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# Save the River Murray Fund

Annual Report 2012-2013

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HOUSE OF ASSEMBLY  
LAID ON THE TABLE

07 May 2014



**Government of South Australia**  
Department of Environment,  
Water and Natural Resources

**Published by the Department of Environment, Water and Natural Resources  
Government of South Australia  
25 November 2013**

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ISSN 1832-7869

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# 1 Introduction

**The Save the River Murray Fund was established under the *Waterworks Act 1932* on 24 July 2003. The fund is held by the Minister for Water and the River Murray and administered by the Department of Environment, Water and Natural Resources on behalf of the Minister.**

**The Save the River Murray Levy was introduced on 1 October 2003 under the *Waterworks (Save the River Murray Levy) Amendment Bill*. The Levy is charged to all SA Water customers across South Australia, both residential and non-residential, and is indexed annually.**

The Levy contributes to a program of works and measures to address the health of the River Murray in South Australia and increasing community demands for a high security of water of acceptable quality for urban and irrigation purposes. The program, known as the River Murray Improvement Program (RMIP), is integrated within a larger Murray-Darling Basin program of works and measures, the South Australian River Murray Salinity Strategy and the South Australian Environmental Flows Strategy for the River Murray.

The RMIP contributes to the delivery of three high-level outcomes:

- Improved environmental health of the River Murray system in South Australia.
- High security of water of acceptable quality for irrigation in South Australia at an appropriate price.
- High security of water quality for domestic water supplies.

It also contributes to a range of targets identified in South Australia's Strategic Plan, including:

- South Australia's water resources are managed within sustainable limits by 2018 (T 75).
- Increase environmental flows in the River Murray by a minimum of 1500 gigalitres by 2018 (T 76).
- South Australia maintains a positive balance on the Murray-Darling Basin Authority salinity register (T 77).

## 2 Financial Summary

In 2012-13 a total of \$26.6 million was received into the fund and \$ 24.925 million was expended from the fund on works and measures under the RMIP.

# 3 Annual Report Framework

The annual report is presented to highlight a range of achievements for the period ended 30 June 2013 in the following key outcome areas:

## 3.1 Murray-Darling Basin Association State Contribution

The sharing of River Murray waters is set out in the *Murray-Darling Basin Agreement 2008*. As part of the requirements all states must contribute to the construction, operation and maintenance of the four major storages (Dartmouth, Hume, Menindee lakes and Lake Victoria), a large number of river control structures (locks and barrages) and salinity mitigation works over 2 500 kilometres along the length of the river. South Australia contributed \$26.445 million to the Murray Darling Basin Authority (MDBA) in 2012-13, of which \$9.508 million was sourced from the Save the River Murray Fund.

Key benefits to South Australia in 2012-13 included:

- Delivery of agreed water shares to South Australia to meet critical human water needs, environmental outcomes, irrigation, domestic and industrial use;
- Salinity levels maintained at agreed minimum levels through the operation and maintenance of salt interception schemes;
- Continuation of construction works to improve Hume Dam's capacity to handle extreme floods and earthquakes;
- Removal of the Clayton regulator and commencement of the removal of the Currency Creek Regulator;
- Continued construction of the Chowilla Creek environmental regulator.

## 3.2 Water Acquisition for Environmental Flows

Funds from the Save the River Murray Levy allowed the State to acquire water for environmental flows. In 2012-13 \$3.6 million was used to purchase water to meet South Australia's Environmental Provision obligations. An amount of \$0.3 million was used to purchase 12 gigalitres of water used for the environment in the River Murray Channel and the Lower Lakes, Coorong and Murray Mouth. A further \$3.3 million was used to begin purchasing water entitlement.

## 3.3 River Murray Operations

During 2012-13 DEWNR managed the River Murray in South Australia in accordance with the Annual River Murray Operating Plan and consistent with the Murray-Darling Basin Authority's Objectives and Outcomes Document for River Operations.

River Murray Operations facilitated the delivery of South Australia's Entitlement Flow, which included supplying water of suitable quality and quantity for extraction by SA Water to deliver to over 1 million consumers; irrigation purposes; and to meet environmental needs.

Regular South Australian inter-agency meetings were held during the year to co-ordinate river operation decisions through the River Murray Operations Working Group. In addition, a major component of the work involved inter-jurisdictional liaison on water resource management, environmental water delivery and accounting. River flow forecasts and advice has been delivered in the form of Weekly Flow Reports throughout the year. River Murray Operations continued to provide ongoing services to the wider community through providing ongoing technical and operational advice to key stakeholders.

