

m e d i a r e l e a s e

Date: 15th June 2011

Subject: SNOWY HYDRO FULLY SUPPORTS VARIATIONS TO SNOWY WATER LICENCE

Snowy Hydro fully supports the proposed package of inter-related variations to the Snowy Water Licence announced today by The Hon. Katrina Hodgkinson MP, NSW Minister for Primary Industries.

Snowy Hydro CEO Terry Charlton said: "these variations, if formally adopted, will allow for significant improvements to the recovery of Snowy Scheme storages and downstream water management".

At times of low inflows into the Snowy Scheme, the Snowy Water Licence obligates Snowy Hydro to release less water than normally would be the case under what is known in the Snowy Water Licence as the "Dry Inflow Sequence Volume" ("DISV"). When inflow conditions improve, Snowy Hydro is required to release additional water over and above the nominal Required Annual Releases.

Mr David Harris, Snowy Hydro Executive for Water said: "last year, after several years of record low inflows, inflow conditions improved markedly. This meant that Snowy Hydro was then forced under the Snowy Water Licence to make releases additional to nominal Required Annual Releases".

Mr Harris added: "when inflow conditions improve after dry years and there is plenty of water around, it just does not make sense to require Snowy Hydro to make additional releases. We cannot retrospectively address the dry years. It is better for everyone that those inflows be stored."

This proposed package of inter-related variations to the Snowy Water Licence will bring several significant benefits. These include:

- 1) water that would have otherwise been forced out of the Snowy Scheme when inflows recover as they did this year will remain in Snowy Scheme storages for future water years;
- 2) remove the risk that such releases might contribute to or exacerbate downstream flood conditions at times of inflow recovery;
- 3) enable Snowy Scheme storages to recover more quickly after periods of low inflow;
- 4) if recovery water is allowed to remain in Snowy Scheme storages, there will be water in storage to delay the onset of any future DISV when it turns dry again, thereby increasing resource security for downstream water users;
- 5) ensure a more secure ongoing RAR (which will underpin future allocations).

Mr Harris concluded by saying: "I expect there will be strong support from the community and water stakeholders for these variations as the package delivers substantial benefits to all stakeholders."