



July–August 2019 Metering Roadshow What We Heard

October 2019

Executive summary

Community consultation

Context

The NSW Government is implementing a robust metering framework to improve the standard and coverage of non-urban water meters across NSW. This is an important step to ensure an equitable and transparent approach to the management of our water now and for future generations, and to help build community confidence in how the state's water is managed.

New rules for non-urban water metering were made in December 2018, with the goal of ensuring that the vast majority of licensed water take is measured by accurate, auditable and tamper-evident meters.

The NSW Government will engage with water users as the metering rules roll out over the next five years to help them understand the rules and to ensure the on-the-ground challenges are understood.

The government sought feedback on minor amendments to the Water Management (General) Regulation 2018 to make the rollout easier for water users. The proposed amendments included:

- removing the requirement for duly qualified persons to install metering equipment, but retaining the requirement for a duly qualified person to validate the equipment
- exempting groundwater works that are inactive from the metering requirements
- requiring seals installed on metering equipment to be distributed, affixed and broken by an approved person
- streamlining recording and reporting requirements, aligning dates and addressing gaps
- clarifying that the metering requirements do not apply to works solely used for 'on-farm water' distribution.

Water metering roadshow

In July and August 2019, the Water Renewal Taskforce from the Department of Planning Industry and Environment—together with the Natural Resources Access Regulator and WaterNSW—held a 'metering roadshow', which stopped at 15 locations across regional NSW, as well as an online public webinar.

The purpose of the metering roadshow was to:

- ensure stakeholders, particularly affected water users, understand the new metering rules
- give water users the opportunity to provide feedback on implementation issues
- seek feedback on a small number of changes to the Water Management (General) Regulation 2018, which were placed on public exhibition from 15 July to 19 August, 2019.

This report summarises what the NSW Government heard during the metering roadshow sessions and from written submissions.

Next steps

The government recognises that water users support the new rules, but that the severe drought conditions will make it impossible for most of them to meet their new obligations by the current 1 December, 2019 deadline.

Consequently, government will adjust the start dates for the metering rules. These changes will not affect government's commitment to implement a 'no meter, no pump' policy in full by the end of 2023.

Government also remains committed to transition government-owned meters to private ownership and will consult with affected water users on the design of the transfer scheme.

Government is carefully considering all other feedback received during the metering roadshow and will respond soon.

What government heard

The engagement process was successful in identifying common feedback and key themes of concern from stakeholders. Overall, there is **support for the new metering rules** across NSW and a general **desire to work collaboratively** with the government to ensure the new metering rules can be implemented practically.

By far the biggest concern was from water users who need to comply by 1 December 2019. They felt that, despite their best efforts, they wouldn't be able to comply with key elements due to issues beyond their control. In particular:

- there is no water to test metering equipment
- government has not yet confirmed what devices water users will need to connect to the proposed telemetry system.

Other key concerns related to implementation of the metering rules. These were:

- **difficulty of implementation during a drought**, including financial hardship and inability to test meters
- the **challenging timeframes** set for implementation
- concern about the **transition of government-owned meters to private ownership**, particularly from water users in the southern region
- concern about the **availability of necessary information**

- the costs associated with the **limited number of pattern-approved meters** and **duly qualified persons** available to the market
- the **cost impost to water users**, particularly smaller users.

Other feedback received included:

- **agencies** should have an **increased presence in regional areas** while the new metering rules are being rolled out
- concern about whether **commonly-used, non-pattern approved meters will be accepted under the 'grandfathering' provisions for existing meters**, particularly in the northern region
- confusion about whether the metering rules apply to **basic landholder rights**
- desire for the government to develop an online system to allow for **easy, in-the-field recording and reporting** of water take information under the new rules
- desire for the government's **proposed telemetry system to utilise data from existing on-site systems**
- general positive feedback about **NRAR's approach to compliance**, recognising that more work is required to educate people on how to comply.



