

Ref: DEW-D0021667

# Policy for Use of Entitlement and Allocation on the Minister's Reserve Licence and Account

#### **Purpose**

The *Basin Plan 2012* requires implementation of policy measures to protect environmental water (held and planned environmental water), through the 'unimplemented' or 'Prerequisite' Policy Measures (PPMs). This *Minister's Reserve* policy is one of four policies that, together with accompanying procedures, constitute a significant proportion of South Australia's (SA) PPM environmental water protections. In addition to protection of held and planned environmental water, other water resources used for environmental watering purposes may also be afforded PPM protections within Basin-states in accordance with local requirements<sup>1</sup>.

The specific purpose of this policy is to provide guidance on how the Minister's Reserve is used for environmental watering purposes in the South Australian River Murray, and how any decision(s) regarding use of the water can be made in a fair, effective and transparent manner.

## Scope

This policy applies to all water access entitlements and allocations, whether held or traded (permanent or temporary), on Water Licence Number 213146-0 and its associated Water Account (SA213146-0-170018) referred to as the Minister's Reserve.

The Minister's Reserve environmental water entitlement(s) and allocations held by the SA Minister for Climate, Environment and Water primarily include a 6 GL high reliability entitlement that was recovered for environmental use under the Federal Government's water recovery initiative, known as "Bridging the Gap", and a further annual allocation volume in eligible years. Both parts of this Environmental Provision were established through the Implementation Plan for Augmentation of the Adelaide Desalination Plant 2012 (Desalination Agreement)<sup>2</sup> under the National Partnership Agreement on Water for the Future.

<sup>&</sup>lt;sup>1</sup> An example of water used for environmental watering purposes, which is neither HEW nor PEW, is the 12GL allocation provided by South Australia in eligible years as part of an Environmental Provision under the Desalination Agreement.

<sup>&</sup>lt;sup>2</sup> See Schedule 1 of the Desalination Agreement in Appendix 1 of this Policy

The Minister's Reserve is also not limited to entitlements and allocations secured through the Desalination Agreement. This policy applies to any additional entitlements and/or allocations held or traded onto the Minister's Reserve, now or in the future.

Further details for application and use of Minister's Reserve can be found in the *Procedure for Use of Entitlement and Allocation on Minister's Reserve Licence and Account.* 

#### **Policy**

- 1. All water entitlements and allocations on the Minister's Reserve will only be used for environmental watering purposes within the South Australian River Murray and may not be taken, sold or transferred permanently or temporarily for non-environmental uses.
- 2. Any opening allocation that is granted on the Minister's Reserve will be made available for environmental watering purposes from the beginning of the water year. Any additional allocation that becomes available (e.g. via trade or incremental allocation announcements through the water year) will also be made available for environmental watering purposes once issued on the Minister's Reserve water account.
- 3. In making a decision about the environmental use of the Minister's Reserve at the commencement of, or during, the water year, the following factors will be considered:
  - a. the potential volume of environmental water available or likely to be available during the water year across all environmental holdings;
  - b. the prevailing water outlook scenario;
  - c. the likelihood of this water being required for high *Priority Actions* later in the year.
- 4. As required under the *Basin Plan Chapter 8, Division 6 (Principles to be applied in environmental watering)*, use of water from the Minister's Reserve is to be undertaken consistently with the overall environmental objectives for water-dependent ecosystems (s8.34) and have regard for the annual Basin-wide environmental watering priorities (s8.33).
- 5. The Minister's Reserve may be used for one or more of the following environmental watering purposes:
  - a) Environmental watering to meet established objectives within the annual South Australian River Murray environmental watering priorities, the South Australian River Murray Long Term Environmental Watering Plan (LTWP) and/or the Basin-wide Environmental Watering Strategy (BEWS).
  - b) Environmental watering activities to meet other objectives that are not included in the LTWP, BEWS or annual basin-wide and state priorities, but are not inconsistent with any of these instruments.

