

Snowy River: October 2011

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- 1967 The Snowy Hydro Scheme captures 99% of the Snowy River's headwaters upon completion of the Jindabyne Dam.
- 1996 Snowy River Alliance forms.
- The *Expert Panel Environmental Flow Assessment of the Snowy River Below Jindabyne* recommends the equivalent of 28% mean annual natural flow (MANF) as the minimum environmental flow needed for the Snowy below Jindabyne Dam.
- 2000 Commonwealth, Victorian and NSW Governments sign the Heads of Agreement to restore 21% annual flow to the Snowy River below Jindabyne Dam by 2010 (and up to 28% post-2010); increased flows to the Snowy montane rivers including the upper Snowy River, equivalent to 150GWh foregone electricity generation (118GL); and 70 Gigalitres per annum to the River Murray.
- 2002 Snowy Hydro is corporatised, with legislation committing the three shareholder governments of NSW, Victoria and the Commonwealth to \$375 million funding for Water for Rivers to obtain water savings in the Murray and Murrumbidgee systems to off-set Snowy River increased Flows up to 21%, Snowy Montane Rivers increased flows, and 70 GL/yr River Murray increased flows by 2012.
- 2007 Commonwealth Government contributes an additional \$50million to Water for Rivers to meet the 2012 Snowy River Increased Flow target of 21% MANF. (This is the only funding directly contributed by the Commonwealth to Snowy River flows.)

So where are we now?

Legislated Environmental Flows

The legislated environmental flow targets for the Snowy River below Jindabyne Dam are:

- by 2009 the return of 15% (142 gigalitres plus total base passing flow¹)
- by 2012 the return of 21% (212 gigalitres plus base passing flow)
- post 2012 the return of 28% (294 gigalitres plus base passing flow)

*NB : 1 Gigalitre = 1 billion litres= 1,000 megalitres.
Snowy River Water Year is from 1st May to 30th April.*

Actual Snowy River Environmental Flows below Jindabyne Dam

From August 2002 to April 2005 the annual releases to the Snowy River were less than 4% MANF.

From May 2005 to April 2010 the annual allocation to the Snowy River was less than 5%MANF.

From May2010 to April 2011 the annual allocation was 6% MANF.

*From May 2011 to April 2012 the annual allocation is 14% MANF.

¹ Includes 9GL the regulated base passing flow from Jindabyne Dam and 18- 24GL unregulated base passing flow (i.e. spills) over Mowamba and Cobbon Creek weirs. Without the 18-24 GL of Mowamba spills there will be a 2% shortfall to Snowy River target flows.

The Snowy River must flow again.

Mowamba Aqueduct was de-commissioned (i.e. shut off) to return the first environmental flows to the Snowy on August 28 2002. However, on January 31 2006, during the attempted sale of the Snowy Scheme, Snowy Hydro Ltd re-opened Mowamba Aqueduct, diverting the waters of the Mowamba River, a tributary of the Snowy, back into the Jindabyne Dam and effectively cutting the Snowy off from anything resembling natural headwaters. In total, 65.6GL of water flowed down the Mowamba River during the time the Mowamba Aqueduct was closed. This water had to be repaid to Snowy Hydro Ltd from the Snowy River annual allocation. As of 30 April 2010, 56.3 gigalitres remained outstanding. The repayment of the Mowamba Borrowings Account, as it is known, effectively capped Snowy River flows below Jindabyne Dam at 4%.

Payout of the Mowamba Borrowings Account

In October 2010, the Victorian, NSW and Commonwealth Governments finalised an agreement to pay out the Borrowings Account. The Commonwealth paid Snowy Hydro Ltd \$13.7million compensation for lost generation capacity and the two state governments sourced additional temporary water to pay out the remaining 56 GL Borrowings Account. The NSW Government sourced its share of the temporary water from the Murrumbidgee Valley Barren Box Swamp project. Curiously, the Barren Box Swamp project had been listed on the Snowy environmental entitlement register since 2005/06, i.e. it is a permanent entitlement of 20GL acquired by Water for Rivers for the Snowy. In 2006/07 the Snowy received a full allocation on the 20GL entitlement but for the next two years no allocation at all was made by the NSW Office of Water despite the fact that similar conveyance water in the Murrumbidgee valley in 2009/10 had 95% allocation on entitlements and Murrumbidgee Irrigators had 20GL of temporary water for sale.

Snowy Scientific Committee

According to the NSW Snowy Hydro Corporatisation Act (the Act), which came into effect on June 28, 2002, the Snowy Scientific Committee was to be established to advise the NSW Water Administration Ministerial Corporation on environmental flows for the Snowy River and other rivers and streams in the Snowy Scheme. It was also to produce annual public State of the Environment Reports and these were to be available to inform public submissions to the first Five-Year Review of the Snowy Water Licence. However the NSW Government delayed the establishment of the Snowy Scientific Committee until 31st January 2008, the same day as the closing date for submissions to the Five-Year Review.

