



Environment Victoria submission to the Snowy Water Licence Review 2017

Environment Victoria is the state's peak non-government, not-for-profit environment organisation. Our Healthy Rivers Campaign is dedicated to working with government, business and communities for the restoration and protection of our state's great river systems. Our vision is for a future where healthy rivers sustain abundant life and prosperous communities, providing us with good food, clean water and places to love and enjoy.

We welcome the opportunity to comment on the Snowy Water Licence review.

General comments

Environment Victoria played an important role in the campaign through the 1990s and early 2000s to restore environmental flows to the Snowy River. This campaign resulted in the 2002 inter-governmental agreement to recover 212GL for the Snowy and 70 GL for the Murray, and ultimately to return up to 28% of mean annual natural flows to the Snowy. The Snowy Water Licence (SWL) must be consistent with the terms of the Snowy Water Initiative Outcomes Implementation Deed (SWIOID) which sets out how those commitments are to be met.

According to the NSW government, which administers the SWL, the licence has three primary purposes:

- Electricity generation
- Providing water for downstream users (irrigators) on the Murray and Murrumbidgee
- Protecting stored water to maximise its benefits

The environmental health of the Snowy is not regarded as a primary concern, although the SWL is the document that sets out the conditions on Snowy Hydro Limited (SHL) for the release of Snowy River Increased Flows, Snowy Montane River Increased Flows and River Murray Increased Flows.¹ Until environmental considerations are given equal priority with other purposes of the licence, the Snowy and the associated Snowy montane rivers, are unlikely to receive the water they need at the times and volumes required to recover from the devastating impacts of the Snowy Hydro Scheme.

The SWIOID and SWL are complex documents and extremely difficult for the public to engage with and to understand their implications. Given the commercial nature of SHL, its primary purpose is to generate electricity and maximise the profit to its shareholders, the governments of Australia, NSW and Victoria. This sets up an inherent conflict of interest with the environmental requirements of the SWL and leads to certain information, such as the volume of water stored as Above Target Water and the Annual Water Operating Plan, to be classified as 'commercial in confidence' and not

¹ NSW DPI Water (2017) Snowy water Licence Review (2017) Supporting information

available for public scrutiny. This lack of transparency makes assessment of licence operations extremely difficult and is not in the public interest.

The lack of transparency is exacerbated by the failure of the NSW government to appoint the Snowy Advisory Committee, as required by the Snowy Hydro Corporatisation Act. The Act was amended in 2014 to replace the valuable work of the Snowy Scientific Committee with a more broadly based Advisory Committee, but the committee has never been appointed. As a result public scrutiny of SHL activities, including compliance with licence conditions and achievement of environmental objectives, has been seriously compromised.

Although is not part of the licence review, Environment Victoria recommends that the NSW government establish the Snowy Advisory Committee without further delay. We further recommend that environmental restoration is given equal prominence with other purposes in the SWL and that public reporting of the activities of SHL, including the volumes of water in all its accounts and in the Annual Water Operating Plan, become both comprehensive and comprehensible.

Specific comments

Snowy River Increased Flows (SRIF)

Under the SWL (schedule 3) environmental releases to the Snowy River can only be made via Jindabyne dam. Early work by the Snowy Scientific Committee showed that including flows from the Mowamba River improved environmental outcomes because the natural properties of the river water are different from the water stored in the dam.² The Mowamba River can also act as a surrogate headwater catchment and provide seasonal variability and snowmelt connection for the Snowy in Victoria.

During the previous review of the SWL in 2009, several submissions (including from the Victorian Government) recommended that the licence should be amended to permit Snowy River Increased Flows to be delivered via a combination of releases from Jindabyne Dam and Mowamba weir. Others recommended the removal of the Mowamba Aqueduct. In response the NSW government promised to “investigate by 2012 options for better achieving environmental objectives under low flow conditions, including options for the decommissioning of Mowamba Aqueduct.”³

To the best of our knowledge this has not occurred. The current SWL review would be the ideal time to conduct the investigation and make changes so that releases from the Mowamba River can be included in SRIF, and to permanently decommission the aqueduct.

The proposal to close the Mowamba Borrowings Account should go ahead as the account has not been used for several years and will not be required in future.