- c) Project-based watering activities that are for research or trialling new or improved methods of water delivery for future environmental watering activities, including smaller scale environmental watering activities that may not receive water from other Environmental Water Holders (EWHs).
- 6. Each year, the first 300 megalitres (ML) of allocation available on the Minister's Reserve will be used to provide for evaporative losses from the pool level, established in 2020, upstream of the regulator in the Pike Anabranch. This is an ongoing commitment associated with the Pike Floodplain environmental regulator to support ongoing management of this site. It does not set a precedent for similarly proposed arrangements in the future.
- 7. The highest priority for use of the Minister's Reserve is to provide any additional water required for managed pool-connected wetlands when there is insufficient water available in the Wetland Consumptive Pool. The use of any additional water from the Minister's Reserve to support the management of pool-connected wetlands will always remain within the balance available on the Minister's Reserve water account SA213146-0-170018.
- 8. The Minister's Reserve will be used and accounted towards environmental watering of the Coorong, Lower Lakes and Murray Mouth (CLLMM) if it is not required for any other previously agreed uses or controlled environmental watering actions. This volume will be determined at the end of the water year.
- 9. If there is insufficient water to meet the needs of all eligible proposals for Minister's Reserve water, then the proposals will be prioritised and approved after consideration of the criteria set out in Appendix 1 of the *Procedure for Use of Entitlement and Allocation on Minister's Reserve Licence and Account.*
- 10. The Minister's Reserve can only be accessed for purposes related to environmental infrastructure construction and maintenance as a 'last resort' if such projects are at risk of failure to complete. The Director, Water Infrastructure and Operations (WIO) provided a directive (DEW-D0019506) that environmental infrastructure construction projects are required to always seek alternative water sources in the first instance and not rely on access to Minister's Reserve, which is specifically prioritised for environmental watering activities.
- 11. In accordance with section 8.44 of the *Basin Plan*, if at any time the Minister's Reserve water is not used in a manner commensurate with the Basin Annual Environmental Watering Priorities, then the South Australian Government must provide the Murray-Darling Basin Authority (MDBA) with a statement of reasons within four months after the end of the water year. This statement of reasons will be developed by the delivery partner (i.e. water user) and provided to the Environmental Watering Unit (EWU), who will then forward this information to the MDBA within the required timeframe. Any take of water

- from the Minister's Reserve not used in accordance with the Basin Annual Environmental Watering Priorities will be accounted as consumptive use within South Australia's annual Matter 9.1, Schedule 12 *Basin Plan* reporting.
- 12. Accounting for the take and use of the Minister's Reserve will be undertaken in accordance with relevant environmental water accounting policies and procedures, including the *Procedure for Quarterly Reporting on Environmental Water Accounts* and the *Procedure for Environmental Water Accounting in the South Australian River Murray*.
- 13. The calculation and application of losses against the Minister's Reserve will be undertaken in accordance with the *Policy and Procedure for Application of Losses to Environmental Water*, noting that transmission losses do not apply to South Australian held entitlements as their loss and dilution components are already met under delivery of South Australian Entitlement flow.
- 14. Where environmental actions undertaken using the Minister's Reserve will generate return flows, the measurement and accounting of these return flows will be undertaken in accordance with the *Policy and Procedure for Environmental Return Flow*.
- 15. If an unregulated flow event at the South Australian border is declared, then during this event environmental watering actions identified to use water from the Minister's Reserve may instead take unregulated flow pursuant to section 105 of the *Landscape South Australia Act 2019*. The timing of actions may be adjusted to enable use of the unregulated flow, provided it does not compromise the environmental objectives of the watering action. Any use of unregulated flows in lieu of the Minister's Reserve will be in accordance with the *Policy and Procedure for the Use of Unregulated Flow in the River Murray in South Australia*.
- 16. The location of water take (e.g. pump, regulating structure) must be recorded on Water Resource Works Approval number 180693 held by the Minister for Climate, Environment and Water, or information must be provided to the EWU to enable the location of take to be added to the Works Approval, prior to delivery commencing.
- 17. The Director, WIO and Executive Director (ED), Water and River Murray (WaRM) are authorised by the Minister for Climate, Environment and Water to manage and use water access rights for environmental watering purposes.
- 18. The Director, WIO or ED, WaRM must approve use of environmental water on the Minister's Reserve before water delivery commences.
- 19. The EWU manages the Minister's Reserve, including advising Environmental Water Managers (EWMs) of the volumes available, both prior to and during the water year, and undertaking compliance reporting. To enable this to occur, information on proposed and actual use of the Minister's Reserve must be provided to the EWU as required.

