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Snowy Water Licence Review
Intergovernmental and Strategic Stakeholder Relations
Department of Industry—Lands & Water
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WaterNSW Response to Draft Report of Snowy Water Licence Review

WaterNSW welcomes the release of the draft report of the Snowy Water Licence Review.

WaterNSW is a state-owned corporation, whose role it is to supply, and seek to improve the availability of, water that is essential for water users and communities throughout NSW. We do this through our functions, including most relevantly:

- **Bulk water supply**—supplying water from its storages to customers in the Greater Sydney drinking water catchment and in the state's regulated surface water systems,
- **System operator**—efficient management of the state's surface and groundwater resources to maximise reliability for users through the operation of the state's river systems and bulk water supply systems. This is done in collaboration with the MDBA, which directs operations of the River Murray system,

It is through exercising these functions that we believe we can contribute to the planned improvements to the operation of the Snowy Water Licence.

Our original submission to the Review focused on the water release requirements for the western rivers (western arrangements), a reflection of our role as the system operator of Blowering and Burrinjuck Dams, and the Hume Dam (in collaboration with the Murray Darling Basin Authority).

We noted that the western arrangements in the Licence had proven effective in delivering against water sharing objectives, and the balancing long-term water security needs against short-term energy needs. However, we contended there was scope for operational constraints to be removed to allow for water releases to be optimized. In particular, we recommended a review of relaxation arrangements in the Licence to assess whether they can be improved to deliver better water and energy security outcomes.

We therefore welcome the draft report's finding that it is seeking some changes to the water release requirements to improve operations.

Specifically, we welcome the inclusion in the proposed work plan of an investigation into *ways to increase operational flexibility for delivering increased Flow*.

With regard to the specific proposals outlined in the draft report, we make the following comments:

- **Proposal 13B** – to investigate options to improve the relaxation mechanism.

We welcome this proposal, but note the draft report proposes that Department of Industry, in partnership with Snowy Hydro Limited and the Victorian and Commonwealth governments work together on this Proposal. As the river operator, WaterNSW can provide informed, expert advice into this process, and suggest that we be formally involved in this work.

Indeed, it is essential that agencies with operational functions work together and where relevant, develop and recommend changes to the rules (to the rule-maker, which is the Department of Industry) that would better meet the desired licence outcomes.

We therefore suggest this recommendation is amended to incorporate the following principle:

Operators undertake an investigation/review, and following this make recommendations to DOI Water to the extent that rule changes are desired.

This principle could also apply to other investigations, including:

- Proposal 14B – review the operation of the Flexibility and Pre-release provisions, including its interaction with other RAR provisions, and consider opportunities to improve existing arrangements,
- Proposal 17 – investigate options to secure commitment of releases from the Snowy Mountains Scheme to support increased early season water allocations for Murray or Murrumbidgee water users, and
- Proposal 18 – investigate the effectiveness of the Drought and DISV Reserve accounts and consider options for improving how they support downstream water user requirements.

We also note specific recommendations involving WaterNSW including:

- **Proposal 3** – to improve collaboration between Snowy Hydro Limited and downstream water authorities by committing Snowy Hydro Limited, the MDBA and WaterNSW to consulting on implementation of the AWOP during a water season.

We seek clarification on whether this consultation involves WaterNSW as the consulting authority (in combination with the other agencies) or as a stakeholder that is consulted during the process. We believe the latter option would represent a simpler, more efficient and effective approach.

- **Proposal 15B** – the Department of Industry partnering with Snowy Hydro Limited, the Murray–Darling Basin Authority (MDBA), WaterNSW and the Victorian and Commonwealth governments to investigate ways to improve water accounting and water release rules. This includes investigating options to improve licence rules around the timing of releases to increase water use efficiency and flood management outcomes, and
- **Proposal 20** – that the department, Snowy Hydro Limited, the MDBA and WaterNSW collaborate to improve analytic modelling capability to support the investigations identified in the work plan.

We support these measures and are committed to working with Snowy Hydro Limited and the other listed entities to deliver on them.

We look forward to your consideration of our submission, and more broadly to participating in these activities, and to helping implement the report's recommendations.

Yours sincerely

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

David Harris

Chief Executive Officer