

**Submission
No 87**

INQUIRY INTO THE CONTINUED PUBLIC OWNERSHIP OF SNOWY HYDRO LIMITED

Organisation: Murray Irrigation Limited
Name: Mr Stewart Ellis
Position: Chairman
Telephone:
Date Received: 26/06/2006

Theme:

Summary

From: "Catherine Norwood"
To: <snowyhydro@parliament.nsw.gov.au>
Date: 26/06/2006 3:38 pm
Subject: Submission to inquiry into continued public ownership of Snowy Hydro Limited

CC:

Please find attached a letter for inclusion in submissions to your inquiry, from Murray Irrigation Limited chairman Stewart Ellis.

Regards

Catherine Norwood

Communications Officer



Murray Irrigation Limited

A.B.N. 23 067 197 933 A.C.N. 067 197 933

Registered office: 443 Charlotte St (PO Box 528) Deniliquin NSW 2710
Phone (03) 5881 9300, Fax (03) 5881 9317 Website: www.murrayirrigation.com.au



The Director
Inquiry into the continued public ownership of Snowy Hydro Limited
Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000

Monday 26th June 2006

Dear Sir,

Water released by Snowy Hydro Limited underpins the availability of water for irrigation in the NSW Murray Valley. Murray Irrigation is the largest bulk supplier of water for irrigation on the Murray River system, representing more than 1200 farm business operating 2400 farms in the mid Murray region. On behalf of our shareholders, customers and local communities Murray Irrigation seeks assurance that current guaranteed water diversions, which underpin irrigation in the region, will be maintained.

The Snowy – Murray Development releases on average 1.2 million megalitres into the Murray River each year. The Murray Darling Basin Commission estimates the Snowy Scheme provides about 8% of flow to the Murray under average conditions, and up to 35% in dry conditions. The Snowy storages have historically been managed to guarantee supply of minimum notification which is 1.062 million megalitres to the Murray Valley each year. This guaranteed volume underwrites our water supply, and is assumed as an inherent part of water available when allocation announcements are made throughout the irrigation season. It is essential that governments continue to require Snowy Hydro to manage and operate the storages to guaranteed volume of releases into Murray and the Murrumbidgee Rivers.

Water issues currently being discussed were argued by Murray Irrigation during the Snowy Water Inquiry and corporatisation process for the Snowy Mountains Hydro-electric Scheme, back in 1997/98. During corporatisation Murray Irrigation argued successfully for the guaranteed volume to remain a corner-stone of Snowy Hydro's 75 year water licence. The minimum water release component was maintained at 1.062 million megalitres although proponents of corporatisation proposed a significant reduction.

Our position was then and is now that water, not electricity, is the more scarce resource. Governments should not jeopardise future water availability and timing by pandering releases to electricity interests. Electricity can be generated in a number of ways, stored and transferred to anywhere in Australia across a national grid. Water is a finite and relatively geographically restricted resource. The continued provision of the minimum releases has been essential in maintaining the viability of agricultural communities along the Murray during the current five year drought sequence. We look forward to discussing issues with you further.

Yours sincerely

Stewart Ellis
Chairman