

OFFICIAL



MINISTERIAL BRIEF

Environment, Planning and Sustainable Development Directorate

To: Minister for Climate Change, Environment, Energy and Water

Tracking No.: 24/130957

Date: 16/12/2024

From: Executive Group Manager, Climate Change, Energy and Water

Subject: Letters to Federal, NSW & VIC Water Ministers – Snowy Hydro

Critical Date: 23/12/2024

Critical Reason: To seek agreement to the proposed letters to Federal, NSW and VIC Water Ministers regarding Snowy Hydro operations before the shutdown period.

- DDG, Environment, Water and Emissions Reduction 17/12/2021

Recommendations

That you **sign** the attached letters to the Federal Finance Minister Attachment A, NSW Minister for Water Attachment B, and VIC Minister for Water Attachment C on Snowy Hydro operations.

Signed / Not Signed / Please Discuss

Suzanne Orr MLA 23/12/24

Minister's Office Feedback

Background

1. In December 2023, the Australian Government announced a \$55.6 million package of funding to improve the health of the Upper Murrumbidgee. This included \$5.3 million over five years to conduct a review of the Snowy Water Inquiry Outcomes Implementation Deed (SWIOID).
2. The SWIOID review can only be completed with the agreement of the parties to the SWIOID (the Commonwealth, NSW and Victorian governments).

Declining conditions in the upper Murrumbidgee River

3. The Murrumbidgee River, a major tributary of the Murray-Darling River system, is part of the Snowy Hydro Scheme that diverts water to generate electricity and for agricultural irrigation.
4. The upper Murrumbidgee River, from Tantangara Dam and into the ACT, supports a wide range of values: water supply (domestic, urban and agricultural), critical ecosystem functions (e.g. fish population connectivity, biodiversity, threatened species), and social and cultural (Aboriginal culture, swimming and recreation). Water quality is fundamental to maintaining these values, and this is dependent on maintaining adequate river flow and healthy catchments.
5. The health of the upper Murrumbidgee River is in decline, evident by:
 - a. Reduction in the abundance and diversity of native fish species;
 - b. Critical human water needs that cannot be maintained by river flows during extreme climate events (for example, 2019 cease-to-flow event at Tharwa township); and
 - c. Water quality entering the ACT during summer months that does not meet human health guidelines (bacteria concentrations).
6. Changes in hydrology is the key driver for the decline in river health, effected by:
 - a. The operation of Tantangara Dam by Snowy Hydro that diverts greater than 90 per cent of river flow for energy generation;
 - b. Growth in farm dam interception by NSW peri-urban development fringing the ACT border, particularly in the upper Molonglo catchment; and
 - c. Reduced rainfall-run-off (climate).

7. Tantangara Dam diverts between 90 – 99 per cent of flows from the Murrumbidgee River headwaters. An annual volume of up to 27 gigalitres (GL) is made available for planned environmental releases, representing approximately 10 per cent of the natural inflows into Tantangara Dam. However, the actual volume of environmental flow delivered is typically much less than 27 GL annually.¹
 - a. In addition, there is insufficient accounting and oversight to enable compliance and limited flexibility to manage the timing of environmental releases which undermines their effectiveness.

Snowy Water Inquiry Outcomes Implementation Deed (SWIOD) Review

8. The Snowy Water Inquiry Outcomes Implementation Deed (SWIOD) is the 2002 agreement between the Commonwealth, NSW and Victoria that details how water in the Snowy Hydro scheme will be used and shared between NSW and Victoria. The focus of the Deed is electricity generation, supply of water for irrigation and environmental water for the Snowy River.
9. The SWIOD can be reviewed at any time by agreement of the parties. However, the ACT is not party to the SWIOD or the Snowy Hydro Deed and has no influence on the release of water from Tantangara into the Murrumbidgee River upstream of the ACT.
 - a. Securing agreement from both the Commonwealth and NSW to review the SWIOD and examine the flows into the Murrumbidgee is a significant achievement.
 - b. Subject to the agreement of all deed parties, this would be the first review of the SWIOD since it was originally signed in 2002.
10. The review of the Snowy Deed, and any subsequent increases to the release of water into the upper Murrumbidgee River, will be contentious – balancing trade-offs between water supply and energy generation, and impacts to Victorian and NSW water shares. Changes to the NSW and Victorian water shares will affect water availability for irrigation and other water users in the Snowy, Murrumbidgee and Murray river systems.

Issues

11. The operation of Tantangara Dam and the Snowy Hydro Scheme are creating an unsustainable impact on the environment and communities that depend on the upper Murrumbidgee River.

¹ Despite being legally binding, there are no repercussions when parties fail to meet the requirements set out in the SWIOD.

