

**Submission
No 64**

INQUIRY INTO THE CONTINUED PUBLIC OWNERSHIP OF SNOWY HYDRO LIMITED

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Theme:

Summary

From: "Murrumbidgee Private Irrigators"
To: <snowyhydro@parliament.nsw.gov.au>
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Subject: Submission

Please find attached our submission to the Inquiry on Continued ownership of Snowy Hydro.

Many Thanks
Lee Furness

Murrumbidgee Private Irrigators Inc



22 June 2006

The Chairman
Select Committee on the Continued Public Ownership of Snowy Hydro Limited.
Legislative Council
New South Wales Parliament
Macquarie Street
Sydney 2000

Dear Sir,

SUBMISSION ON THE CONTINUED PUBLIC OWNERSHIP OF SNOWY HYDRO LIMITED BY THE MURRUMBIDGEE PRIVATE IRRIGATORS

Thank you for the opportunity to make a submission on the continued public ownership of Snowy Hydro Ltd. The Murrumbidgee Private Irrigators Inc. is an organization that represents the interests of river pumpers who are not in the Murrumbidgee Irrigation Area or the Colleambally Irrigation Area. The membership of our organization holds licenses for 30% of the volume of diversions along the river.

Murrumbidgee Private Irrigators are members of the New South Wales Irrigators' Council (NSWIC) and as such supported the Council's resolutions with regard to the privatization of Snowy Hydro.

We believe that the shareholding structure is less relevant than assurances that all existing legislation, agreements and water release arrangements and protocols are strictly adhered to at all times.

Privatization if it is to go ahead would only be supported on the basis of:

- The NSW and Federal governments providing NSWIC with a guarantee that all existing legislative, MDBC agreements and annual water release arrangements remain in force;
- That a 10% cap be imposed on individual shareholdings and that this provision remain in force for ten years.
- There be no changes to existing annual distributions to the Murray and Murrumbidgee Valleys at 1,062 and 1,026 GL respectively, without the agreement of relevant NSWIC members in these valleys;
- That NSW licenced entitlement holders be indemnified against any costs of privatization;
- That all future water required to meet current and future environmental flows requirements be sourced from water savings; and
- That the privatized entity be required to establish and maintain regular stakeholder consultation processes.

What became apparent during the Snowy debacle was that the assurances we sought were not going to be delivered. It also became apparent that the Snowy was

considered by the community as a great Australian icon which was better kept in government hands than in private hands – with the sale now being canned.

Given the new state of play, we believe that the New South Wales Government should be using its significant shareholding to ensure that the Snowy and its resources be used in a manner which continues to enable the scheme to “drought-proof” Australia.

Of particular concern to our members is the notion that in terms of the new inter-state trading regime introduced as part of the NWI and COAG agreements the Murrumbidgee Valley is “no nett trade-in” meaning that water can leave the valley and no extra water can come in. This is even though Snowy Hydro has the capacity to pump water from the north to the south of the Divide. We have been told that the reason that Snowy do not like to do this is the smaller amount of generating capacity available on the south side as opposed to the north side.

To us, this seems ludicrous when the government has the capacity through its shareholding to enable transfers to happen. Why would we prefer water to travel to South Australia or Victoria rather than be used in one of the most productive agricultural valleys in the nation?

If the Snowy is to remain in public ownership (and this seems likely for the medium term) then the government needs to ensure that it is working for the people of regional New South Wales and puts in place arrangements whereby extra water can be transferred in to the Murrumbidgee Valley.

We thank the Committee for their time in considering our brief submission.