Major achievements included facilitating the delivery of over 1,000 GL of environmental water and negotiating and liaising with upstream river operators and environmental water holders. In addition, flows were managed to optimise outcomes for broader riverine health such as facilitating the flushing of saline drainage disposal basins and manipulating water levels in Lakes Alexandrina and Albert for ecological purposes. The Department's river operations staff co-ordinated the implementation of the Private Carryover Policy and the River Murray Water Allocation Decision Framework.

### 3.4 Development and Implementation of Water Allocation Plans

(River Murray Prescribed Watercourse, Eastern Mount Lofty Ranges, Angas Bremer, Mallee, Noora, Marne Saunders, Peake Roby Sherlock)

Implementation of the existing water allocation plans within the Murray-Darling Basin in South Australia and the management of the *Natural Resource Management Act 2004* and the *River Murray Act 2003* continued to be significant South Australia Government programs in 2012–13. The primary focus for 2012–13 was on the provision of efficient water licensing and trade administration, water use monitoring and reporting, and the provision of support to the SA Murray-Darling Basin (SA MDB) Natural Resources Management Board in its amendment and preparation of water allocation plans.

The Council of Australian Governments (COAG) has a service standard for the processing of water allocation and water entitlement trades. South Australia continues to meet the standard. In addition South Australia was applauded by the Murray Darling Basin Authority for achieving its reporting obligations under Section 71 of the Water Act 2007, the only Basin State to achieve the requirement.

2012-13 saw the introduction, as part of an initiative to move to an online transaction and processing environment, of SmartForms. The business of Government is made more efficient by implementing applications that support leading business processes. In the business of water licensing; entitlements, allocation, trades and metering applications are predominately paper-based, hand-written with cheque or cash payments. Work undertaken to bring these transaction online has delivered operational efficiency and cost savings.

Work continued on the finalisation of the Eastern Mount Lofty Ranges Water Allocation Plan in 2012–13. The plan, developed by the SA MDB NRM Board, in consultation with the local community and industry, to guide the sustainable management of the region's water resources is expected to be adopted early in 2014. The plan considers the likely risks to the resource and consequences of managing these risks through the policies in the plan. Current risks to the resource are dealt with through the allocations, transfer, permits and monitoring within the plan, while future risks and consequences will be managed through regular monitoring of the resource.

State legislation and National policy agendas require all water allocations to be expressed as a volume and all water use to be measured to ensure compliance with annual volumetric limits. In 2012-13 work continued on the volumetric conversion of water allocations in the Mallee Prescribed Wells Area from Irrigation Equivalents (haIE) to a volume (kL). All licenced water allocations in South Australia are now expressed in kilolitres.

Water Allocation Plans for the Noora Prescribed Wells Area, Marne Saunders Prescribed Water Resources Area and the Peake, Roby and Sherlock Prescribed Wells Area are all operational. The Department of Environment, Water and Natural Resources in partnership with the SA Murray-Darling Basin (SA MDB) Natural Resources Management Board delivered programs focussed on trade administration, water use monitoring and reporting, compliance and enforcement, to ensure the protection of these water resources.

### 3.5 Murray-Darling Basin Policy - Review of Murray Darling Basin Agreement

The *Murray-Darling Basin Agreement 2008* (the Agreement) sets out the arrangements for the sharing and management of the Basin's water resources, particularly of the River Murray system. A formal review of the Agreement (the Review) was agreed to by First Ministers' in 2009, and was formally wound up in June 2013. Its objective was to examine options for improving the management of water resources in the Murray-Darling Basin, in particular the shared water resources of the River Murray System, to better meet future needs.

The Review was a collaborative effort between the Commonwealth Government, South Australia, New South Wales, Victoria and the Murray-Darling Basin Authority. A joint inter-jurisdictional Taskforce led the work program, which delivered a number of significant achievements that will have an enduring effect on the approach to high level decision making and implementation of objectives, outcomes and procedures for the management of the River Murray System. Key outputs which were finalised during 2012-2013 include:

- *Final Report of the Stage 2 of the Review of the Murray-Darling Basin Agreement Taskforce;*
- *Impediments to the management and delivery of environmental water under the Murray-Darling Basin Agreement* report;
- *Water Resource Assessment Process 2013* document;
- *River Murray Water Accounts 2013* document;
- *Guide to Special Accounting 2013* document;
- *Objectives and Outcomes for River Operations in the River Murray System* document;

In making its final report, the Taskforce acknowledged that water reform in the Murray-Darling Basin is far from complete and that it will rely on a continuing commitment by all parties to the MDB Agreement to collaborate to deliver sustainable, effective and efficient water resource policy and operations to promote healthy rivers, strong communities and sustainable food and fibre production. Moreover, ongoing review of the Agreement will be required for the effective implementation of the Basin Plan, in particular in relation to meeting the Basin Plan's environmental flow targets.