# Responsibilities

Position	Responsibility		
Minister for Climate, Environment and Water	- Authorises DEW staff to manage, use and trade water access rights for environmental management purposes.		
Chief Executive (CE), DEW	- Approves all DEW policies.		
Executive Director (ED), Water and River Murray (WaRM) Division	<ul> <li>Endorses the Annual Environmental Watering Priorities for the South Australian River Murray.</li> <li>May approve the management and use of Minister's Reserve for environmental watering purposes as an authorised delegate.</li> </ul>		
Director, Water Infrastructure and Operations (WIO) Branch	- May approve the management and use of Minister's Reserve for environmental watering purposes as an authorised delegate.		
Environmental Water Unit (EWU)	<ul> <li>Coordinate development of the Annual Environmental Watering Priorities for the South Australian River Murray.</li> <li>Manage the Minister's Reserve including accounting and reporting, such as Matter 9.3 - Schedule 12 of the Basin Plan 2012.</li> </ul>		
Environmental Water Managers (EWMs)	<ul> <li>Provide information on proposed and actual use of the Minister's Reserve to the EWU.</li> <li>Coordinate delivery of Minister's Reserve water to agreed sites and ensure compliance with the delegate approved use.</li> <li>Develop a statement of reasons for any use that is not in accordance with the Basin Annual Environmental Watering Priorities.</li> </ul>		
Murray-Darling Basin and Inter- governmental (MDBI)	<ul> <li>Preparation and submission of South Australia's annual Basin reporting obligations under;</li> <li>Sections 32 and 71 of the Water Act 2007,</li> <li>Matters 9.1 and 9.2 - Schedule 12 of the Basin Plan 2012 and</li> </ul>		

	<ul> <li>The Implementation Plan for Augmentation of the Adelaide Desalination Plant Agreement (2011).</li> </ul>
Water Licencing Branch, DEW	<ul> <li>Update and maintain, information in "the Water Register", including Water Resources Works Approvals and Site Use Approvals.</li> </ul>

# **Definitions**

Bridging the Gap	Under the Federal government's water recovery initiative, known as Bridging the Gap (part of Basin Plan water reforms), South Australia's contribution of high reliability entitlement of 6GL was established through the Implementation Plan for Augmentation of the Adelaide Desalination Plant to offset South Australia's sustainable diversion limit under the Basin Plan 2012.	
Consumptive Pool	As defined in the Landscape South Australia Act 2019;  "the water that will from time to time be taken to constitute the resource within a particular part of a prescribed water resource for the purpose of Part 8, as determined:  • by or under a water allocation plan for that water resource, or • in prescribed circumstances, by the Minister."	
Controlled environmental watering action	An environmental watering action where a decision is made to use infrastructure such as a regulator or weir to increase the area of inundation or retain water, including operation of floodplain environmental regulators and raising of main-channel weirs.	
Desalination Agreement	An agreement between the Australian Government and the Sout Australian Government to establish funding arrangements for the expansion of the Adelaide Desalination Plant from 50GL to a 100G per year capacity to assist Adelaide increase its security of metropolitan water supply whilst reducing its reliance on the Rivel Murray.	
Environmental Outcomes	As defined in Section 4 of the <i>Water Act 2007;</i> "environmental outcomes includes:  (a) ecosystem function; and	

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	(b) biodiversity; and					
	(c) water quality; and					
	(d) water resource health.					
	Note 1: Paragraph (a) would cover, for example, maintaining ecosystem function by the periodic flooding of floodplain wetlands.					
	Note 2: Paragraph (d) would cover, for example, mitigating pollution and limiting noxious algal blooms."					
Environmental Provision	Any water provided by the South Australian Government for environmental purposes in the River Murray as described in Schedule 1 Clause S-IV of the <i>Implementation Plan for Augmentation of the Adelaide Desalination Plant (100 gigalitres per annum)</i> .					
Environmental water	As defined in Section 4 of the Water Act 2007;					
	"environmental water means:  (a) held environmental water; or  (b) planned environmental water"					
	and,					
	for the purposes of this Policy, environmental water also includes other water resources that are neither held or planned environmental water but are water entitlements and/or allocations used for environmental watering.					
Environmental	As defined in Section 4 of the Water Act 2007;					
watering	"The delivery or use of environmental water to achieve environmental outcomes".					
Held Environmental	As defined in Section 4 of the Water Act 2007;					
Water (HEW)	"held environmental water means water available under:					
	(a) a water access right; or					
	(b) a water delivery right; or					
	(c) an irrigation right;					
	for the purposes of achieving environmental outcomes (including water that is specified in a water access right to be for environmental use)."					

