



File No. I 10/346

Mr Malcolm Gray Senior Commissioner Independent Competition and Regulatory Commission GPO Box 296 Canberra City ACT 2601

Dear Mr Gray Malcolm

Thank you for your letter of 24 November 2011 requesting information from my Office in relation to the ICRC's Inquiry into secondary water use, and inviting me to meet with the ICRC.

You have sought specific information on the implications of the current Investigation into the Water Courses and Catchments for Lake Burley Griffin for the Act Government's urban wastewater and stormwater harvesting programs. At this stage of the Investigation it is premature to foreshadow any recommendations that the Investigation might make to the Government on those programs. As the Investigation continues information relevant to your enquiry may come to light in which case I would be happy to share that information with your Office.

My Investigation Report is to be provided to the Government in March 2012 and I expect that it will be publicly available prior to the ICRC's secondary water use Inquiry's completion.

A number of expert papers have been commissioned by my Office, as part of the Lake Burley Griffin Investigation, covering water quality, related governance and human health aspects, and analysing public submissions. Some, I believe, are relevant to your Inquiry. Should you wish to have access to these papers prior to my report to Government and/or the public release of the papers I am prepared to make them available, in confidence to the ICRC. I would also be happy to meet with you or your staff at a mutually convenient time. The appropriate person in my Office to contact is Mr Warren Geeves, telephone 62077127, email warren.geeves@act.gov.au.

As the ICRC has sought submissions on the November 2011 Issues paper on secondary water use, I provide the following.

Having looked through the Issues paper I believe the questions raised by the ICRC are relevant and if answered fully will provide a very solid base for the ICRC 's Inquiry.

I am pleased to note that the Issues paper states that economic, social and environmental costs and benefits need to be considered when making choices about water management. I look forward, in particular, to your resolution of the Environmental and Social criteria and subsequent value of their benefits and costs.

I note that the "Definitions" page of the Issues paper states that "Return flow is the return of treated wastewater to the river system for use as environmental flows and abstraction by other downstream users." I assume the "environmental flows" for downstream users are those below Burrinjuck Dam where it is possible to release water with some variability control. The returns from Lower Molonglo Water Quality Control Centre and the Queanbeyan Sewage Treatment Plant, whilst significant, are relatively fixed volumes with little flow variability. Environmental flows are designed to replicate, where possible, natural conditions including high and low flow variability and specific ecological outcomes. This is a relatively minor point but one I believe you will need to be cognisant of in your Inquiry.

Thank you for your invitation for me to meet with the Commission. Please contact me by telephone or email robert.neil@act.gov.au to arrange a mutually convenient time.

Yours sincerely

Mr Robert Neil

Commissioner for the Environment

13 December 2011