Your questions answered

The Adelaide and Mount Lofty Ranges
Natural Resources Management Water Levy

What is the NRM Water Levy?
The NRM Water Levy is charged to water licence holders who have a water allocation, and is based on the volume of the water allocation listed on the water licence.

In the Adelaide and Mount Lofty Ranges (AMLR) NRM region, the water levy is payable in the Barossa Prescribed Water Resources Area, McLaren Vale Prescribed Wells Area, Northern Adelaide Plains Prescribed Wells Area, and most recently, to bring it into line with the other areas, the Western Mount Lofty Ranges Prescribed Water Resources Area.

Important water resources in South Australia are protected and managed by being ‘prescribed’ under the Natural Resources Management Act 2004 (the Act). Prescription ensures that the water resource is sustainably managed to provide security for all water users, now and into the future. Where a water resource is prescribed, a water licence is required to take water for purposes such as irrigation and industrial use.

Water licence holders across other regions of South Australia also pay a water levy, and similar levies apply in other parts of Australia.

What is stock and domestic use, and why is it exempt from the water levy?
Some uses of water do not need to be licensed, including general stock watering, household domestic use, irrigation of an area less than 0.4 hectares in size for non-commercial purposes, and special purposes such as fire-fighting. Under the NRM Act, water for these purposes is exempt from being charged a levy. Watering intensively-kept stock or all areas of land larger than 0.4 ha does need a licence, and the water levy applies to water allocated for these purposes.

Why do I have a water licence with a stock and domestic water allocation?
There are a few special situations where a water licence and water allocation are required for certain stock and domestic uses – however, there is no water levy charged on these stock and domestic water allocations. This includes stock and domestic groundwater use in the Northern Adelaide Plains, and dams greater than 5ML in the Western Mount Lofty Ranges. These specific water uses are licensed in order to monitor demand for the resource.

Water licence holders who only have a licensed stock and domestic water allocation will not receive an invoice for the water levy. If water licence holders also have a water allocation for other licensed purposes, they will receive an invoice for the non-stock and domestic water allocation.

How much is the water levy?
In the AMLR region, the water levy is charged at 0.6 cents per kilolitre (or $6 per ML) of allocated water.

For example, if you have a 10,000 kL water allocation and a 5,000 kL stock and domestic water allocation, your levy will be:

\[10,000 \text{ kL} \times 0.6 \text{ cents} = 6000 \text{ cents} = $60.00\]. The 5,000 kL stock and domestic water allocation is not levied and therefore not included in this charge.

SA Water is also a water licence holder in the Western Mount Lofty Ranges, and it pays a water levy which is charged at a fixed fee of $1.2 million.

Why do I have to pay the water levy when I’ve paid for my water licence?
A one-off application fee is charged at the time of applying for a water licence. This is a charge to cover the work associated with assessing a water licence application. The water levy is an annual

November 2015
charge based on the volume of water allocated on a water licence (excluding allocations for stock and domestic purposes).

The Adelaide and Mount Lofty Ranges NRM Board (the board) sets the water levy to partially recover the costs of managing prescribed water resources within the region.

This reflects a national approach across Australia, with holders of water licences contributing through a water levy to support the ongoing, sustainable management of water resources. However, water licence holders don’t bear the full cost. The board considers that the management of our water resources is a shared responsibility between the whole community and licence holders.

Why is the water levy based on water allocation and not on use of water?

The water levy reflects the water user’s right to take a certain volume of water. This right creates an asset that adds value to a property, or can potentially be traded (permanently or temporarily) to other water users.

The board investigated the option of basing the water levy on volume of use, rather than a right to take water. However, it concluded that as the water levy makes up only a small proportion of input costs for most businesses, it is unlikely that a water levy based on use would provide much incentive for improved water efficiency. The water levy in all other NRM regions is also based on the right to take water and not on use.

Why doesn’t the water levy promote conservation of water by charging on water use?

Water allocations are based on the requirements of users within a prescribed area, taking into account the needs of the environment. As extraction limits are set at a sustainable level and managed by rules in the water allocation plan, an adequate level of water conservation has already been provided for. This system allows a maximum amount of water to be used within a landholder’s allocation and provides flexibility to respond to seasonal conditions. The rules and monitoring requirements of the water allocation plan aim to ensure sustainability of this resource.

