

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

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Theme:

Summary

**From:** "HOPWOOD Natalie"  
**To:** <Snowyhydro@parliament.nsw.gov.au>  
**Date:** 26/06/2006 2:01 pm  
**Subject:** Snowy Hydro Inquiry-MI Response-June 2006.pdf

**CC:**

Please find attached Murrumbidgee Irrigation's submission to the Snowy Inquiry.

Regards,

Natalie Hopwood on behalf of Matt Linnegar

Matt Linnegar  
Corporate Affairs Manager  
Murrumbidgee Irrigation Ltd

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## **Inquiry into the continued public ownership of Snowy Hydro Limited**

**Murrumbidgee Irrigation Limited, June 2006**

### ***Murrumbidgee Irrigation***

Murrumbidgee Irrigation is a rural water delivery provider for the Murrumbidgee Irrigation Area and Districts (MIA&D) that includes the towns of Leeton and Griffith. Murrumbidgee Irrigation is one of Australia's largest private irrigation companies holding approximately 1,450 GL in water access entitlements of which 1,100 GL per year is diverted on average.

Murrumbidgee Irrigation is committed to the well being of MIA&D communities including social, environmental and economic health.

### ***Murrumbidgee Irrigation and the Snowy***

In a broad sense the Snowy Scheme was built with the development of a nation at its core. More specifically the Scheme was constructed for the dual and equal purposes of hydro electricity generation and irrigation in western flowing rivers – the Murray and Murrumbidgee. Today the *Snowy Water Licence* explicitly states that Snowy Hydro Limited must deliver 1062GL and 1026GL to the Murray and Murrumbidgee systems respectively within the Snowy water year (May – April).

Over recent years Murrumbidgee Irrigation and Snowy Hydro Limited have entered into commercial arrangements. These arrangements have been based on payments from irrigators to SHL to alter the timing of delivery of water within the 1026GL either within year or between years to in effect provide additional resource to irrigators in critically dry periods.

As such and, in relation to the Terms of Reference for the Inquiry, the primary consideration for Murrumbidgee Irrigation when considering the continued public ownership of Snowy Hydro Limited is that control of water regulation remain as set out in the licence and unchanged.

### ***Control of Water Regulation***

Our understanding in relation to the operation of SHL and specifically the control of water is outlined below;

- Firstly regardless of who owns SHL that group will still be subject to existing legislation, regulations and agreements.
- Snowy Hydro will continue to have the current obligations to make annual releases into both the Murray and Murrumbidgee rivers for irrigation.
- Snowy Hydro does not own water or have any use rights in respect of water. While Snowy Hydro does own the physical assets (power stations, dams etc) that comprise the Snowy Scheme, they do not own or have use rights over the water they collect and release from the Snowy Scheme (those rights remain with the States).

- The *Snowy Water Licence* provides SHL the right to collect, divert, store and release water. The *Snowy Water Licence* also imposes an obligation on SHL to release into the Murray and the Murrumbidgee Rivers 1062GL and 1026GL respectively for the next 72 years.
- The NSW Government can seek to change the *Snowy Water Licence* however under the legally binding inter-governmental agreement between the Victorian, New South Wales and Commonwealth governments, it must compensate other states and SHL if there are impacts.
- Also, in the case of the River Murray release requirements these are now enshrined in the *Murray- Darling Basin Agreement*, meaning that any change to them must be agreed between the three Governments and South Australia.

Murrumbidgee Irrigation has worked co-operatively with SHL over recent years to deliver water risk products to irrigators in the face of extreme drought. Irrigators have had to pay for this product however in many instances this has provided the confidence that end of season allocations will be sufficient for them to finish off their crop.

Provided that controls on the collection, diversion, storage and release water provided within the *Snowy Water Licence* remain untouched and in place over the life of the licence then the ownership of the scheme becomes a secondary issue. However, to reiterate our publicly stated position as part of the previous debate over the intended sale of Snowy Hydro, we do not agree to the sale of Snowy Hydro limited unless a maximum 10% permanent cap on individual shareholdings is in place.

Murrumbidgee Irrigation will continue to work with SHL to achieve a better mutual understanding of our businesses and seek to deliver benefits both ways.