

# NSW Water Metering Consultation

What we heard

November 2018





# Implementing a robust metering framework

## Context

**In December 2017, the NSW Government released the Water Reform Action Plan setting out its commitment to deliver fair and transparent water management for the state.**

Implementing a robust metering framework is a cornerstone of the reform program. The purpose of the metering framework is to improve the standard and coverage of water meters across NSW. The objectives of the metering framework are:

- That the vast majority of water take is accurately and reliably measured
- That meters are accurate, tamper proof and auditable
- That undue costs on smaller users are minimised
- That metering requirements are practical and can be implemented effectively.

Two phases of community consultation, economic analysis and technical expertise have informed the metering framework and regulation, commencing on 1 December 2018.

We undertook the first phase of community consultation on a draft metering framework in March and April 2018. The purpose of this consultation was to seek feedback on:

- options for setting a metering threshold to exempt small and low risk users from the 'no meter, no pump' requirement
- proposed metering standards
- roll-out periods for the metering program, including potential market barriers
- whether meters should be privately or government owned.

Feedback from stakeholders and the community was taken into account when developing the *Water Management Act 2000*, which passed Parliament in June, to provide the legislative basis for the new metering framework.

In early August we held a technical forum with participants including water users and government agencies water users, meter and telemetry manufacturers and installers, and other representative groups to get constructive input from those in the business and on the ground. We also established an expert panel with academics in various fields to give a different perspective to help us navigate these technical areas.

In August and September 2018 we conducted a second round of community engagement to gather comments and feedback on the proposed metering framework and draft regulation. We released a consultation paper presenting the draft framework. The consultation paper included a number of questions seeking feedback on aspects of the draft framework. The submission period for the consultation ran from 27 August to 30 September. We hosted a series of community events and attended stakeholder meetings in a number of locations around NSW.

The aim of the second consultation program was to seek feedback on proposed metering requirements and draft regulation, to ensure that the final policy and regulation would be practical and could be implemented effectively.

We conducted targeted consultation on the duly qualified person requirements and maintenance specifications.

## Purpose of this paper

The purpose of this paper is to summarise what we heard during the second round of community consultation and outline how we have responded to the feedback.

