

Supplementary Submission to: INQUIRY INTO THE IMPACT OF THE MURRAY-DARLING BASIN PLAN IN REGIONAL AUSTRALIA.

The Murray-Darling Basin and the Snowy Mountains Scheme.

Add the following to my Submission, emailed on Monday, February 07, 2011; to the section commencing:

The Snowy Water Licence **does not** optimise the use of the Schemes water resource, nor the regulation of its storages, with those of the Basin:

- because it is too prescriptive in its treatment of Required Annual Releases to the Murray and Murrumbidgee Rivers
- because there is no requirement to limit releases from the Scheme, to pre Scheme natural inflows, into the Upper Murray River; in times of flood or when Hume Dam is full or spilling
- because there is no requirement to maintain minimum environmental flows to the Upper Murray River.

The Licence also contains clauses that require government to compensate Snowy Hydro for loss of income resulting from licence amendments. Such payments could be in the many hundreds of millions, if not billions, of dollars.

Whilst Snowy Hydro remains government owned, any compensation payment can be 'clawed back' in one form or another, so as to not cost taxpayers. However, should the Scheme be privatised, this option is lost and taxpayers will pay dearly: or the licence will not be amended when it should be.

Reason enough in itself **never to privatise the Scheme.**

Max Talbot.
12 February 2011.