

**INQUIRY INTO THE CONTINUED PUBLIC OWNERSHIP
OF SNOWY HYDRO LIMITED**

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Theme:

Summary

From: Craig Ingram
To: <snowyhydro@parliament.nsw.gov.au>
Date: 26/06/2006 5:32 pm
Subject: submission

CC: <craig.ingram@parliament.vic.gov.au>

Dear Chairman Revd Dr Moyes and Committee members,

Please find attached submission from Craig Ingram MP

I can be contacted on 0417 558 024 or 035152 3491 for further information

I am willing to provide further information at a public hearing if the committee desires

Yours Craig Ingram MP

(See attached file: NSW snowy submission .doc)

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Inquiry Into The Continued Public Ownership Of Snowy Hydro Limited

**A Submission By Craig Ingram MP
Member for Gippsland East**

I submit the following submission to the select committee on the continued public ownership of Snowy Hydro Limited (SHL).

One of the major issues that caused significant concern with the governments' proposal to sell the Snowy Hydro Scheme was the failure of SHL to adhere to its requirements on the delivery of environmental flows and the lack of action from the government to require SHL to deliver the communities expected outcomes.

SHL likes to promote itself as a renewable and green power generator. Unfortunately, its performance on the environment has never matched its propaganda and spin - from the spoil dumps still littering the Kosciusko National Park and its lack of commitment and blatant flaunting of its environmental flow requirements.

I would like to concentrate my submission and comments predominantly on part (c) in the *Terms of Reference*,

The communities of the Snowy River downstream of the Snowy Hydro scheme - both in NSW and Victoria - campaigned for decades to have governments address the impact of the scheme on the health of the Snowy River. This came to a head when the governments decided to corporatise the scheme. The Snowy River Alliance and concerned community members fought to have the impact of the diversion of 99% of the Snowy River's flows addressed. This resulted in the public inquiry (Snowy Water Inquiry) to be included as part of this corporatisation process. It was also the catalyst for the Snowy community achieving an agreement between the three share holding governments to deliver environmental flow outcomes which are contained in the heads of agreement between the shareholding governments and is detailed in the Snowy Water Licence and Snowy Water Inquiry Outcomes Implementation Deed. It has become apparent that there are a number of inconsistencies and arguable flaws in these agreements. Snowy Hydro has been allowed to abuse both the spirit and the intent of these agreements. SHL has also seriously compromised the environmental outcomes and the community's faith in the government's ability to deliver on its stated commitments.

Worst still, SHL appears to be in clear breach of these agreements and there has been a complete failure of the 'responsible minister' to make Snowy Hydro comply. They are as follows:

1. The NSW government has not established the Snowy Scientific Committee as required under the NSW Snowy Hydro Corporatisation Act 1997;
2. The dam works at Jindabyne were not completed on the due date;
3. Snowy Hydro is in breach the Snowy Water Licence because they turned off the Mowamba before the completion of the Jindabyne dam works (*SWL, Clause 6.3 Part Two, Schedule Three*);
4. Snowy Hydro has failed to comply with its obligations to deliver flows to the Mowamba in addition to the base passing flow (*SWL, Clause 8.1 Part Three, Schedule Three*).
5. Snowy Hydro is not delivering environmental flows consistent with the "Environmental objectives for the Snowy River increased flows" *SWL, Clause 5.1, Schedule Three, Part Two*;
6. Snowy Hydro is not delivering environmental flows consistent with the "default monthly releases" *SWL, Clause 13.3, Schedule Three, Part Three*.

Currently, the responsibility for both the environmental flows and the broader management of SHL falls under the same minister in NSW. This is a clear conflict which is the major reason that Snowy Hydro has been allowed to conduct its affairs in the manner inconsistent with the commitments made by the two governments and the community believed was to be delivered.