## Quick stats

**60**



submissions received

**17**



engagement events including a state-wide webinar

over

**150**



questions/comments

**11**



locations around NSW

**102,778**

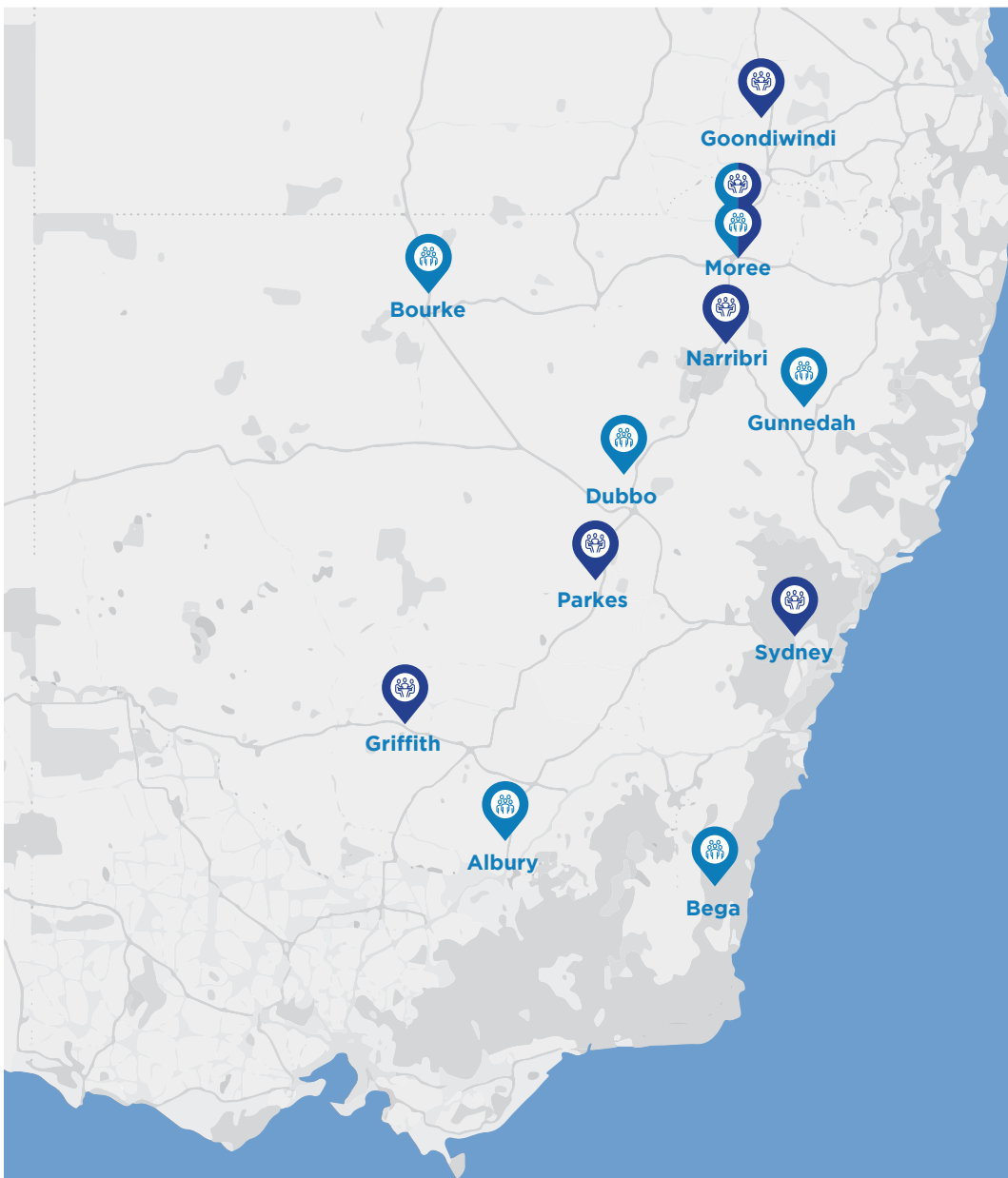


social media views

**6**



newspaper ads



# What we heard

In the written submissions to the consultation paper and at the community and stakeholder events, we heard:

- strong support for a high standard of metering, with the majority of respondents recognising the importance of accurate and reliable equipment to manage our water resources and to deliver a strong compliance and enforcement framework
- strong support for a staged, risk-based approach to rolling out the proposed metering framework
- broad acceptance of the importance of regular maintenance, with some concerns about the cost and availability of duly qualified persons to undertake it.

Community members and industry stakeholders also raised a number of concerns about aspects of the proposed framework. These are summarised below. The following section of this report sets out changes to the framework in response what we heard during the consultation.

- 1. Timeframes for implementation**, or the roll-out schedule, were of significant concern with comments suggesting the lead-time before the policy comes into effect could be too short. There were a number of related key issues, including availability of pattern approved meters and availability of duly qualified persons to install, validate and maintain meters. This also raised concerns about repair times for faulty meters, but there were also strong views that pumping should not be allowed if meters were faulty or non-operational. Most feedback suggested that the proposed timeframes were too short, although a few stakeholders felt that they were too generous.
- 2. Reliability of telemetry equipment** was a commonly raised concern throughout the consultation. A number of people identified challenges with phone or internet coverage in regional areas.
- 3. Cost of telemetry equipment** Others were concerned that the benefits of telemetry for small, lower risk users would not justify the costs to these users.
- 4. Who will need a meter** was a common topic for consultation, with users seeking clarification on how the proposed framework will apply in real-world scenarios, with many respondents requesting specific advice about their particular infrastructure set up, for example, portable meters.
- 5.** Some stakeholders called for **exemptions for small or infrequent users**, arguing that these users present minimal risk to the water source.
- 6. Coastal users** submitted that they operate under different conditions to inland users. They had concerns about costs and technical challenges for portable pumps. Some stakeholders called for coastal users to be subject to less rigorous requirements.
- 7.** Different requirements were requested for metering **open channels** because of challenges in applying the framework to them and availability of pattern approved meters for their circumstances.
- 8. Private ownership of meters** was largely not supported by stakeholders already part of the government metering scheme, with some believing that the government was transferring its responsibilities to users, and that private ownership would exacerbate negative perceptions about compliance.
- 9. Meter accuracy testing** requirements and processes for existing meters were common concerns in the public information sessions and stakeholder meetings.
- 10. Costs of implementation** were raised in a number of contexts related to the proposed framework, especially given the financial stress that drought is already creating for water users.

# How we responded

**When considering stakeholder feedback, we took the following policy principles into account as these underpin the new metering framework:**

- That the vast majority of licensed water take is accurately metered
- That meters are accurate, tamper proof and auditable
- That undue costs on smaller water users are minimised
- That metering requirements are practical and can be implemented effectively.

## Later commencement date for some aspects of the regulation

To address the concerns about implementation timeframes being too short, 1 April 2019 is the new commencement date for the requirements relating to new and replacement meters and faulty meters (previously 1 December 2018).

The adjusted date will allow further time for the meter market to mature and to ensure all systems are in place. It will also allow more pattern approved meters to become available, and for more duly qualified persons to become certified to carry out work in relation to meters. All other roll-out dates in the framework will remain unchanged.

Water users are encouraged to install compliant meters where possible before this date.

## Adjusted telemetry threshold

In response to the community's feedback that telemetry costs may outweigh the benefits for small and low risk users, we have adjusted the telemetry threshold to require telemetry only on surface water works of 200mm or larger. This links the telemetry requirement to larger works where automated data transmission is likely to have the greatest benefits for water management and compliance.

