

REF 14DFW02101

Date:

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Murray-Darling Basin Authority GPO Box 1801 CANBERRA ACT 2601

Dear

I write regarding South Australia's obligations under Schedule 1 of the Implementation Plan for Augmentation of the Adelaide Desalination Plant (the Agreement).

For the purposes of South Australia meeting its obligations for the 2014 water year, the following allocations have been accounted for on account SA213146-0-10009:

- 6,000,000 KL received from 100% allocation against the 6 GL high reliability class 3a entitlement held by the Minister for Water and the River Murray.
- 5,940,800 KL of allocation received through trade and purchase of South Australian Class 3a allocation.
- 1,034,880 KL of allocation received through trade of South Australian Class 7 allocation.
- 4,138,300 KL of allocation received through purchase and allocation on existing entitlement of irrigation class water from New South Wales and Victorian irrigation districts.

As required under the Agreement, the attached report identifies the licences and volumes of allocation accounted for in regards to the high reliability entitlement and environmental allocation. In addition the use of this environmental water has also been reported in South Australia's Schedule 12 reporting, as a part of indicator 9.3.

Further to the water described above, only 42.137GL was drawn from the River Murray for Metropolitan Adelaide and its associated country towns (Metropolitan Adelaide) in the 2013-14 water year. This occurred as a result of the Adelaide Desalination Plant testing phase which provided a significant volume of water (40 GL) into the metropolitan Adelaide water supply.

As the current Cap model for Metropolitan Adelaide does not account for diversions on an annual basis, and the new Cap model for Metropolitan Adelaide has yet to be accredited, it is difficult to quantify the effect that the water produced by the Adelaide Desalination Plant has had on the Metropolitan Adelaide diversion from the River Murray. However, a lesser draw has, without question, occurred. This water forms a part of the Baseline Diversion Limit in South Australia and can therefore be regarded as a measure to 'bridge the gap' in the 2013-14 water year.

The water that was not diverted from the River Murray has supplemented the State's planned environmental watering activities by contributing to the environmental watering requirements of environmental assets, in particular the Lower Lakes, Coorong and Murray Mouth. On this basis, the State requests that this water is recognised as providing an environmental benefit to the Lower Lakes Coorong and Murray Mouth in accordance with the environmental provision requirements under the Agreement. Once the new Cap model is complete for Metropolitan Adelaide, South Australia will seek a retrospective quantitative recognition of the contribution of this water to fulfilling the requirements of the Agreement.

Can you please confirm that the environmental water provisions have been accounted for consistent with the agreed framework.

Yours sincerely

DIRECTOR, WATER AND CLIMATE CHANGE

ADELAIDE DESALINATION PLANT

Report on Environmental Water Allocations, Use and Outcomes (for the year ended 30 June 2014)

	Licence	Account	Nominal Value	Carryover of Balance	Alloc	Allocation	Environn (F	Environmental Use (KL)	Closing
			(KL)	(KL)	*	RE	Planned	Actual	(KL)
High Reliability Water Entitlement ¹	SA213146	SA213146-0- 10009	6,000,000	0	100	6,000,000	6,000,000	6,000,000	0
			5,940,800²	0	100	5,940,800	5,940,800	5,940,800	0
Environmental Provision ¹	•	SA213146-0- 10009	1,034,880³	0	100	1,034,880	1,034,880	1,034,880	0
			4,138,3004	0	Various	4,138,300	4,138,300	4,138,300	0
TOTAL			17,113,980	0		17,113,980	17,113,980 17,113,980 17,113,980	17,113,980	0

2013-14 Watering Locations Use and Outcomes

¹ High Reliability Water Entitlement and Environmental Provision have the same meaning as defined in the Implementation Plan for Augmentation of the Adelaide Desalination Plant.

² Class 3 allocations — either purchased from other entitlement holders or transferred from another class 3 licence held by the Minister for Water and the River Murray and transferred to SA213146-0-10009

⁴ Water allocations purchased from NSW and Victorian irrigation districts in the Southern Connected Basin.

Water allocations on account SA213146-0-10009 have been reported in South Australia's Schedule 12 report (specifically Indicator 9.3) at the following geographic identifiers:

- Markaranka floodplain
- Berri Evaporation Basin
- **Overland Corner**

- **Gerard wetland**
- Bookmark Creek
 - **Dishers Creek**

- Hogwash Bend South
 - Bunyip Reach
- Barrage outflows.