View videos, and download a fact sheet, on how water allocation plans have helped landholders better manage water on their property and improve water efficiency here:


Why do I have to pay the water levy if I am not using my water allocation at the moment?

The water levy is not a charge on water use. The water levy is based on the water that has been allocated to you for licensed purposes on your water licence, and your right to use it in future years, and you still have the valuable asset of a water allocation. Therefore the water levy is charged based on the volume of your water allocation at the start of the water-use year (invoices are sent from mid-July).

Why is the water levy charged at the beginning of the water-use year?

The water levy applies from 1 July of a calendar year until 30 June of the following year. The water levy is paid up front to fund the activities of the board during the financial year in which it is applied (see ‘What is the water levy used for?’ below).

This up-front payment is similar to other state and local government charges (e.g. the NRM Levy, council rates, car registration and drivers licence fees). Water licence holders are able to request a payment plan for the payment of their water levy, by contacting a Department of Environment, Water and Natural Resources finance officer on 8463 6898.

Will I lose my water allocation if I don’t use it all?

No, water allocations will not be reduced or taken away on the basis of how much is being used.
There are some instances where water allocations may be restricted or reduced by the Minister, but this would only occur where it is assessed that demand for water (including for the environment) exceeds the available water, such as drought conditions.

How was the rate of the water levy in the region decided?
The rate for the water levy (0.6 cents per kilolitre or $6 per ML) was set by the board following consultation in late 2014 with key industry stakeholders.

The board listened to this industry feedback and made changes to the water levy, reducing it from the proposed $7/ML to $6/ML and removing the proposal to index the levy to CPI for the next three years.

This rate is the same across all prescribed areas within the region (meaning a reduction from $10/ML to $6/ML in some areas), and all licensed water users (except those with a licensed stock and domestic water allocation ONLY) contribute to the cost of water planning and management activities in the region.

What is the water levy used for?
The water levy contributes to the costs of water planning and management work in the region. This work includes extensive monitoring of surface water and groundwater, research to help develop water allocation plans for the prescribed resources, as well as funding work with the community and key stakeholders on water management issues. More information on the water levy is available at:


tyranges/about-us/nrm-water-levy

Water allocation plans can be viewed at:

tyranges/water/water-allocation-plans

What is the difference between the water levy and the NRM Levy?
The water levy is a contribution from water licence holders to the sustainable management of the region’s water resources.

The NRM Levy is payable by all rate payers within the region to fund the works of the board in managing the region’s natural resources on behalf of the community.

Will the water levy be reduced if dams don’t fill due to a lack of rain?
No. Although it is recognised that in some water-use years low rainfall may result in dams not filling, the water levy is a charge on the right to take water, not on the actual take or use of water, and therefore will not be reduced due to low rainfall.

What if I no longer want my water licence and water allocation?
If you are not currently using your water allocation there are options available to you that could reduce the amount of your water levy for future years.

1. You could apply to transfer some or all of your unused allocation to someone else in your area.

You can do this on a temporary or permanent basis. All applications are subject to assessment against the principles in the water allocation plan for your area.

**Important note:** For the Western Mount Lofty Ranges, currently the Department of Environment, Water and Natural Resources is only able to consider transfers under limited circumstances (within a management zone) until all water licences for existing users have been issued, appeals resolved and it is known where water is available.

Water licence holders are advised to contact the water licensing office on 8463 6876 before submitting an application and paying any associated fees.

2. You may surrender all or part of your water allocation to the Minister.

**Important note:** your water licence and allocation can be of significant value to you and if you surrender it to the Minister you will permanently give up your right to take this water.

While a water licence is not attached to a particular property, having a water licence and allocation could increase the value of your property.
property if you choose to include them in a future sale.

If you decide to surrender your licence, the department requires a request in writing, signed by all parties listed on the licence.

What can I do if I find it hard to pay the water levy?

A payment plan can be negotiated so that the water levy can be paid over a longer period. Payment plans can be tailored to suit individual circumstances (e.g. monthly or quarterly payments).

Additionally, alternative arrangements can be made in cases of financial hardship in accordance with standard state government policy.

For more information, please contact a departmental finance officer on 8463 6898.

How can I find out more?

Water levy

If you have a general query about the water levy, please call Natural Resources Adelaide and Mount Lofty Ranges on 8273 9100.

Water licence or water allocation

If you have a specific query about your own water licence or water allocation, please call the water licensing office on 8463 6876.