560+

total stakeholders engaged



505

stakeholders engaged in face-to-face workshops in 15 regional locations



61

stakeholders engaged via online public webinar



81

written submissions

KEY FEEDBACK FROM WATER USERS

- Overall, users support the new metering rules
- Users want to work collaboratively with government to ensure implementation is effective and practical
- Users are concerned that factors beyond their control—particularly a lack of water and information about telemetry devices—in the lead-up to the 1 December 2019 deadline will force them into non-compliance
- There are differing views on whether meters should be privately owned and water users need clarity on government's intention to transition government-owned meters to private ownership.

WHAT WE HEARD—STAKEHOLDER RESPONSE TO PROPOSED AMENDMENTS

The five proposed changes to the metering regulations, and written submissions from stakeholders during the engagement process, are:

1. Removing the requirement for duly qualified persons (DQPs) to install metering equipment, but retaining the requirement for a DQP to validate the equipment.

- There were mixed views about this proposal. Submissions from four large water user groups, including NSW Irrigators Council, were supportive of the proposal. However nine submissions, including from meter installers and environmental groups, did not support the proposal, citing concerns that it would result in substandard installations, increase costs to water users and create health and safety risks.

2. Exempting groundwater works that are inactive from the metering requirements.

- Submissions from 19 stakeholders, including water user groups, supported the proposal. However, some submissions called for clarity about how 'inactive' would be defined.

3. Requiring seals installed on metering equipment to be distributed, affixed and broken by an approved person.

- Submissions from 20 stakeholders, including from water user groups, environmental groups and irrigation suppliers, supported this proposal. One stakeholder, a meter installer, did not support the proposal because they had an existing system of seals.

4. Streamlining recording and reporting requirements, aligning dates and addressing gaps.

- A total of 33 submissions addressed this proposal. There was a range of responses with different views, particularly about the ideal frequency of reporting water take for users required to have a meter and data logger and no telemetry. Another concern was the practicality of requiring water users to download logger data, given that this may involve removing a tamper-evident seal which—under a separate proposal—only duly qualified persons, NRAR or WaterNSW staff would be able to do. Generally, water users want the requirements to be simple, to align with billing cycles, and to be easy to comply with, such as reporting via an online app.

5. Clarifying that the metering requirements do not apply to works solely used for 'on farm water' distribution.

- There was support for this proposal from all four submissions which addressed this proposal, including from water user groups, an environmental group and an irrigation supplier.

Where to from here

The NSW Government remains committed to implementing robust metering rules.

However, government recognises that farmers and rural communities are doing it very tough in this drought.

Up to 97 percent of the water users affected by the 1 December 2019 deadline have no water allocation or flows are well below the commence-to-pump levels. Government does not want to add to this pressure by having these water users—who cannot comply with the new rules for reasons beyond their control—labelled as ‘non-compliant’.

For this reason, government will change the start dates for the metering rules. The key driver for this decision is the current, unprecedented drought. These changes will not affect government’s commitment to implement a ‘no meter, no pump’ policy in full by the end of 2023—ahead of other Basin States.

The new start dates will be:

- 1 December 2020—surface water pumps 500 mm and above—All regions
- 1 December 2021—remaining works that require a meter—Northern Inland regions
- 1 December 2022—remaining works that require a meter—Southern Inland regions
- 1 December 2023—remaining works that require a meter—Coastal regions

Importantly, this is not a free pass for water users to do the wrong thing. The vast majority of water users do the right thing and they, and the broader community, want those who do not to be held accountable.

Until the new rollout dates come into effect, water users must continue to comply with their existing obligations to record water take. Over 70% of surface water users with pumps 500mm and over already have a meter installed. The Natural Resources Access Regulator will continue to deploy its resources to ensure that water users obey the law.

Government also encourages water users not to unreasonably delay investing in metering equipment. Given the deferred commencement, there will be no excuse for water users who do not comply by the new start dates because they are waiting on cheaper meters to achieve pattern approval.

The NSW Government also acknowledges that there are different views on whether meters should be privately owned and that water users need clarity on this issue. Government’s intention remains to transition all meters to private ownership. This will ensure a consistent framework across NSW.