Planned .	As defined in	Part 1 Se	ction 6 of the <i>Water Act 2007;</i>			
environmental water	"nlanned envi	ronmanti	al water is water that:			
(PEW)	(a) is committed		di water is water triat.			
		•	a water resource plan for a water resource			
	plan area; o		a water resource plan for a water resource			
	•		ler a State water management law; or			
	•		<u>-</u>			
	(iii) any other instrument made under a law of a State;					
	to either or both of the following purposes:					
	<ul><li>(iv) achieving environmental outcomes;</li><li>(v) other environmental purposes that are specified in the plan</li></ul>					
	or the instr					
		-	nt to which it is committed by that instrument			
			_			
	to that purpose or those purposes, be taken or used for any oth					
	purpose."					
Priority Actions	As outlined in "Water for the Environment Annual Plan[s] for the					
	South Australian River Murray" Appendix 1 – "Summary of water f					
	the environment actions proposed under water resource availability					
	scenarios".					
	Section to 3.					
Priority Sites	As outlined in "Water for the Environment Annual Plan[s] for the					
	South Australian River Murray" in the section on "Annual Priorities".					
Matau Alla antinu						
Water Allocation	As defined in the Landscape South Australia Act 2019:					
	"(a) in respect of a water licence, means an allocation of water under the terms of the licence in accordance with Part 8 Division 3					
	Subdivision 2"					
	345411151011 2.	••				
Water Class	For South Aus	tralian w	ater licensing, a category of water			
	entitlement which is associated with reliability of allocation and other attributes connected with allocation such as use and tradability.					
	As per Water Allocation Plan for the River Murray Prescribed					
	Watercourse 2021, various water classes and consumptive pools					
	are as below;					
	Consumptive	Class	Purpose			
	Pools					

	Metropolitan Adelaide	Class 6	Urban water use – metropolitan Adelaide and associated country areas	
	All Purpose	Class 1	Stock and Domestic	
			Section 105 authorisations for native title purposes	
		Class 2	Urban – country towns	
		Class 3 (High Security)	Class 3a – Irrigation (other than Qualco)	
			Class 3b – Irrigation in Qualco	
			Class 4 – Recreation	
			Class 7 – Environment TLM	
			Section 105 authorisations (other than for native title purposes)	
		Class 5	Industrial and Dairy	
		Class 8	Environmental land management	
	Wetlands	Class 9	Wetlands	
	Environmental	Class 9	Wetlands (water savings achieved through RRP)	
Water Access Entitlement	As defined in Section 121(2) of the Landscape South Australia Act 2019;  "A water licence provides an entitlement to the holder of the licence to gain access to a share of water available in the consumptive pool or consumptive pools to which the licence relates, as specified by the licence and after taking into account any factors specified by the relevant water allocation plan or prescribed by the regulations (and this entitlement will be called a water access entitlement)."			

