



Shane Rattenbury MLA  
ACT Greens

Spokesperson for Attorney General, Environment, Climate Change and Water,  
Energy, Police and Emergency Services, Tourism, Sport and Recreation.

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MEMBER FOR MOLONGLO

Mr Malcolm Gray  
Commissioner  
Independent Competition and Regulatory Commission  
Level 8, 221 London Circuit, Canberra ACT 2601

Dear Mr. Gray,

The ACT Greens welcome the opportunity to make a submission to the Commission's draft report on secondary water use in the ACT.

Whilst we take no issue with the bulk of the report's findings and recommendations, we are concerned that the underlying finding regarding guaranteed water security for the next 20 years has been used to justify the restriction of the Canberra Integrated Urban Waterways Project. This project has already delivered a range of beneficial environmental and water security outcomes which have not been accounted for in the Commission's triple-bottom line assessment. As for the assessment, we have reservations about the way in which it was applied to the secondary options examined. Both of these points are addressed in greater detail below.

***Draft recommendation 7.3: The Commission recommends that the ACT Government limit the CIUWP to the Inner North pilot stormwater reticulation network***

We are pleased to learn of the Commission's finding that the Territory can rest assured of its water security for the next two decades, however we do not feel that this justifies restricting the CIUWP. The report assesses the CIUWP on its suitability in providing secondary water. Whilst that is a core function of the project and its benefits in this capacity are already being delivered upon, it also provides a range of additional benefits, including improved water quality in key ACT catchments due to the reduction of nutrient loads, flood management and drainage and the rehabilitation of urban wetlands, which has biodiversity protection and aesthetic benefits. The report acknowledges these benefits on p.52, noting that they were not included in the assessment process. It is our view that assessing the project only according to the cost-effectiveness with which it delivers secondary water is somewhat arbitrary and does not justify restricting the expansion of the project to other parts of the ACT. It is also counter to the report's objective of performing a full triple-bottom-line assessment of the options.



It is understood that a comprehensive assessment of the CIUWP is soon to be publicly released, therefore it is our view that the Commission should refrain from making any definitive statement about the program's expansion until this time. The Commission's recommendation is particularly concerning in light of the Commissioner for Environment's recent Report on the State of the Watercourses and Catchments for Lake Burley Griffin, which suggests projects such as the CIUWP can play an important role in managing water quality in the ACT. We encourage the Commission to re-consider its recommendation to restrict the project given the many benefits it has already delivered and will deliver in the future, including the conservation of 1.5-3 billion litres of potable water.

### ***Application of triple-bottom-line-assessment framework***

Our second concern relates to the triple-bottom-line assessments undertaken on the secondary water options examined in section 5.4 of the report. Whilst consideration was given to social and environmental factors, these appear to have been weighted less favourably than the cost-effectiveness criterion. In the 4 projects examined, a series of non-economic factors were listed however none were explored in any depth. Instead, the determining factor appeared to be how well the project compared, on a \$/kL basis to ACTEW's primary water supply. No attempts to cost the environmental benefits of the projects appear to have been made. We recommend that the Commission undertake a more thorough assessment of the non-economic aspects of these projects before arriving at a final conclusion regarding their relevance.

The ACT Greens appreciate the opportunity to comment on the report and hope that the Commission will consider our concerns in finalising its recommendations.

Yours sincerely,



Shane Rattenbury  
ACT Greens Spokesperson for Water  
12 June 2012

### **Footnotes**

[1] For example, recommendation 5, p.13; Neil, Robert (2012), "Report on the State of the Watercourses and Catchments for Lake Burley Griffin", Office of the Commissioner for Sustainability and the Environment, Canberra.

[2] <http://www.environment.gov.au/water/policy-programs/water-smart/projects/act02.html>