In its first three-year term the Snowy Scientific Committee produced an invaluable series of independent reports on the adequacy of environmental flows to the Snowy River and Upper Murrumbidgee River; Annual Environmental Release Recommendations; and an Options paper on the impact of Mowamba Borrowings Account on the recovery of the Snowy River.

In May 2011 the Committee's first three-year term expired and to date (Oct 2011) it has still not been re-established. Consequently there has been no Snowy Scientific Committee to oversight the October 2011 big spring releases or prepare release recommendations for the 2012-13 Water year to the Snowy and montane rivers, which must be completed by January.

Five-Year-Review of the 75-year Snowy Water Licence

In December 2007, the first Five-Year-Review of the Snowy Water Licence was initiated. According to the Act this is specifically a review of the Licence provisions relating to Snowy River environmental flows. It is also the only time in the 75-year term of the Licence that provisions can be varied without risk of triggering compensation to SHL. However the NSW Government excluded the adequacy of the volume of flows from the terms of reference of the Review and failed to exhibit any Snowy Scientific Committee State of the Environment reports, as the Committee had still not been established. Many submissions to the Review advocated the decommissioning of Mowamba aqueduct, and amendment of the Licence, to restore the Mowamba River as surrogate natural headwaters to the Snowy. The NSW Government released its Review Report in November 2009, two years overdue. The Final Report delayed addressing the issue of decommissioning of Mowamba Aqueduct until 2012 despite the weight of scientific evidence, community support and submissions from the co-shareholder governments. The Final Report did not recommend any variations to the Snowy Water Licence that would remedy the failure of the current Licence provisions to deliver the scheduled flows and improve environmental conditions of the Snowy River. The NSW Government unilaterally gave effect to its Licence variations on 1st May 2010.

Water for Rivers.

Water for Rivers, the authority funded to obtain water savings to off-set Snowy River Increased Flows, Snowy Montane Rivers Increased Flows and River Murray Increased Flows, has faced a tripling of costs since its establishment due to increased competition from other government funded water recovery programs in the Murray Darling Basin. Approximately half of the entitlements obtained by Water for Rivers from water savings projects and entitlement purchases are general security water, which deliver little or NO real water to the Snowy except in exceptionally wet years. According to the Snowy legislation, after 2012 the Snowy entitlements are to be converted to 142 GL of high security water i.e. 15% MANF. Consequently, by 2012 \$425 million of taxpayers' money will have been spent to return approximately 15% real water to the Snowy in the long-term, far short of the required 28% minimum environmental flow.

Snowy Montane Rivers Increased Flows

According to the Snowy Water Licence the Upper Snowy River in Kosciuszko National Park was scheduled to receive increased flows below Guthega Dam (from 2007/08) and below Island Bend Dam (2009/10). However Snowy Hydro Ltd has still not upgraded the relevant montane aqueducts to permit these releases to be made. Consequently sections of the Upper Snowy River above Jindabyne Dam remain an empty boulder strewn riverbed. According to the intergovernmental Snowy Water Inquiry Outcomes Implementations Deed (SWIOID, 2002) the NSW Office of Water was required to complete River Management Strategies for the Montane Rivers by June 2004, to date none have been completed.

River Murray Increased Flows

In 2002, as part of the intergovernmental Snowy agreements, the Commonwealth Government contributed \$75million to Water for Rivers to return 70 gigalitres per annum to the River Murray. According to the Snowy Water Licence, Snowy Hydro Ltd stores the accumulating River Murray annual allocation as Above Target Water over which it has complete discretion. Snowy Hydro Ltd has only ever made one release of 38GL of the taxpayer funded River Murray Increased Flows in 2005/06. The accumulated total of unreleased River Murray Increased Flows held by Snowy Hydro Ltd is now 160 gigalitres.

Commonwealth Water Act 2007: Murray-Darling Basin Plan

The Snowy Scheme contributes on average 2410 gigalitres to the Murray-Darling Basin, of which nearly half (1140 gigalitres) is sourced from the Snowy River.

Yet even though at least 95% of the upper Snowy is diverted west - a massively unsustainable volume - the Water Act excludes the Snowy Scheme from the proposed Basin Plan and excludes the Snowy Water Licence from review.

This is a contradiction of the provisions of the Water Act, which require the Basin Plan to identify sustainable diversion limits for all Basin water resources.

Outstanding Issues:

- The independent Snowy Scientific Committee must be immediately re-established.
- The scheduled increased flows to the Upper Snowy River ABOVE Jindabyne Dam in Kosciuszko National Park must be delivered.
- The Mowamba Aqueduct must be permanently decommissioned to provide a proxy headwaters flow for the Snowy River below Jindabyne Dam.
- Negotiations to fund and deliver the legislated 28% MANF below Jindabyne Dam must be initiated prior to 2012. The minimum environmental flow of 28% MANF to the Snowy River below Jindabyne Dam remains unfunded by the shareholder governments. In addition the Act requires the three governments to compensate Snowy Hydro Ltd for lost generation capacity.
- The Snowy Scheme must be fully integrated with the Murray-Darling Basin Plan and sustainable diversion limits identified for the Snowy River, and all other rivers affected by the Scheme.