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NSW Water Metering Framework

Policy, Regulation and Mandatory Conditions

Cotton Australia's response to the
consultation paper

September 2018

General Comments

Cotton Australia is the peak body representing the interests of cotton growers, and welcomes the opportunity to provide further comment on the New South Wales Water Metering Framework.

Cotton Australia is an active member of the New South Wales Irrigators' Council, and has a constructive working relationship with many of the valley based organisations that protect the rights of irrigators.

In most instances Cotton Australia's views are in accordance with the positions of these other organisations, and Cotton Australia supports their submissions. However, for clarification, should positions submitted by these organisations differ from the position submitted by Cotton Australia, then the view of Cotton Australia is the one reflected in its submission.

Cotton Australia supports the New South Wales Government's concerted efforts to improve the standard of water management and compliance in the state. As an organisation we absolutely support the need for an effective and cost-effective water metering system, feeding into a management and compliance regime that is fair, while being robust and transparent, while protecting business-sensitive information.

Cotton Australia is generally supportive of the Framework as described in the Consultation Paper and the accompanying draft regulations.

However, we do have a very significant concern that the market may not be in a position to fully deliver on the proposed timetable, while meeting the important overarching criteria of any metering and compliance framework having to be both effective and cost-effective.

At this point in time there is still a very limited fleet of AS4747 Pattern Approved meters, particularly for large diameter pipes, and there is a significant shortage of duly qualified meter installers, validators and verifiers.

As an industry and as a society, we do not want to be part of another "pink bats" scheme, which, among the many negative outcomes, led to a huge demand for installers, which was only met by the use of either completely unqualified or significantly underqualified installers.

Cotton Australia is aware that this concern is held by many stakeholders, and there have been a variety of suggestions put forward on how best to manage this very significant risk. Cotton Australia will outline some suggestions later in this brief submission; however, ***it strongly recommends that that the proposed timetables are subject to additional comprehensive stakeholder consultation, with the view to developing a flexible risk management strategy.***

Responses to Specific Questions

1. Is it easy for you to determine whether your work (s) meet the threshold? If not why not?

Technically, Cotton Australia believes the proposed approach should make it relatively easy for an irrigation licence entitlement holder to determine whether a meter is required. However, Cotton Australia believes a very concerted communication effort will be required to ensure all entitlement holders fully understand their requirements.

It is clear that simply putting out press releases, generic letters or putting information on a website, is completely insufficient to ensure people understand their legal requirements.

Further, it should be kept in mind that those entitlement holders, who attended consultation meetings to-date, are more than likely entitlement holders who are generally engaged and well informed, and therefore are much more likely to intuitively understand their responsibilities.

Cotton Australia strongly recommends that the Department prepare a multi-faceted engagement/communication plan, which includes among other strategies, multiple, individually targeted letters to entitlement holders, providing specific information to them as to which works need to be metered, the timetable that is to be applied, and the evidence of compliance needed.

2. Which option for multiple works is preferred, and why?
 - a. Should meters be required where there is more than one work (where at least one is below the threshold)? Or;
 - b. Should meters only be required if the cumulative capacity of the works is equivalent to the infrastructure size thresholds?

Cotton Australia suggests a hybrid approach. For simplicity, Option A should be the default, but if the Entitlement Holder can demonstrate compliance with Option B, he/she should be able to provide documentation to the Department demonstrating that the cumulative capacity of the works is below the threshold.

3. Are there any other types of take that should be exempt from the metering requirements and why?

Cotton Australia is not aware of any.

4. Are there any barriers to implementing the proposed metering standards that should be considered?

First and foremost, it is highly likely, but not definite, that there will be a market failure both in terms of a small AS4747 compliant suite of meters, lack of AS4747 meters that can meet the needs for large diameter and large flow capacity installations, lack of cost effectiveness, and lack of duly qualified meter installers, validators and verifiers.

Cotton Australia does not raise these very real concerns in any way to diminish the industry's commitment to ensuring an effective and cost-effective water metering/measurement, management and compliance framework.

However, it does not want to see targets put in place which are unrealistic and could lead to both systematic and individual failure.