# Acronyms

BEWS Basin-wide Environmental Watering Strategy

CE Chief Executive

CLLMM Coorong, Lower Lakes and Murray Mouth

Cth Commonwealth

DEW Department for Environment and Water

ED Executive Director

EWHs Environmental Water Holders

EWMs Environmental Water Managers

EWU Environmental Water Unit

GL Gigalitre

HEW Held Environmental Water

LTWP Long Term Watering Plan

MDBA Murray-Darling Basin Authority

MDBI Murray-Darling Basin & Intergovernmental

ML Megalitre

PEW Planned Environmental Water

PPM Pre-requisite Policy Measures

RRP Riverine Recovery Project

SA South Australia

TLM The Living Murray

WaRM Water and River Murray

WIO Water Infrastructure and Operations

#### **Associated Documents and References**

Basin Plan 2012
 https://www.legislation.gov.au/Details/F2018C00451

- Department for Environment and Water (DEW), 2022-23. Annual environmental watering priorities for the South Australian River Murray (the Annual Priorities)
   <a href="https://www.environment.sa.gov.au/topics/river-murray/improving-river-health/environmental-water/environmental-water-planning">https://www.environment.sa.gov.au/topics/river-murray/improving-river-health/environmental-water/environmental-water-planning</a>
- Department for Environment and Water (DEW), 2022-23, Water for the environment annual plan for the South Australian River Murray <a href="https://www.environment.sa.gov.au/topics/river-murray/improving-river-health/environmental-water/environmental-water-planning">https://www.environment.sa.gov.au/topics/river-murray/improving-river-health/environmental-water/environmental-water-planning</a>
- Department for Environment and Water (DEW), 2020, Long-term environmental watering plan (LTWP) for the South Australian River Murray water resource plan area.

https://www.environment.sa.gov.au/topics/river-murray/improving-river-health/environmental-water/environmental-water-planning#long-term-watering-plans

- Department for Environment and Water (DEW), 2023, Policy for the Application of Losses to Environmental Water
   <a href="https://www.environment.sa.gov.au/topics/river-murray/basin-plan/sustainable-limits-on-water-use/prerequisite-policy-measures">https://www.environment.sa.gov.au/topics/river-murray/basin-plan/sustainable-limits-on-water-use/prerequisite-policy-measures</a>
- Department for Environment and Water (DEW), 2023, Policy for Environmental Water Return Flow
   https://www.environment.sa.gov.au/topics/river-murray/basin-plan/sustainable-limits-on-water-use/prerequisite-policy-measures
- Department for Environment and Water DEW), 2023, Policy for the Use of Unregulated Flow in the River Murray in South Australia <a href="https://www.environment.sa.gov.au/topics/river-murray/basin-plan/sustainable-limits-on-water-use/prerequisite-policy-measures">https://www.environment.sa.gov.au/topics/river-murray/basin-plan/sustainable-limits-on-water-use/prerequisite-policy-measures</a>
- Department for Environment and Water (DEW), 2023, Procedure for Application of Losses to Environmental Water (Not available online)

- Department for Environment and Water (DEW), 2023, Procedure for Environmental Water Accounting in the South Australian River Murray (Not available online)
- Department for Environment and Water (DEW), 2023, Procedure for Environmental Water Return Flow (Not available online)
- Department for Environment and Water (DEW), 2023, Procedure for Quarterly Reporting on Environmental Water Accounts (Not available online)
- Department for Environment and Water (DEW), 2023, Procedure for the Use of Entitlement and Allocation on Minister's Reserve Licence and Account (Not available online)
- Department for Environment and Water (DEW), 2023, Procedure for the Use of Unregulated Flow in the River Murray in South Australia (Not available online)
- Implementation Plan for Augmentation of the Adelaide Desalination Plant (2012)
   Schedule 1 (Environmental water arrangements in relation to augmentation of the Adelaide Desalination Plant)
   https://federalfinancialrelations.gov.au/sites/federalfinancialrelations.gov.au/files/2021-08/Adelaide desalination SA IP 100GL.pdf
- Murray Darling Basin Authority (MDBA), 2019, Basin wide environmental watering strategy (BEWS) Revised 2019 <a href="https://www.mdba.gov.au/publications/mdba-reports/basin-wide-environmental-watering-strategy">https://www.mdba.gov.au/publications/mdba-reports/basin-wide-environmental-watering-strategy</a>
- Murray Darling Basin Authority (MDBA), 2022-23, Basin wide annual environmental watering priorities
   <a href="https://www.mdba.gov.au/publications/mdba-reports/basin-annual-environmental-watering-priorities">https://www.mdba.gov.au/publications/mdba-reports/basin-annual-environmental-watering-priorities</a>
- Murraylands and Riverland Landscape Board (MRLB), 2023, Water Allocation Plan for the River Murray Prescribed Watercourse <a href="https://www.landscape.sa.gov.au/mr/water/water-allocation-plans/river-murray-wap">https://www.landscape.sa.gov.au/mr/water/water-allocation-plans/river-murray-wap</a>

 Water Act 2007 (Cth) https://www.legislation.gov.au/Details/C2017C00151

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### **Appendix 1**

# Schedule 1

# ENVIRONMENTAL WATER ARRANGEMENTS IN RELATION TO AUGMENTATION OF THE ADELAIDE DESALINATION PLANT

#### Commencement

S-I The Environmental Provision included in this Schedule will commence when the full capacity of the 100 gigalitre desalination plant comes online and is available to the Adelaide water network (expected to be during 2012–13).

