

Ten-year review of the Snowy water licence—summary

The NSW Government has released its report on the 10-year review of the Snowy water licence. This fact sheet summarises the key findings.

About the Snowy water licence

The Snowy Mountains Hydro-electric Scheme (Snowy Mountains Scheme) is one of the most complex integrated water and hydroelectric power schemes in the world. The Snowy Mountains Scheme is operated and maintained by Snowy Hydro Limited, a company owned by the Australian Government.

The Snowy water licence (the licence) defines Snowy Hydro Limited's rights and obligations in relation to water in the Snowy Mountains Scheme. The licence allows Snowy Hydro Limited to collect, divert, store, and release water by and from the works of the Snowy Mountains Scheme for the 75-year term of the licence. The licence also defines the rules for releases into the Murray and Murrumbidgee rivers and imposes environmental flow release obligations on Snowy Hydro Limited for the benefit of the Snowy River and other montane rivers (the rivers of the Snowy Mountains).

The licence is a NSW water licence issued and administered by the Water Administration Ministerial Corporation (Ministerial Corporation), which is a statutory body established under the *Water Management Act 2000* to represent the Crown and carry out various water management functions.

About the review

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 are established under the licence. In brief, the review focused on Snowy Hydro Limited's obligations under the licence, which fall into three broad categories:

- increased flow requirements (releases of water for the environment)
- water release requirements (predominately releases of water to the Murray and Murrumbidgee rivers where it is used for consumptive and environmental uses)
- administrative obligations (for example, compliance, annual operating plans, fees and charges).

It also considered Snowy Hydro Limited's and the Ministerial Corporation's performance in meeting the conditions of the licence.

The NSW Department of Industry administers the licence on behalf of the Water Administration Ministerial Corporation and managed the 10-year review. The department commenced the review on 28 June 2017, with interested stakeholders encouraged to lodge submissions.

Issues with the licence

The department received 40 submissions from stakeholders including Snowy Hydro Limited; a range of community, environmental and agricultural groups; government agencies; and individuals from across south-east Australia. The main themes of the submissions are as follows:

- Snowy Hydro Limited considers the licence is fit for purpose, but wants to change some water release requirements
- Other stakeholders focused mainly on water release requirements or environmental management.

- Environmental management issues included concerns about the increased flows obligations under the licence and broader natural resource management actions of the NSW Government.
- The remainder of issues raised were generally concerned with the licence's administrative obligations, water allocation policies in the Murray River and Murrumbidgee River water supply systems and review project governance.

The review's findings

The review identifies administrative amendments to the licence and proposes further investigating options to better manage environmental flows and improve current water release rules. Actions arising from the review will also improve licence oversight and coordination of environmental water management in the Snowy Mountains.

Administrative amendments to the licence

The 10 administrative amendments to the licence will improve transparency, remove redundant licence provisions and fix errors.

The most significant amendment is that Snowy Hydro Limited will be obliged to prepare a public version of the annual water operating plan (AWOP), which will provide more information on the forthcoming year's operations.

Improving transparency was a priority for stakeholders, and ensuring transparency in how water is shared, allocated and managed is also a key goal outlined in the *NSW Government water reform action plan*¹.

Publishing this version of the AWOP will increase transparency around the management of the Snowy Mountains Scheme and provide information that will help downstream water authorities and water users plan their water use for the upcoming year.

The department will also review the commercial AWOP to ensure it remains fit for purpose, and to make the reporting process more efficient.

Further investigation

The NSW Department of Industry has used the review to scope the more complex issues raised in the submissions and develop plans to resolve them. This allowed the review to be completed in 2018, while providing more time to fully consider changes to the rules.

The NSW Government will explore better ways to deliver environmental flows and optimise water use, review the effectiveness of amendments made to the licence in 2011 and remove licence ambiguities.

Key actions include:

- the NSW Office of Environment and Heritage (OEH) partnering with the NSW Department of Industry, 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 NSW Department of Industry partnering with Snowy Hydro Limited, the Murray–Darling Basin Authority, 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.

We will deliver the full work plan by 2020.

¹ The *NSW Government water reform action plan* can be viewed at [NSW Government's Water Reform Action Plan website](#).

Improved Snowy Mountains region water management

The NSW Department of Industry’s performance as the licence administrator was reviewed by an independent expert panel. The NSW Government’s response to the review will improve licence administration, strategic decision-making and the effectiveness of the Snowy Montane River Increased Flows program.

Key actions include:

- the NSW Department of Industry reviewing and updating its regulatory policies and procedures for overseeing licence compliance to meet best practice regulation
- re-establishing 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.

These actions will complement NSW Government reforms to environmental water management that established the Snowy Advisory Committee, and will transfer management of Snowy River and Snowy Montane Rivers increased flows from the NSW Department of Industry to the OEH.

Implementation plan

The NSW Department of Industry will oversee the implementation of these measures with the support of Snowy Hydro Limited and other government agencies and committees with a direct interest in water regulated and released from the Snowy Mountains Scheme. Community interests will be represented through the Snowy Advisory Committee and consultation mechanisms already established in the southern Murray–Darling Basin.

The implementation plan contains five key elements that will run concurrently and be completed progressively by 2021, as listed in Table 1 below.

Table 1. Summary of implementation plan

Measure	Summary of actions	Timing
Administrative licence amendments	The department will vary the Snowy water licence to increase transparency, simplify provisions, secure current practice and fix known errors.	2019
Snowy Mountains region water management	The department will review and update its regulatory policies and procedures specific to the licence, and re-establish the Snowy Water Government Officials Committee.	2019
Environmental water delivery investigations	The department and key stakeholders will explore better ways to deliver Snowy River and Snowy Montane Rivers increased flows.	2020
Water release investigations	The department and key stakeholders will investigate inefficient water use, review the effectiveness of amendments made to the licence in 2011 and remove licence ambiguities.	2020
Second round of licence amendments	The Snowy water licence will be varied to implement the recommendations arising from the investigations into environmental water delivery and water release requirements.	2021

Relevant water agencies and Snowy Hydro Limited will collaborate to ensure their analytic modelling tools are capable of supporting the investigations. This will allow for detailed analyses of proposed variations to the licence, including the costs and benefits.

The department will continue engaging and consulting with stakeholders and the community through formal project groups and public exhibition of proposed variations to the licence. Public exhibition of the second round of licence variations in 2021 will be supported by public information sessions and there will be a further invitation for submissions.

Where can I get more information?

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

If you would like more information or updates, please email snowylicence.review@dpi.nsw.gov.au.