continued to work on establishing administrative processes to support the audit process.

To ensure that the audits are conducted by competent individuals, the

department, in collaboration with the Water Services Association of Australia (WSAA) and the Victorian Water Industry Association (VicWater), engaged RABQSA International, a Personnel and Training Certification organisation, to develop an auditor certification scheme for drinking water quality management systems. The scheme will have applicability for drinking water suppliers Australia-wide, and will also support the drinking water quality regulatory framework in Victoria.

The department, WSAA and VicWater currently form the Scheme Committee for this auditor scheme. The Scheme Committee's role is to oversee any changes or updates to the scheme, however the scheme itself is administered by RABQSA, and is independent of the department.

The scheme is a competency-based certification scheme, with the key competencies being knowledge of auditing theory and process, demonstrated practical skill at conducting audits, and a detailed understanding of the *Framework for the Management of Drinking Water Quality*, which forms part of the *Australian Drinking Water Guidelines* (NHMRC & NRMMC 2004).

To demonstrate a detailed understanding of the Framework for the Management of Drinking Water Quality, candidate auditors are required to pass a written exam that was prepared by the former Chief Executive Officer of the Cooperative Research Centre (CRC) for Water Quality and Treatment, Professor Don Bursill. The exam is administered by RMIT University Melbourne, through their short courses program area.

To demonstrate practical auditing skills, candidate auditors must undertake a witnessed skill exam, in the presence of a skill examiner. The skill exam takes the form of a witnessed audit of a drinking water quality management system.

As this is a new scheme, skill examiners had to be appointed. An expression of interest process was conducted in September 2006 from which four skill examiners were appointed to the scheme by the Scheme Committee.

The scheme was officially launched in April 2007. The first RMIT exam was also held in April 2007, with further exams held at regular intervals after that.

By the end of the reporting period there were four auditors attached to the scheme, with approximately twenty candidate auditors working their way through the requirements of the scheme.

In parallel to the RABQSA process, the department began preparing guidance information to industry on the audit process. The guidance note was finally released in November 2007, and a series of seminars on the guidance note were scheduled for December 2007.

Requests for risk management audits will be issued to water businesses during the first half of 2008.

Undertakings

Where the department or water businesses identify non-compliance with the requirements of the Act or Regulations, the Secretary may accept a written undertaking from the business to rectify the non-compliance within a certain period of time. Undertakings accepted during the reporting period are summarised in Appendix D.

During the 2006–07 reporting period, the department accepted eight undertakings from water businesses to address issues of non-compliance with either the Act or Regulations. The undertakings accepted during the reporting period are summarised in Appendix D.

The majority of accepted undertakings related to instances of non-compliance with a water quality standard or other health-related water quality parameters, with most being specifically related to the production of excess levels of chlorine disinfection by-products, such as trihalomethanes.

Thirteen undertakings were completed during the reporting period. The common solution to most undertakings has been the optimisation of treatment processes to eliminate the non-compliance.

Several undertakings had their completion dates extended. The primary reasons for requesting extensions to undertakings have been that either third party contractors have been unable to meet timelines on water treatment plant upgrades or the drought has caused a reprioritisation of projects within the water businesses. The approved extensions were assessed as not posing a risk to public health.

By the end of the reporting period most instances of non-compliance were covered by undertakings. The primary exception was instances of non-compliance in some of the water supply systems operated by Grampians Wimmera Mallee Water (GMMWater), specifically the water supply systems for Donald, Jung, Murtoa, Rainbow, Warracknabeal, Woomelang and Wycheproof. The department has been

working with GMMWater to finalise agreed actions to resolve the water quality issues within their area of operation.

More details on individual undertaking can be found in the individual sections on each water business in Section 3 of this report, and in Appendix D.

Regulated water

Some water businesses supply a number of their customers with water that is not intended for human consumption. If it is considered that this water could be mistaken as drinking water the Minister for Health may declare the water to be regulated water.

A water business supplying regulated water is obligated to prepare a risk management plan for the water, and to take all reasonable steps to ensure that the affected community is made aware of the nature of the water and of the health risks that may arise from the consumption of the water.

The department has been working with water businesses to identify supplies of water that should be declared as regulated water. During the reporting period the Minister for Health made six regulated water declarations. These were:

- for water supplied by Central Highland Water to the townships of Raglan (*Government Gazette* 3 August 2006), and Redbank and Amphitheatre (*Government Gazette* 31 August 2006).
- for water supplied by Wannon Water to the townships of Darlington and Macarthur (*Government Gazette* 6 September 2006).
- for water supplied by Lower Murray Water to the Millewa water supply

system (*Government Gazette* 15 February 2007)

- for water supplied by GMMWater to the township of Murrayville (*Government Gazette* 28 May 2007).
- for water supplied by GMMWater to the townships of Antwerp, Apsley, Berriwillcock, Buangor, Chillingollah, Chinkapook, Clear Lake, Cowangie, Culgoa, Dooen, Elmhurst, Glenorchy, Goroke, Harrow, Jeparit, Kaniva, Kiata, Lascelles, Lillimur, Marnoo, Miram, Moyston, Nandaly, Natimuk, Nhill, Noradjuha, Patchewollock, Pimpinio, Serviceton, Speed, Streatham, Tarranyurk, Tempy, Underbool, Waitchie, Westmere, Wickliffe, Yaapeet (*Government Gazette* 29 June 2007)

After the declarations were made, the relevant water businesses began preparing the required risk management plans for the supply of regulated water.