The Department of Environment, Water and Natural Resources will continue to lead the state's input to any multi-jurisdictional work relating to the Agreement into 2013-2014.

### 3.6 The Premier's Basin Plan Taskforce

On 4 June 2012 the Premier established the Murray-Darling Basin Plan Taskforce to lead the development of the State Government's response on the proposed Basin Plan. The Taskforce was comprised of officers from the Department of Environment, Water and Natural Resources and was overseen by a higher level committee (the Premier's Taskforce on the Basin Plan) of key Ministers, chief executives from across government, as well as the Chief Scientist, and Chair of the Goyder Institute for Water Research.

The Taskforce led the development of the State Government's policy positions and formal submissions on the Basin Plan based on science, expert policy analysis and community input. It supported ongoing negotiations between the Premier, Minister for Water and the River Murray and relevant Commonwealth Ministers and between senior State and Commonwealth Government officials. The Taskforce also led the development of regional development proposals, water recovery and environmental works and measures project proposals, and engagement with the community.

The work of the Taskforce in supporting the Premier, Minister and Government resulted in major improvements to the Basin Plan as well as a number of significant and complementary commitments. Key achievements include:

- Strong community and industry support for the Government's response to the Basin Plan, including through the "Fight for the Murray" campaign which saw over 19,000 people pledge support; attracted over 28,000 followers through Facebook and Twitter; and resulted in over 5,000 letters being sent to the Prime Minister.
- Securing Basin Plan amendments to recover up to an additional 450 gigalitres of environmental water (above the 2750 gigalitre benchmark) and the associated commitment of \$1.57 billion from the Commonwealth Government, enabling the total volume of water to be returned to the environment to increase to 3200 gigalitres under the final Basin Plan;
- Inclusion of enhanced environmental outcomes in the Basin Plan, including specific outcomes for the Coorong, Lower Lakes and Murray Mouth and River Murray floodplains;
- A requirement to develop a Constraints Management Strategy in the Basin Plan with \$200 million of Commonwealth Government funding available for removing or relaxing priority constraints;

- Improved salinity targets and minimum water level objectives for the River below Lock 1;
- Limits on changes to outcomes for the Coorong, Lower Lakes and Murray Mouth as a result of any sustainable diversion limit adjustment;
- Improved provisions for future reviews of the Basin Plan so that they must specifically consider management of climate change risks and better information on groundwater-surface water connectivity; and
- Some \$420 million in funding for water recovery, industry regeneration, regional development and environmental works and measures projects in South Australia.

The Taskforce was officially closed on 21 December 2012 following the adoption of the Basin Plan.

### 3.7 Implementation of the *Murray-Darling Basin Plan 2012*

The Basin Plan was adopted by the Commonwealth Minister for Sustainability, Environment, Water, Population and Communities on 22 November 2012 and commenced on 24 November 2012. It will now guide the management of water across the Murray-Darling Basin in South Australia, New South Wales, Victoria, Queensland and the Australian Capital Territory.

To guide the State's implementation of the Basin Plan, the Department developed the *Murray-Darling Basin Plan: South Australian Implementation Strategy*. This Strategy was released on 27 June 2013 and outlines the key actions that will be pursued to ensure that the Basin Plan is fully integrated into South Australia's ongoing water management arrangements.

To underpin implementation of the Basin Plan, the Government has entered into an inter-governmental agreement with other Basin jurisdictions which outlines how jurisdictions will work together to implement the Basin Plan and associated water reforms.

During 2012-13, DEWNR also worked with the Murray-Darling Basin Authority and other jurisdictions to develop a Basin Plan implementation agreement to provide clarity on jurisdictional implementation obligations and to outline collaborative working arrangements. This agreement was endorsed by the Department in August 2013.

The Department is now focusing on implementing the first stage requirements of the Basin Plan.

