

Ten year review of the Snowy Water Licence: draft report

The Snowy Water Licence (the Licence) defines Snowy Hydro Limited's rights and obligations in relation to water in the Snowy Mountains Scheme. Under the *Snowy Hydro Corporatisation Act 1997*, the Licence is subject to mandatory reviews, initially after five years and then at intervals of 10 years.

The review's terms of reference is established under the Licence. In summary, the review is focused on Snowy Hydro Limited's obligations under the Licence, which fall into three broad categories:

- increased flow requirements (environmental releases)
- water release requirements (predominately water releases to the Murray and Murrumbidgee rivers)
- administrative obligations (for example, compliance, annual operating plans, fees and charges).

It is also considering Snowy Hydro Limited's performance in meeting the conditions of the Licence.

The NSW Department of Industry (the department) initiated the first 10-year review on 28 June 2017 and invited submissions. The department has now released a draft report outlining the review's preliminary findings and is inviting feedback from the public.

Submissions received

The department received 24 submissions from Snowy Hydro Limited; a range of community, environmental, and agricultural groups; government agencies; and individuals.

Snowy Hydro Limited considers the Licence is fit for purpose, but is seeking some changes to the water release requirements to improve operations.

The submissions raised many wide-ranging, water-related issues with the Licence and the management of Snowy Mountains water resources. The key themes include:

- the opaque nature of Snowy Mountains Scheme operations and licence complexity
- a need to better complement management rules between the Snowy Mountains Scheme and the Murray and Murrumbidgee water supply systems
- a desire to review the effectiveness of amendments made to the Licence in 2011
- concerns the Licence favours electricity production over water and environmental management
- concerns around NSW's approach to implementing the outcomes of the Snowy Water Inquiry
- a lack of opportunities for community/stakeholder and scientific input to decision-making.

The review's preliminary findings

The draft report proposes administrative amendments to the Licence, a plan to improve the delivery of environmental flows and maximise water-use efficiencies, and improvements to how Snowy Mountains water resources are managed.

Proposed administrative amendments to the Licence

The department has proposed 10 administrative amendments to the Licence to improve transparency, remove redundant licence provisions and fix errors.

The most significant administrative amendment is the proposal to oblige Snowy Hydro Limited to prepare a public version of the annual water operating plan (AWOP), which will summarise the forthcoming year's operations.

Transparency issues were raised in 11 of the 24 submissions to the review, indicating it is a priority for stakeholders. Ensuring transparency in how water is shared, allocated and managed is also a key water goal outlined in the [NSW Government water reform action plan](#).

The department will work closely with Snowy Hydro Limited to scope the increased reporting requirements, ensuring it does not prescribe information that may disadvantage Snowy Hydro Limited on a commercial basis. The department also proposes to review the commercial AWOP to ensure it remains fit for purpose and to make the reporting process more efficient.

Investigating improvements and reviewing performance

The department has used the review to scope the more complex issues raised in the submissions and identify a plan to resolve them.

The plan aims to investigate issues with environmental water management and inefficient water resource management, amendments made to the Licence in 2011 and licence ambiguities.

Key proposals include:

- the Office of Environment and Heritage partnering with the department, Snowy Hydro Limited and the Victorian and Commonwealth governments to finalise an investigation into releasing environmental water down the Snowy River from the Mowamba River
- the department partnering with Snowy Hydro Limited, the Murray–Darling Basin Authority (MDBA), WaterNSW and the Victorian and Commonwealth governments to investigate ways to improve water accounting and water release rules. The aim will be to increase water-use efficiencies and improve river health and flood management outcomes.

The formal review will be completed in 2018 and the work plan delivered by 2020.

The department is currently responsible for administering the Licence and overseeing the increased flows programs. In recognition of this, the department proposes to procure an independent expert panel to carry out the required review of Snowy Hydro Limited's and the Ministerial Corporations' performances in meeting the conditions of the Licence. The findings of the expert panel, and any necessary response, will be completed in 2018 and be incorporated into the final report.

Improved Snowy Mountains water management arrangements

The department has also proposed three recommendations to improve information sharing, enhance government oversight of Snowy Mountains water management, and enable detailed assessments of any proposed Licence amendments.

In summary, it is proposed:

- to improve collaboration between Snowy Hydro Limited and downstream water authorities by committing Snowy Hydro Limited, the MDBA and WaterNSW to consulting on implementation of the AWOP during a water season
- to re-establish an interjurisdictional committee of senior officials to jointly oversee and coordinate water management in the Snowy Mountains and ensure the NSW, Commonwealth and Victorian governments continue to meet the agreed outcomes from the Snowy Water Inquiry
- that the department, Snowy Hydro Limited, the MDBA and WaterNSW collaborate to improve analytic modelling capability to support the investigations identified in the work plan.

Provide feedback on the draft report

To provide feedback on the draft report, send written submissions by **6 pm, 6 July 2018**.

Please clearly mark written submissions 'Submission to the Ten year review of the Snowy Water Licence' and send it to the NSW Department of Industry via:

Email: snowylicence.review@dpi.nsw.gov.au; or

Mail: Snowy Water Licence Review
Intergovernmental and Strategic Stakeholder Relations
Department of Industry—Lands & Water
Locked Bag 5123
Parramatta NSW 2124

Unless otherwise requested, the department will publish all submissions on the Department of Industry website - www.industry.nsw.gov.au/snowy-water-licence.

A summary of submissions and a final review report will be made available to the public upon the completion of the review process in the second half of 2018.

More information

More information can be found at www.industry.nsw.gov.au/snowy-water-licence.

You can also access hard copies of the draft report and supporting materials at the following Department of Industry-Lands & Water office locations:

- Level 10 Macquarie Tower, 10 Valentine Avenue, Parramatta 2150
- Government Service Centre, 11 Farrer Place, Queanbeyan 2620

The department will hold a series of public information sessions on the review's preliminary findings. Details of the information sessions will be published on the department's website.

Please contact snowylicence.review@dpi.nsw.gov.au if you would like:

- more information on the review
- to be kept informed of the review
- to register interest in attending a public information session.