12. Getting any meaningful change to the flows released from Tantangara into the Murrumbidgee River will be difficult due to lost power generation and/or reduced flows to the Snowy and Murray or lower Murrumbidgee rivers for environmental flows or irrigation, which may require compensation.
13. In addition to this, as the ACT is not party to the SWIOLD, the ACT has a limited ability to influence the scope or progress of the SWIOLD review.
14. As discussed in your regular meeting with Environment, Planning and Sustainable Development Directorate (EPSDD) Executives on 2 December 2024, this brief seeks your agreement and signature to the attached letters to Federal, NSW and Victorian Water Ministers affirming the ACT's commitment to the Murrumbidgee River.
 - a. Your letter to Australian Minister for Finance and ACT Senator, Senator the Hon. Katy Gallagher Attachment A;
 - b. Your letter to the Hon. Rose Jackson MLC, NSW Minister for Water, Attachment B; and
 - c. Your letter to the Victorian Minister for Water, The Hon Harriet Shing MP Attachment C.
15. Influencing the scope of the Snowy Deed review to include urban water supply requires support from the signatory Governments, but particularly NSW:
 - a. The negotiations for ACT water supply to NSW provides an opportunity to encourage NSW to jointly advocate for these outcomes and deliver greater long-term flexibility and security for the ACT's water needs as well as those of the broader region.
 - b. The ACT Government wrote to the NSW Premier on 4 September 2024 defining the non-negotiable terms for the supply of urban water to NSW townships from the ACT. The terms require additional water to be supplied by NSW to the ACT to the effect that urban water supply to NSW townships will have no net impact on the ACT water resource.
 - c. For NSW to meet this term and supply this additional water to the ACT requires a change to the NSW Snowy Water Licence. This must be enabled through the review of the Snowy Deed.
 - d. The NSW response to the ACT Government's letter acknowledges the scoping of the Snowy Deed review, however, not for the purpose of supporting urban water supply.
16. As such, it is recommended that the Minister discuss a possible meeting with the NSW Minister for Water, on the scope of the Snowy Deed review to support water security for supply to ACT and NSW regional towns. Similar meetings with the Federal Finance Minister, both as shareholder in Snowy Hydro and ACT Senator, and the Victorian Minister for Water should also be sought.

Financial Implications

17. Nil.

Consultation

Internal

18. The Office of Water, Climate Change, Energy and Water Division.

Cross Directorate

19. Nil.

External

20. Nil.

Work Health and Safety

21. N/A.

Benefits/Sensitivities

22. Improving the environmental flows in the Upper Murrumbidgee River would have significant environmental, social, cultural and economic benefits to the ACT

23. Getting any meaningful change to the flows released from Tantangara into the Murrumbidgee River will be difficult due to lost power generation and/or reduced flows to the Snowy and Murray or lower Murrumbidgee rivers for environmental flows or irrigation, which may require compensation.

24. In addition to this, as the ACT is not party to the SWIOID, the ACT has a limited ability to influence the scope or progress of the SWIOID review.

Communications, media and engagement implications

25. Nil

Signatory Name: Chris Hepplewhite

Phone: 0482 117 150

Action Officer: Hannah Evans

Phone: 6207 2993

Attachments

Attachment	Title
Attachment A	Letter to Australian Minister for Finance
Attachment B	Letter to NSW Minister for Water
Attachment C	Letter to Victorian Minister for Water



Suzanne Orr MLA

Minister for Aboriginal and Torres Strait Islander Affairs
Minister for Climate Change, Environment, Energy and Water
Minister for Disability, Carers and Community Services
Minister for Seniors and Veterans

Member for Yerrabi

Our ref: 24/130957

Senator the Hon Katy Gallagher
Minister for Finance
senator.katy.gallagher@aph.gov.au

Dear Senator Gallagher 

I am writing to reaffirm the ACT's commitment to improving the health of the upper Murrumbidgee River and seek your support in progressing a review of the Snowy Water Inquiry Outcomes Implementation Deed (SWIOD).

As ACT Minister for Climate Change, Environment, Energy and Water, I am in a unique position to explore opportunities across between water supply and energy generation. In this instance, I am aware Tantangara Dam and Snowy Hydro operations play a critical role in Australia meeting its 82 per cent renewable energy target. I support the renewable energy target, however a narrow focus on energy production should not come at the cost of the health of the river.

The Australian Government's \$55.6m investment in the upper Murrumbidgee River recognized the declining health of the river and the need to address it. This inherently included a recognition that the framework for environmental flows released from the Snowy Scheme has been a key driver to those declines.

Improving the flow regime is critical to restoring the health of the Murrumbidgee River and should consider the quantity and timing, quality and flexibility of water releases from the Tantangara Dam. Currently, the poor health of the river is affecting the water quality and consequently water security of all users. Improvement of the river's health will provide access to cleaner water and assist the ACT and region in meeting critical human needs. In the long run, should a drought like situation arise, the restoration of the river will provide both the ACT and NSW with improved environmental, social, cultural and economic outcomes.

