

Submission
No 78

INQUIRY INTO THE CONTINUED PUBLIC OWNERSHIP OF SNOWY HYDRO LIMITED

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Theme:

Summary



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 Your Ref:

26 June 2006

The Director
 Inquiry into the Continued Public Ownership of
 Snowy Hydro Limited
 Legislative Council
 Macquarie Street
 SYDNEY NSW 2000

RECEIVED

26 JUN 2006

SELECT COMMITTEE

SNOWY HYDRO

Dear Sir/Madam

SUBMISSION BY COOMA-MONARO SHIRE COUNCIL TO THE INQUIRY INTO THE CONTINUED PUBLIC OWNERSHIP OF SNOWY HYDRO LIMITED

Introduction

The Snowy Mountains Scheme is one of the greatest engineering projects ever to be undertaken in Australia. The Scheme plays an important role in our country every day, contributing to Australia's economy through water and electricity.

Today, Snowy Hydro continues to provide a regulated secure supply of water to the irrigation areas along the Murray and Murrumbidgee Rivers, which produce an estimated \$8.5 million annually of wheat, rice, fruit and vegetables, wine, prime lambs and cattle for the domestic and export markets. Also Snowy Hydro's role at the centre of the power grid in south-eastern Australia where it provides a link and crucial back up between the electricity systems of New South Wales and Victoria is critical to the Australian economy.

Cooma-Monaro Shire Council is of the opinion that Snowy Hydro can continue to

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Cooma-Monaro Shire Council

operate as a viable company under present public ownership and continue to play an important role in Australia's future.

Impact on the Short and Long Term Financial Position of the Government including Revenue and Recurrent Costs

Council believes that Snowy Hydro is a very profitable company in its present form and as a result, is able to develop and finance an asset management plan to maintain and replace infrastructure as required. This plan may reduce revenue to the shareholders, but the three Governments are able to budget for the reduced income.

Future Capital Expenditure Requirements of Snowy Hydro Limited in Order to Remain Competitive in the National Energy Market

Snowy Hydro, as a producer of electricity during peak loads, provides insurance to major producers in the grid and will continue in this role until a cheaper alternative is found. For this reason, it is very important for Snowy Hydro to maintain and improve infrastructure to remain competitive. Sources of funds for capital expenditure, other than from Governments, need to be investigated. These investigations may result in changes in legislation.

Control of Water Regulation

It is Council's understanding that the water in the Snowy Scheme dams is the property of the people of NSW. Snowy Hydro has been given the right to collect, divert, store, use and release water to the Snowy, Murray and Murrumbidgee Rivers, in accordance with the Snowy Water Licence.

Council also understand releases in recent year by Snowy Hydro have been after consultation with irrigators. This control of water by Snowy Hydro has resulted in a more productive use of water and should continue under current Licence arrangements.

Access to Lands Controlled by Snowy Hydro Limited

Snowy Hydro Limited currently allows access to dam foreshores to people who wish to use the dams for recreational use such as fishing and boating. Council believes that the current arrangement should continue as it allows many locals and visitors to the region

to enjoy the recreational use of the water

Cooma-Monaro Shire Council

Removal of Disused Hydro Infrastructure in National Parks

In recent years, Snowy Hydro has undertaken a program to remove disused infrastructure and hazardous material from National Parks. This program should continue.

Heritage Issues

Council is of the view that the Snowy Scheme should be listed under both the State and National heritage registers, due to its iconic status.

Any Other Related Matters

As indicated in the Introduction, Snowy Hydro is currently a major employer in the Snowy Monaro region and its presence attracts many visitors to the region. The Scheme is a vital entity to south-east Australia. Council believes that all of the issues raised during the debate for the sale of Snowy Hydro can be addressed with a review of the financial arrangements of shareholders.

Council therefore continues to support the retention of Snowy Hydro Limited in its present form.

Yours sincerely



NEIL WATT
GENERAL MANAGER