There will be no telemetry required for groundwater. This is because the vast majority of groundwater users have a yearly allocation, with no additional timing "triggers" (such as placing an order, or water levels reaching a commence-to-pump threshold) for when they can take water. Accordingly, communicating real time water take data is not required.

Changing the telemetry threshold significantly

reduces the cost to small users, many of whom are on the coast. This helps address concerns about undue cost burdens on these stakeholders.

All new and replacement meters will need to have data loggers that record water take data in real time and be telemetry capable (as required under AS4747). Water users without telemetry will be required to regularly report on their water take.

The telemetry threshold will be reviewed as part of the five year review of the metering framework. At that time, the market is likely to have developed more sophisticated, cost-effective telemetry solutions.

## Alternative option to pattern-approval for open channels

In response to concerns raised about how the proposed framework will apply in real-world scenarios and about availability of pattern approved meters for their circumstances, we considered whether alternative options were needed in some situations.

Recognising that there are some unique challenges with metering open channels, an alternative option to pattern-approval has been included in the regulation to ensure that they will still need to demonstrate a high level of accuracy. There are currently no pattern-approved meters available for open channels.

## Allowance for 'inactive' works not to be metered

Surface water supply works that have been disabled and are not physically able to take water will be able to be identified as 'inactive' on work approvals and will not require meters.

This change is in response to the feedback received during the consultation that water users still want to keep these works as a potential future asset. This will apply to surface water works only, as groundwater bores have specific decommissioning requirements to reduce risks of groundwater contamination. Applications for 'inactive' works will need to be assessed on a work-by-work basis. To be considered inactive, water users will need to demonstrate that the work is incapable of taking water. For example:

- pipes removed and pump disabled, or
- pipes are sealed shut and connected to a tamper proof device.

This change will address some of the cost concerns by water users particularly those with multiple works.

## Coastal and smaller users

The metering threshold will remain at 100mm for surface water and 200mm for groundwater. We are not proposing to change these because lesser standards would be inconsistent with the policy principles set out above.

These thresholds already take into account that smaller users often pose a lower risk to the water source by exempting the smallest works. Coastal users tend to have smaller works than inland users, so this threshold also recognises some of the differences in risk between these users.

As noted above, the changes to the telemetry threshold and ability to mark some works as inactive will also alleviate some of the costs on smaller users, many of whom are on the coast.

We also considered their concerns about portable pumps, but are satisfied that pattern approved meters are feasible for these works. Portable pumps will be required to comply with the framework if they meet the metering thresholds.



## Capacity threshold for multiple works

The consultation paper sought feedback on two options for how the policy could treat multiple works. Option one, which was in the draft consultation regulation, was to require all works to be metered if there were multiple works on a licence, work approval or landholding. The second option was to only require meters on multiple works where their cumulative capacity to take water was equivalent to the metering thresholds.

Based on what we heard, an equivalent capacity threshold will be applied to multiple works, meaning that multiple works below that capacity threshold will not need to be metered. This approach is consistent with linking the metering requirement to the user's physical capacity to take water. In practical terms, this will mean that users who meet the following scenarios will not require meters on their works:

### Surface water:

- 2 pumps, each of which is smaller than 75mm,
- 3 pumps, each of which is smaller than 50mm, or
- 4 pumps, each of which is smaller than 40mm.

### Groundwater:

- 2 bores, each of which is smaller than 160mm,
- 3 bores, each of which is smaller than 130mm, or
- 4 bores, each of which is smaller than 120mm.

## Transfer of meters to private ownership

We note people's concerns about transferring ownership of government-owned meters to private ownership. The transfer of government-owned meters does not form part of the current metering regulations. We will undertake further work and consultation to resolve this issue in 2019.





## Next steps

The metering framework will be implemented through new provisions in the *Water Management (General) Regulation 2018*, commencing on 1 December 2018. We have also published a maintenance protocol, which is an instrument under the regulation, and a list of duly qualified persons.

The requirement for all new and replacement meters to be pattern approved and validated according to AS4747 will commence on 1 April 2019. The new faulty meter requirements will also commence on this date.

A data and telemetry specification providing information about requirements for meter data reporting and transmission to the government's databases will be published on 1 April 2019.

We will publish guidance and tools for our website to support water users for compliance with the metering requirements. This will include a list of pattern approved meters,

information on the number and sizes of meters that will be required in each region, an online 'calculator' to help you determine your metering requirements as well as a range of online forms and templates.

In the second half of 2019, we will consult on reasonable use guidelines for stock and domestic water use, as well as any changes to mandatory conditions arising from the metering framework.

We are committed to a five-year review of the metering framework. We will be developing an evaluation plan and collecting data as the policy is rolled out to support the review and adaptive management of the framework.



Image: Murray Darling River

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## More information

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