# 4 PROGRAM STATEMENT

## **Save the River Murray Fund**

For the Year Ended 30 June 2013

**DEPARTMENT FOR ENVIRONMENT, WATER AND NATURAL RESOURCES**

**SAVE THE RIVER MURRAY FUND**

**PROGRAM STATEMENT FOR THE PERIOD ENDED 30 JUNE 2013**

	<b>Note</b>	<b>2013</b> <b>\$'000</b>	2012 \$'000
<b>Funds held at 1 July</b>		<b>1,949</b>	4,808
<b>RECEIPTS</b>			
	<b>1</b>		
Recurrent Appropriation		<b>26,600</b>	26,200
<b>Total Receipts</b>		<b>26,600</b>	26,200
<b>EXPENDITURE</b>			
Implementation of River Murray Prescribed Watercourse Water Allocation Plan		1,866	1,830
River Murray Act- Review, policy development and administration		436	522
MDBA State Contribution		9,508	7,012
Environmental Water Management Program		432	419
Murray-Darling Basin Hydro-ecological Modelling		504	460
Improved Water Management of Eastern Mount Lofty Ranges		650	537
Investing in River Murray Ecology		137	226
Drainage Disposal Basins Management		175	234
River Murray Waste Disposal Stations		565	815
Salinity Policy and Registers Modelling		408	694
Water Acquisition for Environmental Flows			
-Lower Lakes	<b>2</b>	0	4,500
-Environmental Water Purchase		3,600	4,772
Lower Murray Levee Banks		195	244
Murray-Darling Basin Policy		825	946
River Murray Operations and Trade Policy		527	552
MDB Intergovernmental Relations		388	388
Hazard Management Program		605	654
Implementation of MDB WAP Angas Bremer/Mallee/Noora/Marne Saunders/Peake Roby Sherlock		409	449
River Murray Operations		1,021	659
Water Planning Policy		479	360
Salt Interception Schemes - Operations & Maintenance		328	285
Riverine Recovery Infrastructure Operations & Maintenance		181	142
State Water Resource Monitoring in the Murray Darling Basin		457	451
Ngarrindjeri Funding Agreement		22	23
Acid Soil Investigation		203	211
Communication and legal costs associated with the Murray Darling Basin Plan		145	394
Water Quality Improvement		290	289
Premier's Murray Darling Basin Plan Taskforce		567	0
Wetland Management		0	165
Irrigation Research, Technology Diffusion and Education		0	826
<b>Total Payments</b>		<b>24,925</b>	29,059
<b>Net Change in Funds</b>		<b>1,675</b>	(2,859)
<b>Funds held at 30 June</b>		<b>3,624</b>	1,949

## **NOTES TO AND FORMING PART OF THE PROGRAM STATEMENT**

### **Fund Purpose and Funding**

- 1** The "Save the River Murray Fund" (The Fund) is established under the Water Industry Act 2012. The major purpose of The Fund is to provide funds for programs and measures to improve and promote the environmental health of the River Murray or ensure the adequacy, security and quality of the State's water supply from the River Murray. The Fund contributes to the State's contribution to the Murray-Darling Basin Authority and may be used to provide rebates (including administration costs) in particular cases.

Revenue collected from the Save the River Murray levy was paid into the Fund through the provision of appropriation from the Consolidated Account. The fund is not interest bearing.

#### **(a) Goods and Services Tax (GST)**

Generally transactions through The Fund are included under the grouping provisions of the GST Legislation. Under grouping provisions, the Department of Environment, Water and Natural Resources (DEWNR) is responsible for the collection of GST on sales and payment of GST on purchases. The department received and paid these monies to the Australia Tax Office.

### **2 Water Acquisition for Environmental Flows**

In 2012-13, \$4.5 million was to recognise a repayment to the Department of Treasury and Finance for 50 gigalitres of environmental water secured for the Lower Lakes in 2011-12.

### **3 Save the River Murray Contributions Fund**

A separate fund, Save the River Murray Contributions Fund, has been established to receive contributions where there is no obligation to pay the Save the River Murray Levy. The separate fund was created because the legislation that established the Save the River Murray Fund only provided for revenue to be received from the Save the River Murray Levy.

The funds received in the Save the River Murray Contributions Fund will be applied for the same purpose as the Save the River Murray Fund. The balance of funds held in the Save the River Murray Contributions Fund at 30 June 2013 was \$4.415 million.





**Government of South Australia**  
Department of Environment,  
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