River Murray Increased Flows (RMIF)

² Snowy Scientific Committee (2008) Adequacy of environmental releases to the Snowy river

³ NSW DPI Water Final report (2009) Five-year review of the Snowy Hydro Water Licence, Licence review – May 2002-May 2007

The Snowy Water Initiative recovered 70 GL of environmental water for the Murray which is held in Snowy Hydro's storages. It can only be used when SHL's Above Target Water (ATW) stands at 800 GL or more. Although SHL makes considerable effort to maintain its ATW at above 800GL because of its commercial value, it is possible that after a sequence of dry years the volume would fall below 800 GL and environmental managers would not be able to access RMIF at the time when the Murray most needed it. On the other side of the coin, if there is a spill of ATW, then RMIF is the first account to be debited and SHL retains its own precious ATW. These licence conditions restrict both the use and the volume of the RMIF. It should have its own account, independent of SHL's above target water and be callable at the discretion of environmental managers for the Murray.

Calling out the RMIF has always been difficult, as the ATW requirement has to be met and environmental managers get only a single opportunity each water year, and has only occurred once in 2005/06. Changes to the licence in 2011 were supposed to make the RMIF more accessible and give more flexibility, but there has been no discernible impact. The call out of 100 GL in 2016/17 was not made by through the interim procedures agreed with the Murray-Darling Basin Officials Committee but through a substitution arrangement in Hume Dam and juggling between different accounts. While the environmental outcomes were strongly positive, the process was not transparent or publically reported.

The issue is further complicated by the relationship between the RMIF and the Murray-Darling Basin Plan. The 70 GL of entitlements for the Murray were included in the baseline modelling for the Basin Plan.⁴ In addition, the changes to the SWL to make callout provisions more flexible were made in 2011, before the Basin Plan was made in 2012, but have not been used to date. The NSW and Victorian governments have now proposed that these changes be considered as a supply measure under the SDL adjustment mechanism, on the assumption that increased flexibility in the use of RMIF could lead to a reduction in the need for environmental water recovery under the Basin Plan.⁵

Given that the RMIF are already included in Basin Plan, changes to the SWL were made before the Basin Plan came into operation, and there are still restrictions on the ability to call RMIF because of the ATW trigger points, along with the lack of accountability and transparency, it is unacceptable to consider the '2011 Snowy water Licence Schedule 4 amendments to River Murray Increased Flows callout provisions' as a supply measure. Including it assumes that environmental managers have absolute discretion over when the RMIF are released, and that increased flexibility rather than increased volume is the key to increased environmental benefits, both of which are unproven assumptions.

In summary Environment Victoria recommends that:

- RMIF be held independently of Snowy Hydro's ATW without restriction and in a separate account
- RMIF should be callable as and when required by environmental managers (currently the Southern Connected Basin Environmental Watering Committee) to maximise environmental benefits
- Changes made to callout provisions in the SWL in 2011 should not be considered as a supply measure under the Murray-Darling Basin Plan in 2017.

⁴ MDBA (2012) *Hydrological Modelling to Inform the proposed Basin Plan – methods and results*, p8, 3.3 Baseline scenario.

⁵ <http://www.water.nsw.gov.au/water-management/water-recovery/environmental-works>

Snowy Montane Rivers Increased Flows (SMRIF)

Environmental flows to the Snowy tributaries, the montane rivers are restricted for a number of reasons:

- Works to permit the complete delivery of SMRIF in the Gungarlin River and Perisher Creek have not yet been undertaken and should remain a condition of the SWL until complete.
- The SMRIF targets must be delivered to individual rivers identified in Schedule 3, rather than treated as a single package of water that is primarily delivered to the upper Murrumbidgee.
- SMRIF released from Tantangra dam must be protected from re-extraction and diversion as they flow downstream into the Murrumbidgee. This is part of a wider failure of the NSW government to provide adequate shepherding of environmental water through its rivers to maximise the environmental benefits.

Further details on these issues are given in the Gippsland Environment Group submission to the SWL review.

Restoring the Burungabugge and Gungarlin Rivers.

A few weeks ago a failure in the Burungabugge diversion shaft which diverts the waters of the Burungabugge and Gungarlin Rivers and Moss Creek to the Snowy-Eucumbene tunnel resulted in SHL opening the weirs on these two major rivers allowing them to flow down their natural course to the Snowy River below Island Bend Dam for the first time in 50 years. This has been an amazing opportunity to restore connectivity between the snowmelt headwaters and the Snowy River in these two rivers iconic Kosciusko National Park.

Repairs undertaken within the 100m plus diversion shaft will be very expensive and may require draining of the Snowy-Eucumbene tunnel which directs flows between Island Bend Dam and Eucumbene Dam. Repairs may not prove to be worth the cost as the water from the rivers will flow down into Jindabyne Dam and can still be pumped back up to Island bend Dam for diversion and electricity generation.

An agreement between NSW, Victoria and the Commonwealth as part of this Licence review to retain the Burungabugge and Gungarlin Rivers as free flowing rivers would be an extraordinary act of environmental restoration and leave a truly lasting legacy.

For further information regarding this submission, please contact:

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