

Date: 20<sup>th</sup> December 2006

## Subject: Drought impacts on Snowy Mountains Scheme water storages

Much of this country and in particular south eastern Australia is suffering from the effects of what has been termed "the worst drought in history". Like all water storages across south-east Australia, the water storage levels of the Snowy Scheme are not immune. Snowy Hydro's storages are also suffering from the major drought sequence that has been occurring since 1996.

Some facts on the current drought and its impact on Snowy Scheme storages are:

- The current drought sequence is now longer than the previous worst dry sequence which occurred from 1936 to 1946;
- Snowy Scheme water storage levels are currently at their lowest December level since the Snowy Scheme was completed in 1973;
- Water inflows from rain and snow melt have only been around 25% of long term average;
- Water inflows during the months of October and November were significantly below the previous lowest ever minimums – minimums recorded over 101 years - and were worse than could have been anticipated;
- December is anticipated to also provide well below average inflows and may prove to be the worst on record;
- At mid December, Snowy Scheme water storage levels are only around 17% of active storage capacity.

Snowy Hydro Limited Managing Director, Mr Terry Charlton, said: "Because of the extremely low water inflow pattern over the last 10 years, water levels in the Snowy Scheme storages have steadily decreased since 1997. With no improvement to water inflows forecast in the foreseeable future, water storage levels in Snowy Scheme storages will continue to drop unless there is a marked improvement in rainfall over summer."

"We are talking on a regular basis with NSW Fisheries, MDBC, local Councils, local businesses, New South Wales and Victorian Governments, informing them of our water situation and the need for us to manage reduced water releases from storages such as Khancoban Pondage."

Senior Fisheries Manager Inland, Mr Cameron Westaway, said: "Reduced flows were an unfortunate consequence of the drought throughout the State. We are closely monitoring the situation and compliance staff will be patrolling the area to make sure people do the right thing. There is a fishing closure immediately below Khancoban Pondage but the Swampy Plains River below this closure is actually fishing very well at the moment."

"Extreme temperatures could cause short term losses for the fishery. However, drought aside this fishery is very healthy with a quality stocking program and good recruitment from well upstream in the Mountains." Mr Westaway said.

Mr Charlton said: "Snowy Hydro is sensitive to the difficulties that this major drought is creating for all Australians and the Company is doing everything possible to balance the needs of all those who rely on water from the Snowy Scheme; the irrigators and farmers, towns for their water supplies, recreational users, the environment and of course electricity users in the National Electricity Market."

"Control of water releases from Khancoban Pondage into Swampy Plains River is an example of the careful balance that under the current drought situation must be achieved; a balance between the towns on the river that rely on the water supply, the recreational users of the lake and the environment."

Mr Charlton added: "If the current drought conditions continue as forecast, then it is expected that water levels at Lake Jindabyne will drop further in the New Year. In addition, it is expected that water levels at other Snowy Scheme operational reservoirs, such as Jounama Pondage, will continue to vary as demands are placed on the remaining water in the Snowy Scheme."

"Unfortunately, with no forecast improvement to water inflows in the foreseeable future we must act prudently to ensure that the water which remains in the Snowy Scheme is used in a balanced way for all stakeholders and that water is conserved for this summer and the coming winter." Mr Charlton said.

Up to date information on Snowy Scheme water levels can be found on the Snowy Hydro web page at <u>www.snowyhydro.com.au</u>