Government will consult with affected water users on the design of a scheme for transferring government owned meters, based on the following principles:

- metering equipment will only be transferred to water users if it is compliant with the metering rules
- water users will have the information they need to make an informed choice
- timeframes will be fair and reasonable.

The NSW Government is carefully considering the other feedback it heard during the metering roadshow, and will respond later in 2019. Government will continue listening to stakeholders to ensure the new metering rules can be implemented practically and effectively on-the-ground.

WHERE TO FROM HERE—TIMELINE

Government has listened to your concerns and is taking action.

1. Government will introduce new start dates for the metering rules:

- 1 December 2020—surface water pumps 500mm and above—All regions
- 1 December 2021—remaining works that require a meter—Northern Inland regions
- 1 December 2022—remaining works that require a meter—Southern Inland regions
- 1 December 2023—remaining works that require a meter—Coastal regions

Until the new rollout dates come into effect, water users must continue to comply with their existing licence and approval conditions.

2. Government will respond to all of the other feedback from the metering roadshow soon.

3. The government will consult with affected water users on the design of a scheme for transitioning government-owned meters to private ownership. A key principle of the scheme is that meters will only be transferred if they are compliant with the new metering rules. Government will provide more information about the consultation process soon.

4. Government will release an initial list of telemetry devices that are compatible with its telemetry system by November 2019, to give water users clarity about what devices to invest in. It will launch the new telemetry system by 31 March, 2020.

What government heard—in detail

We conducted a detailed analysis of feedback gathered from face-to-face events and written submissions. Each are detailed separately in the following sections.

While the primary purpose of the stakeholder engagement was to seek feedback on the proposed amendments to the non-urban water metering regulation, stakeholders took the opportunity to address broader water metering implementation issues, as well as non-metering issues facing water users. Wider themes raised included the lack of water, financial hardship and social licence. These themes were evident in both the face-to-face engagements and written submissions and are addressed in the analysis that follows.

What government heard, by region: face-to-face engagement

Over the course of 15 face-to-face information sessions conducted during the department's engagement roadshow, we collected extensive feedback from water users and other stakeholders.

Some water users felt the rules should apply at a valley scale and not be a 'blanket application'. Others noted that a statewide approach was fair.

Many water users in the south felt they are being burdened with regulation intended to target northern users.

The following sections give a breakdown of views by region.

Northern region

Workshop location	Attendees
Bourke (18/7/2019)	19
Dubbo (17/8/2019)	41
Moree (15/7/2019)	64
Narrabri (16/7/2019)	66
Tamworth (6/8/2019)	57
Total	247

- There were high levels of awareness about the new metering rules in this region.
- Water users felt the rules are pushing irrigators towards non-compliance, and feared being added to the NRAR register, despite clarification from NRAR on its proposed enforcement approach.
- Water users were particularly concerned about the potential cost of compliance, particularly in drought conditions when some farmers did not have an income.
- Water users did not agree with the timeframe for the first rollout date (1 December 2019) and think it is too rushed.
- Water users felt it likely the media would use the NRAR non-compliance register as a vector for criticism.

Southern region

Workshop location	Attendees
Albury (29/7/2019)	21
Condobolin (12/8/2019)	23
Deniliquin (30/7/2019)	40
Menindee (15/7/2019)	20
Wentworth (31/7/2019)	21
Pooncarie (31/7/2019)	20
Wilcannia (26/7/2019)	3
Total	108

- There was a reasonable level of awareness about the new metering rules in this region, but water users were in need of more detail around implementation.
- There were social licence issues, with water users expressing strong feelings of inequity, particularly a 'south vs north' sentiment.
- Water users expressed concern regarding the lack of information around the transition of government-owned meters. This has contributed to a feeling amongst users about 'rule change fatigue', and the perception is that the rules change every five years.
- There were real concerns in this area about taking on government-owned meters. Users want government-owned meters to be validated and certified before transfer, and want to know the process for transfer of ownership as soon as possible, feeling that this should be developed in dialogue with irrigators in the region.