#### Eligible Year

- S-II An 'Eligible Year' for the Environmental Provision will be when at least 1600 gigalitres of water is allocated in that year to South Australia from shared Murray Darling Basin resource, and South Australia's Critical Human Water Needs have been secured for the following year during that water year.
  - The parties to this agreement note that the Murray Darling Basin Authority has proposed that the volume of water required from the River Murray system to meet the Critical Human Water Needs of South Australia is 204 gigalitres per year.
  - In this agreement, 'Critical Human Water Needs' has the same meaning given in sub-section 86A(2) of the Water Act 2007 (Cth).
  - iii. 'Water Year' means the period July 1st to June 30th.

#### Volume

- S-III During 2012-13 a 6 gigalitre high reliability water entitlement under the ownership of SA Water will be secured by the South Australian Government. This entitlement will be held and managed by the South Australian Government for environmental purposes in the River Murray.
- S-IV In addition to the above high reliability water entitlement, in Eligible Years as defined in Clause S-II a further Environmental Provision for the River Murray's environmental watering needs will be made from South Australia's annual water entitlement under the Murray Darling Agreement (currently 1850 gigalitres) as follows:
  - After 1600 gigalitres are made available to South Australia, via the Murray Darling Basin Authority allocation announcement process, the next 12 gigalitres will be allocated to the Environmental Provision.
  - Once the 12 gigalitres have been provided, 5 per cent of all subsequent inflows up to 1850 gigalitres will be allocated to the Environmental Provision (i.e. a maximum of 24 gigalitres will be provided in any one Eligible Year).

- A maximum of 120 gigalitres will be provided to the Environmental Provision over any 10 year rolling period of Eligible Years. Years which are not Eligible Years will be excluded from the rolling 10 year period.
- S-V South Australia will establish the Environmental Provision as an environmental entitlement that will be held by the South Australian Government, to be used for environmental purposes in the South Australian portion of the Murray Darling Basin.

#### Verification and Transparency

- S-VI The River Murray Water Allocation Decision Framework for South Australia for the 2012–13 water year (and subsequent years) will explicitly document the requirements outlined in this agreement. This framework will continue to be made publicly available.
- S-VII The South Australian Minister for Water will provide to the Commonwealth Minister for Water each year (by 30 November) a report that includes detail on:
  - the allocations of water which has been credited to the high reliability water entitlement (required in Clause S-III), the use and outcomes from the use of this water
  - water allocated to the Environmental Provision (required to be created by the South Australian Government in Clause S-IV) and the use and outcomes from the use of this water
  - iii. written confirmation from the Murray Darling Basin Authority that it has agreed that the available water from the high reliability water entitlement and the Environmental Provision has been accounted for consistent with the agreed framework and is therefore available to offset the South Australian sustainable diversion limit established by the Basin Plan.
    - The format of this report will be agreed as required in Milestone Two in Table 1 of the Implementation Plan.
- S-VIII If in any one Eligible Year the Murray Darling Basin Authority does not provide confirmation as required under Clause S-VII, then the State shall provide 12 gigalitres of water in the following Eligible Year which will be used for Environmental Purposes. This volume would be additional to the requirement for that Eligible Year. Provision of 6 gigalitres of the 12 gigalitres of water under this Clause will not contribute to the maximum of 120 gigalitres that will be provided to the Environmental Provision over any 10 year rolling period of Eligible Years as provided for in Clause S-IV(iii); however the remaining 6 gigalitres will contribute to that maximum.
- S-IX The South Australian Minister for Water will report publicly on the use of environmental water every year.

#### Review

S-X This agreement will be reviewed in good faith by the South Australian and Australian Governments every five years or as agreed by the parties.