1. Snowy Scientific Committee - The NSW government has an obligation to establish a scientific advisory body to advise and develop the environmental flows and adaptive management of the rivers affected by the scheme (not just Snowy River). This is clearly identified in the 1997 NSW legislation, the Snowy Water Inquiry and the inter-governmental agreements. This has seriously compromised the government's ability to critically assess environmental flows. It appears that in the absence of the committee, crucial advice on environmental flows has been provided to the government by Snowy Hydro. The scientific committee must be constructed of the best independent scientists and not consist of representatives of government natural resource agencies.

2. Failure to complete dam works - Snowy Hydro has not completed its works on Jindabyne and other dams like Tantangara, as required under the water licence and other agreements.

3. Breach of water licence - Snowy Hydro has breached the Snowy Water Licence because it stopped releasing flows into the Mowamba River and Cobbon Creek before the completion of the Jindabyne dam outlet works (*SWL, Clause 6.3, Part Two, Schedule Three*)

6.3 Where Licensee Does Not Construct Outlet by Due Date

If the Licensee has not constructed an outlet at Jindabyne Dam by the third anniversary of the Corporatisation Date, the Licensee must:

(1) target to release from the Mowamba River and Cobbon Creek aqueducts into the Snowy River as far as possible the same volume of water that would otherwise have been allocated from Jindabyne Dam to Snowy River Increased Flows; and

(2) store within the Snowy Scheme that volume of water that:

(a) would otherwise have been allocated from Jindabyne Dam to the Snowy River Increased Flows until the date of commissioning of that outlet; and

(b) was not released by the Licensee by way of substitute releases referred to in subclause 6.3(1) of this Schedule Three,

and, from the date of commissioning of that outlet, must release that volume of stored water in addition to the then applicable Snowy River Increased flows.

Snowy Hydro has not completed its Jindabyne Dam outlet works and is currently releasing flows into the Snowy River through the old siphon pipe, which has been extended to give a greater volume. SHL has extremely limited capacity to release either higher volume flows or regulate those flows as required and naturally occurred during rain/snow events and over the wetter months of the year down the Mowamba River and Cobbon Creek.

Snowy Hydro recommissioned the Mowamba aqueduct which diverted the river flows into the Jindabyne dam on the 1st of February 2006 and even now is still many months away from completing its dam works. It is clear from the flow graph (attached) that since Snowy Hydro has re-diverted the Mowamba into Jindabyne Dam that the high flow spikes have

disappeared. Flows have been constant at about 70 to 80 megs/day without any seasonal or daily variability or natural fluctuations, which is required for river health.

Snowy Hydro is clearly not releasing this water and is short changing the environmental flows. During construction SHL has damaged the siphon pipe once which caused a complete failure of its environmental flows

Clearly, Snowy Hydro is in breach of this clause of the SWL.

4. Snowy Hydro has failed to comply with its obligations to deliver flows to the Mowamba, in addition to the base passing flow.

SWL Clause 8.1, Part Three, Schedule Three.

“Subject to other provisions of this schedule three, the licensee must operate the works so as to allow a volume of water to pass the Mowamba River and Cobbon Creek aqueducts into the Snowy River in addition to the base passing flow.”

In my view the SWL is quite clear on the future of the increased flows down the Mowamba River and Cobbon Creeks .

Under the SWL Definitions and Interpretation

(8) “Base Passing Flow” means:

(a) with respect to the Snowy River: the volume of 9 GL per Water Year from Jindabyne Dam plus the non-regulated flow past the relevant Works on the Mowamba River and Cobbon Creek prior to the Corporatisation Date;

“(61) “Snowy River Increased flows” means releases of water in addition to the base passing flow that:

(a) the licensee releases from the Jindabyne Dam into the snowy river; and/or

(b) the licensee releases from either or both of the Mowamba River and Cobbon Creek aqueducts into the Snowy River, in both cases under Part two of Schedule three;”

The **and/or** is the instructive point. If the Mowamba River and Cobbon Creek aqueduct was to be recommissioned after the first three years (as has been done by Snowy Hydro), the **and/or** wording would not be required as **or** would be sufficient to implement Snowy Hydro’s position.