Coastal region

Workshop location	Attendees
Bowraville (7/8/2019)	39
Gloucester (5/8/2019)	41
Lismore (23/7/2019)	50
Total	130

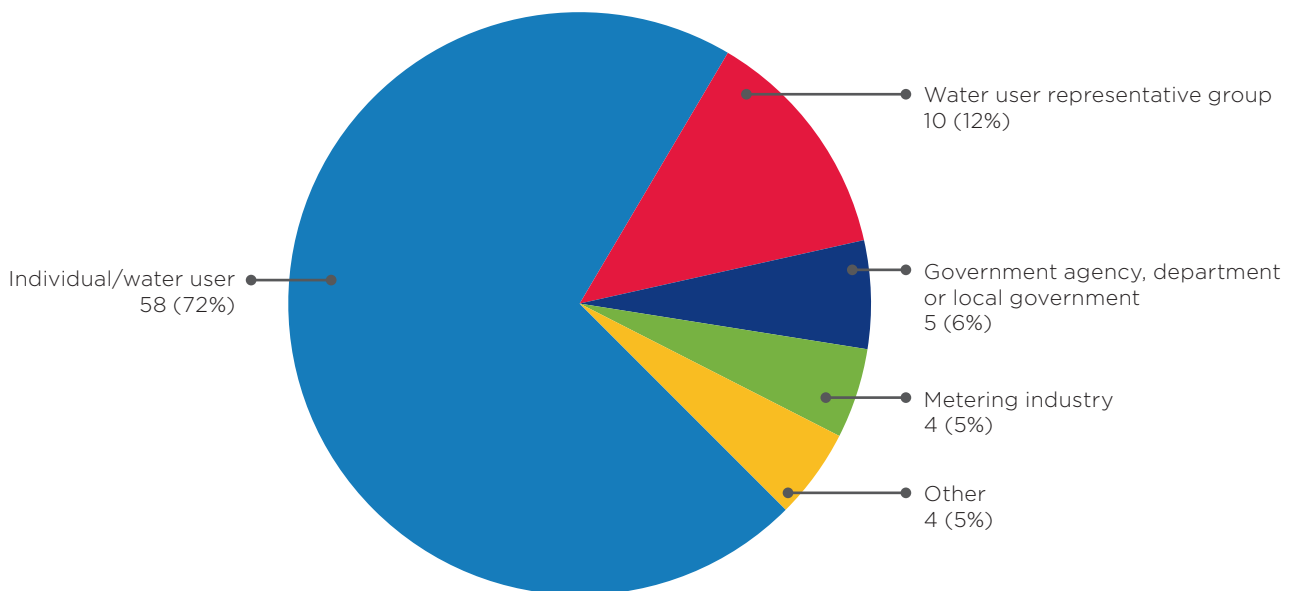
- There were generally lower levels of awareness about the new metering rules in this region.
- Water users were particularly concerned about the costs of transferring from existing metering and telemetry systems.
- Water users expressed frustration about a lack of consistent engagement in the past.
- Stakeholders felt that the coast is a very different environment for water management than inland areas, and blanket rules aren't sensitive to this difference. A key difference in coastal areas is that pump sizes are generally smaller, pumping infrastructure is portable and that pumping may only occur for a few months of the year—in some years it does not occur at all.

What government heard, by topic: written submissions

In addition to face-to-face engagement, the department sought feedback from stakeholders through written submissions. These written submissions broadly echoed the issues raised during the face-to-face engagement roadshow.

We received a total of 81 written submissions from a range of stakeholders, with the majority being from water users. A summary of the topics covered in written submissions received is shown below.