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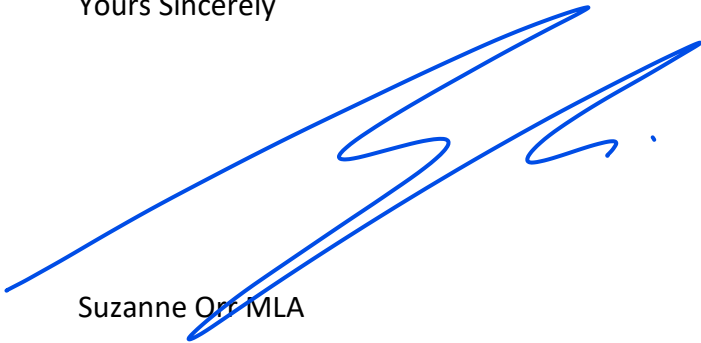
 SuzanneOrrmla

Despite being directly impacted by inadequate flows since the dam's establishment, the ACT is not party to the SWIOID or the Snowy Hydro Deed and has no influence on the release of water from Tantangara into the Murrumbidgee River upstream of the ACT. With recognition of this, I would welcome an opportunity to discuss the ACT's concerns with you further and discuss opportunities for ACT participation in review processes.

I have also written to the NSW Minister for Water, The Hon. Rose Jackson MLC, and the Victorian Minister for Water, The Hon. Harriet Shing MP, to request meetings to discuss the decline in health of the upper Murrumbidgee River and support in progressing a review of the Snowy Water Inquiry Outcomes Implementation Deed (SWIOID).

I appreciate your consideration and look forward to meeting with you in the new year, to discuss this matter further.

Yours Sincerely

A handwritten signature in blue ink, appearing to be 'Suzanne Orr', written over the printed name.

Suzanne Orr MLA

23/12/24

Suzanne Orr MLA

Minister for Aboriginal and Torres Strait Islander Affairs
Minister for Climate Change, Environment, Energy and Water
Minister for Disability, Carers and Community Services
Minister for Seniors and Veterans

Member for Yerrabi

Our ref: 24/130957

The Hon. Rose Jackson MLC
Minister for Water
52 Martin Place
SYDNEY NSW 2000

office@jackson.minister.nsw.gov.au

Dear Minister Jackson



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As ACT Minister for Climate Change, Environment, Energy and Water, I am in a unique position to consider the opportunities between water supply and energy generation. In this instance, I am aware Tantangara Dam and Snowy Hydro operations play a critical role in Australia meeting its 82 per cent renewable energy target but also have a role to play in the health of the river.

The Australian Government's \$55.6m investment in the upper Murrumbidgee River recognised the declining health of the river and the need to address it. This inherently acknowledges that the framework for environmental flows released from the Snowy Scheme has been a key driver to those declines.

Improving the flow regime is critical to restoring the health of the Murrumbidgee River and should consider the quantity and timing, quality and flexibility of water releases from the Tantangara Dam. Currently, the poor health of the river is affecting the water quality and consequently water security of all users. Improvement of the river's health will improve the social and cultural outcomes for all people in the ACT and surrounding regions of NSW. The additional flows would also assist the NSW and the ACT in meeting critical human needs. In the long run, should a drought like situation arise, the restoration of the river will provide both the ACT and NSW with improved environmental, social,

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I have also written to the Commonwealth Minister for Finance and Snowy Hydro Shareholder, Senator the Hon Katy Gallagher and the Victorian Minister for Water, The Hon. Harriet Shing MP, to request meetings to discuss the decline in health of the upper Murrumbidgee River and support in progressing a review of the Snowy Water Inquiry Outcomes Implementation Deed (SWIOLD).

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Minister for Aboriginal and Torres Strait Islander Affairs
Minister for Climate Change, Environment, Energy and Water
Minister for Disability, Carers and Community Services
Minister for Seniors and Veterans

Member for Yerrabi

Our ref: 24/130957

The Hon. Harriet Shing MP
Minister for Water
Level 16, 8 Nicholson Street
EAST MELBOURNE VIC 3002

Harriet.Shing@parliament.vic.gov.au

Dear Minister Shing

I am writing to reaffirm the ACT's commitment to improving the health of the upper Murrumbidgee River and seek your support in progressing a review of the Snowy Water Inquiry Outcomes Implementation Deed (SWIOD).

As ACT Minister for Climate Change, Environment, Energy and Water, I am in a unique position to explore trade-offs between water supply and energy generation. In this instance, I am aware Tantangara Dam and Snowy Hydro operations play a critical role in Australia meeting its 82 per cent renewable energy target. I am supportive of a renewable energy target, however a narrow focus on energy production should not come at a cost to the health of the river.

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