Snowy environmental flows were first released on 28 August 2002 at the Mowamba Weir by the premiers of NSW and Victoria. On that day, the premiers’ joint press release stated that:

“from today the Snowy will receive 38 gegalitres a year of water from the Mowamba Aqueduct-double what has been usually released into the Snowy River”

There was no mention of interim or temporary flow -- as now is being pushed by the NSW government and Snowy Hydro. The communities and businesses downstream feel like they

have been conned by the governments. It is extremely clear from my discussions with these communities that they will not accept a lesser environmental outcome than was announced and celebrated when the first water was released down the Mowamba River

7. Snowy Hydro is not delivering environmental flows consistent with the “Environmental objectives for the Snowy River increased flows” SWL, clause 5.1, schedule three, part two

5. ENVIRONMENTAL OBJECTIVES FOR SNOWY RIVER INCREASED FLOWS

5.1 Environmental Objectives of the Governments

The objectives of the Snowy River Increased Flows is to improve the habitat for a diverse range of plant and animal species through a combination of:

- (1) improving the temperature regime of river water;*
- (2) achieving channel maintenance and flushing flows within rivers;*
- (3) restoring connectivity within rivers for migratory species and for dispersion;*
- (4) improving triggers for fish spawning; and*
- (5) improving the aesthetics of currently degraded riverine environments.*

Clearly the current flows are not meeting these objectives

8. Snowy Hydro is not delivering environmental flows consistent with the “default monthly releases” SWL, clause 13.3, schedule three, part three

Month	% of Snowy River Annual Allocation allocated to the Snowy River Increased Flows for that Water Year
January	2.6
February	3.3
March	1.9
April	2.8
May	3.8
June	6.5
July	7.7
August	9.2
September	20.4
October	24.5
November	11.8
December	5.5
TOTAL	100

As the committee can see from comparing the Dalgety flow graph with the default obligations, Snowy Hydro has not released any variability of its flows to comply with this default procedure and arguably does not have the capacity to do so until the outlet works are completed and the scientific committee is established. SHL must release its environmental flows from the Mowamba aqueduct to ensure it is complying with the licence and meeting the environmental needs of the river.

Recommendations

1. That the Snowy Scientific Committee consisting of high level independent scientists be established ASAP;
2. Snowy Hydro immediately decommissions the Mowamba Weir and reinstates the environmental flows down the Mowamba River and Cobbin Creek;
3. A separation of responsibilities is established for the minister whose portfolio covers the operation of Snowy Hydro, with a separate minister responsible for the management and delivery of environmental flows;
4. that the Snowy River Alliance and other key stakeholders as-of-right receive all relevant documentation on the operation of the Snowy River environmental flows on an annual basis ie the Annual Water Operating Plan, the Snowy River Apportioned Entitlement, the Snowy River Annual Allocation, and the Mowamba Borrowings Account.
5. The managing director of Snowy Hydro, Terry Charlton, takes full responsibility for his failure to address key water issues and his belligerent and vindictive handling of the Snowy River environmental flows before pushing for the sale of SHL;
6. Snowy Hydro and the NSW government establish a real time web site with all flow information relevant to environmental flows including inflows to storages and weirs, outflows and environmental flow releases, pumping volumes and forward expected flow targets;
7. That the NSW government commits to a time line and process for delivery of environmental flows from 21 to 28 %;
8. That a interstate management committee for the Snowy River be established similar to the MDBC with powers to oversee, direct and enforce interstate agreements on environmental flows to the Snowy River

I would be happy to comment on any other issues if the committee desires and I am willing to make myself available as a witness for a public hearing.

Yours sincerely,

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June 2006

Snowy River @ Dalgety Weir - Mean Daily Flows