Submissions by stakeholder type—number and percentage of submissions



Written submissions—mentions, by topic

Total	Number of submissions	Percentage of submissions
Cost to users	52	64%
Comments about public meetings/consultation	45	56%
Streamline recording and reporting requirements	33	41%
Request extension to rollout	30	37%
DQP required to validate rather than install	28	35%
Rushed implementation	27	33%
Government-owned meters	27	33%
Insufficient DQPs	26	32%
Forced into non-compliance	26	32%
Data sharing and security	26	32%
Lack of information	25	31%
Requiring seals installed on metering equipment to be distributed, affixed and broken by an approved person	20	25%
Availability of technology	19	23%
Inactive infrastructure	19	23%
MACE meters compliance	18	22%
Viability of 'pathway to compliance'	17	21%
Enforcement	18	22%
Social licence of industry	7	9%
On farm works and multiple pumps	5	6%
Region-specific rules	1	1%
Basic landholder rights	1	1%

Written submissions—detailed analysis

Where consultation was raised in feedback, it supported ongoing consultation with stakeholders by the department.

The issues raised in submissions could be broadly grouped into one of three common themes discussed in the following sections.

Implementation issues

- **Impacts of drought conditions.** In many locations, water users expressed a belief that the new metering rules were poorly timed due to the drought and the lack of water for testing meters. Many expressed feelings of defeat around this point, as they explained their real obstacle is the lack of water, not metering compliance.
- **Being ‘forced into non-compliance’**
A key concern of nearly one-third of written submissions was water users being ‘forced into non-compliance’ for reasons beyond their control. It was felt that the delay in government processes, drought conditions and a lack of available information would result in a high rate of non-compliance for water users, affecting their social licence. In particular, access to water was considered an important factor, as many felt the situation would not change in the short to medium term.
- **Availability of necessary information:**
Water users felt necessary information and elements to comply with the new rules are not in place, and they lack the ability to make proper decisions. In particular, many water users felt they needed more information before they commit to considerable investment in new equipment.
- **Timing of release of government specifications for telemetry and in-situ testing:** Water users feel they have not been given enough time to comply by the first rollout date of 1 December 2019.
- **MACE meters.** ‘MACE’ meters are widely used by water users across NSW, particularly in the inland northern regions, and users were concerned popular models from this brand of meter may not achieve certification in time for users to be compliant. Detailed feedback on MACE meters was provided in a number of written submissions. These submissions queried whether MACE meters are compliant; pointed out that MACE meters are a common choice because they are less expensive and easier to source; and suggested there was limited opportunity for water users to investigate other technology because options available for larger pipe sizes are few, too expensive and/or difficult to find.
- **Availability of duly qualified persons.**
There was particular concern about the availability of duly qualified persons, particularly at the beginning of the compliance period. Although stakeholders were informed that training of more duly qualified persons was underway and that duly qualified persons from interstate could enter the market, there was scepticism as to whether this would make an impact in time. Water users also had concerns about pricing of the services of duly qualified persons.

- **Rushed implementation:** Many water users felt that implementation is being rushed and believed that allowing more time will give a greater chance of successfully implementing changes.
- **Costs:** Nearly two thirds of written submissions raised concerns about costs to water users due to the new rules. This includes the costs of installation, re-installation for equipment deemed non-compliant, as well as ongoing maintenance and reporting costs. Upfront costs were a concern for some who felt that suppliers would increase their costs due to the niche market. Installation costs required in the short term would also be exacerbated by the financial hardships caused by current drought conditions.
- **Requests for an extension to the rollout dates:** Water users asked for an extension to the start of the metering rules. Over a third of written submissions called for an extension to the 1 December 2019 deadline. The reasons for this include:
 - lack of water, an essential component required to demonstrate compliance (as pumps must flow in order to be tested)
 - lack of information—technical, rule-based or otherwise—required for water users to achieve compliance
 - financial hardship, particularly associated with the continuing drought. Although the availability of supporting measures (low-interest loans, grants, etc.) were communicated to water users, they remain sceptical about the affordability of the new framework in the context of the continuing drought. Concerns were raised with regard to the expense of sourcing and maintaining meters and telemetry systems, particularly the expense involved in inspecting and testing buried meters.
- **Reporting:** Generally, water users felt that—where telemetry would not apply—three-monthly reporting was too frequent. It was suggested that reporting should coincide with billing cycles, to help reduce the amount of administrative work and streamline due dates. This view was not universal and some stakeholders felt that more frequent reporting should be required. Regulated water customers are issued bills quarterly, while groundwater and unregulated water customers are issued bills annually.