In the case of Darlington, Macarthur and Murrayville the declarations were made in response to levels of arsenic in the drinking water supplies to these towns that were persistently above the health-related guideline value in the *Australian Drinking Water Guidelines* (NHMRC & NRMMC 2004).

All the other supplies subject to declarations had always been managed by the responsible water businesses as non-drinking water supplies, such that customers in the affected towns were aware of the nature of water that they were being supplied. The primary driver for the declarations was that in all cases there were points where the public could access the water supply, and this was perceived as a potential public health risk.

In addition to protecting public health, regulated water declarations are a mechanism to include these non-drinking water supplies within the state's regulatory framework. The long term goal of the department is to work with water businesses and other government agencies to eventually have all regulated water supplies upgraded to a drinking water standard.

The full list of water supply systems that were subject to a regulated water declaration at 30 June 2007 is detailed in Appendix E.

Communication

The department undertook a range of communication activities during the reporting period, including:

- the maintenance of a dedicated website on drinking water, where water businesses, stakeholders, and the general public could access information related to the regulatory framework and drinking water generally
- the publication of newsletters
- the publication of guidance material to support the implementation of the regulatory framework.

The practice of assigning departmental contact officers to each water business was continued during the reporting period. This arrangement allowed these officers to develop a detailed knowledge of individual water businesses and to establish productive and ongoing relationships with relevant staff members within these businesses.

During the reporting period two newsletters were published, one in December 2006 and one in March 2007. The March 2007 newsletter was

specifically focussed on drought-related issues.

The department also hosted a half-day seminar for stakeholders in August 2006 that focussed on drinking water quality and catchment management. Presentations were given by Mr Geoff Hocking, Chief Executive Officer of the West Gippsland Catchment Management Authority, Mr Robert Considine, Senior Strategic Planner with Melbourne Water and Mr Robert Ford, Manager Catchment Policy with Central Highlands Water.

The high level of attendance and feedback from attendees indicated that there is a high level of interest in catchment issues and that the management of catchment will continue to be a major issue for water businesses.

More information on these communication activities, including electronic copies of newsletters and the seminar presentations can be found on the department's drinking water website: www.health.vic.gov.au/environment/water/drinking

Data management

During the reporting period the database to store water quality data collected under the Regulations was completed. As at 30 June 2007 the database contained most historical data collected under the Regulations and validation trials were being undertaken to ensure the integrity of the data.

Disclosure of information

The Act requires water businesses to provide the following information to the department:

- notifications of known or suspected contamination, under section 22 of the Act

- notifications of breaches of the water quality standards, under section 18 of the Act
- an annual water quality report, under Section 26 of the Act, that discusses the matters required by the Regulations.
- The submission of monthly data reports under the Regulations.

The annual water quality reports submitted to the department are public documents, and can be obtained by contacting the appropriate water business. The contact details for Victorian water businesses are provided in Appendix F.

Fluoridation

Fluoride is added to some water supplies for oral protection purposes under the *Health (Fluoridation) Act 1973*. At the request of the Secretary to the Department of Human Services, North East Water commenced fluoridating the water supplies of Wodonga (May 2007) and Wangaratta (July 2007), Gippsland Water began fluoridating the water supplies of Warragul (August 2006), Morwell (July 2006), Moe (September 2006), Sale (August 2006) and Traralgon (September 2006) and GWMWater began fluoridation of the Horsham water supply system in November 2006.

Expenditure under the Act

For the 2006–07 financial year, the department set the administrative levy, payable under section 51 of the *Safe Drinking Water Act 2003*, and estimated receipts of \$954,263. Actual receipts of \$978,120 were paid into Consolidated Revenue, as required under the Act. To cover the administration of the Act for the reporting period equivalent funds

were appropriated to the department and these funds were expended as per the table below.

The department administers but does not control certain resources on behalf of the Victorian Government. It is accountable for the transactions involving those administered resources,

but does not have the discretion to use the resources for achievement of other departmental objectives. Transactions and balances relating to these administered resources are not recognised as departmental revenues, expenses, assets or liabilities, but are disclosed in the applicable output schedules of the department's annual report.

Expenditure increased this reporting period, mainly as a result of the gazettal of water sampling localities. The expenditure does not include any costs associated with the department providing a 24-hour emergency pager service.

2006–2007 expenditure under Safe Drinking Water Act

	Actuals (\$)		
	2006–07	2005–06	Variance
Salaries, allowances and salary-related oncosts	383,008	452,558	(69,550)
Indirect costs	89,425	105,446	16,021
Operating costs	85,639	82,434	3,205
Communication and education	153,273	19,538	133,735
Research and development	107,904	95,349	12,555
IT development	20,887	59,964	(39,077)
Total expenses	840,136	815,289	24,847