Cotton Australia is very concerned that at the time of writing, Mace Series 3 meters are still without Pattern approval. Mace is a preferred metering supplier for many in the industry, and is viewed as potentially providing a relatively cost-effective solution.

Further, we are hearing reports on very long-lead times on ordering and receiving alternative meters, and are very aware of the limited number of qualified metering technicians.

Cotton Australia is very concerned that "hard-wiring" timetables, rather than adopting an adaptive approach, may lead to perverse outcomes.

5. What additional information should be included in the data logging and telemetry protocol?

Cotton Australia does not have expertise in this area, but the list seems comprehensive. Cotton Australia just wants to emphasise that the protocol should be technology agnostic, clearly specify what data needs to be transmitted, how often, and how long it must be retained for, and that all data must also be able to be accessed by the entitlement holder without leading to any additional risks around data security.

The protocol might like to include requirements around acceptable level of outage, and procedures to follow when an outage occurs.

6. Should telemetry be installed by a duly qualified person? What qualifications should the person have? What options should be considered?

This is outside of Cotton Australia's area of expertise. Cotton Australia does believe that the telemetry is a slightly different case to the meter. It is absolutely essential for compliance that the meter is installed and working to the required standards, while the telemetry is just the transmittal of the data. It is probably more important that suppliers/installers provide some sort of guarantee around the performance of the telemetry, rather than focusing on the qualifications of the installer.

7. What methods could be used to demonstrate the accuracy of existing meters in the field? Is guidance needed on methods that can be used?

Cotton Australia would recommend that the Department sponsor a committee/taskforce, which includes experts from outside of government, tasked with developing a suite of methods that can be used to verify accuracy in an effective and cost-effective manner.

Cotton Australia is concerned that one suggestion, in-situ volumetric n testing, is not at all practical, nor cost-effective, for large volume irrigation pumps, and in-series metering may have its own challenges in some situations.

8. What factors need to be considered and what safeguards need to be in place for the proposed transfer of government-owned meters to private ownership? What needs to happen before transfer can occur?

This is not an issue that Cotton Australia has considered in depth. However, as a very minimum, Cotton Australia believes that prior to transfer the Government must warrant that the meters are fully compliant with AS4747 and has been recently validated. If the meter installation is less than five years old, the government should still fund a fresh validation.

9. What information and support will water users need to help select metering products and services that meet the required standards? Would you be comfortable with a third-party provider being responsible for the meter?

Cotton Australia does believe that the NSW Government should keep a publicly available (web-based) register of all meters that meet AS4747 standards. Depending on the final protocol around data transmission, it may also keep a register of all suppliers who can comply with that protocol, and also all duly qualified installers/validators etc, should have the option of having their details held on a register.

Cotton Australia is not opposed to third-party meter providers in principal. It does agree entirely that the legal obligation must rest with the entitlement/approval holder. Any further endorsement of third-party providers would depend on the particular circumstances/business case.

10. Do you have any comments on the proposed mandatory conditions?

No

11. What issues and data should be considered in the five-year review to assess the performance of the metering framework against its objectives?

Cotton Australia believes the topics proposed by the review are adequate; however, Cotton Australia would recommend that there should be a yearly review of this policy and a genuine commitment to an adaptive approach to its roll-out.

As stated earlier in this submission, Cotton Australia is concerned that the roll-out timetable may prove to be unrealistic, not because entitlement holders don't want to comply, but because the immature nature of all aspects of the water metering market may make effective and cost-effective compliance impossible.

Cotton Australia believes there is a number of options worth considering:

- 1) A pushing back of the current roll-out dates. New dates could be negotiated with industry, allowing more time for market maturation and significantly reducing the risk of market-distorting activity.

-) Maintain the current targets, but do not “hard-wire” them into legislation. Conduct an annual review, which includes genuine stakeholder input, to assess progress towards the targets. Where justified, the targets could be amended in an adaptive manner. The review would need to be completed by September each year.
-) Establish a system/protocol that would allow individual entitlement holders to seek an extension, based on particular circumstances.

Cotton Australia is not committed to any of the above in particular, but does strongly believe that the roll-out targets must not be “hard-wired” and the option to be adaptive must be supported.

Cotton Australia believes this particular aspect of the Framework is worthy of further consultation prior to government reaching its final position.