Government-owned meters

Government-owned meters and their transfer was discussed in more than one-third of written submissions. Commonly raised issues were:

- The **meters should remain in government ownership** under the existing arrangements.
- Water users expect that if government does go ahead with transferring meters to private ownership, it should **ensure that the meters are compliant with the new standards and fully fund the associated costs** before transferring ownership.
- When a transfer of ownership occurs, **the depreciation component of the annual metering service charge**, imposed by WaterNSW, **should be refunded**.

Technical issues

- **Metering:** Water users asked many questions about the technical side of water meters and data loggers. In particular, they were concerned about the technicalities of breaking seals in order to conduct maintenance on meters, and whether that would impact compliance and validation. There were also queries about which data loggers would be approved for use under the framework. There is significant confusion surrounding the relationship between existing metering requirements resulting from licensing conditions and the new metering rules being rolled out. In particular, some water users on unregulated water sources queried why they currently have licence conditions requiring them to have a meter when their works are below the 'size threshold' for the new metering rules.
- **Telemetry:** Water users expressed concern about the complexity of telemetry implementation, including connectivity issues and whether duly qualified persons would understand the requirements. A key theme was the desire for third-party telemetry systems to interact with the government's system, in order to avoid duplication and increase efficiency. Some water users expressed a view that their own, existing systems were more technically advanced. Water users with these more advanced systems typically expressed a view that daily data uploads were too infrequent to be useful on-farm.
- **Multiple pumps:** There is confusion about the use of multiple pumps and the criteria by which these apply to works approvals, the landholding or the water access licence. Water users also required clarification around the use of multiple pumps in manifold circumstances, particularly whether they could use one meter for multiple outlets. A small number of submitters commented on how "on-farm works" are considered in the proposal, but were supportive that on-farm water distribution would be excluded from requirements. Compliance costs are also of particular concern for water users with multiple pumps.
- **Data access and security:** Ensuring water users' access to data was a key consideration raised in the written submissions. This was complemented by verbal feedback that demonstrated that data security is important to the range of stakeholders. Other matters raised included that:
 - data should not be published, given the risk that it could be misinterpreted or misused
 - telemetry requirements may present a cyber security risk by creating additional lower—security access points to local water utility systems.
- **Seals:** The proposal for metering equipment seals to be distributed, affixed and broken by an approved person/provider was generally supported by those submitters who discussed the requirement. Many felt that this system was practical and secure. However one submitter, a meter installer, did not support the proposal because they have an existing system of seals.

Other issues

Other common issues raised include:

- **Enforcement:** Water users queried whether water meters were required to be read for works with telemetry, and were keen to hear that NRAR would be putting resources into the field to conduct audits.
- **Social licence issues:** Users expressed concern about how the new metering framework would impact their social licence. They were nervous that the NRAR voluntary compliance register and/or telemetry data would be made public, including via Freedom of Information requests. Furthermore, water users felt support structures should be in place to meet the perceived social licence challenges. They requested mechanisms be put in place to help increase communication and transparency over the rules and conditions of pumping.
- **Technical questions about the policy:** Water users wanted to know the definition of 'inactive works' and how tariffs plugged into the new framework.
- **The importance of local engagement:** Water users want an ongoing, local presence from government to explain the changes and outline what is required.
- **Consultation process:** There were a number of comments received in written submissions on the consultation period and briefing sessions. Many were thankful for the opportunity to comment on the metering rules. There were a number of submitters that felt that more time for the exhibition period and meetings was necessary.

NEXT STEPS

The government is carefully considering all other feedback received during the metering roadshow and will respond soon.



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The information contained in this publication is based on knowledge and understanding at the time of writing (September 2019). However, because of advances in knowledge, users are reminded of the need to ensure that the information upon which they rely is up to date and to check the currency of the information with the appropriate officer of the Department of Planning, Industry and Environment or the user's independent adviser.