

# Water Reform Action Plan

Community consultation—what we heard

June 2018



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**Water Reform Action Plan community consultation—what we heard**

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**More information**

Water Renewal Taskforce

[industry.nsw.gov.au/water-reform](http://industry.nsw.gov.au/water-reform)

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# Summary

## Context

Water is one of the most important natural assets in New South Wales. The community, business and the environment all rely on water to survive and prosper.

In December 2017, the NSW Government released the Water Reform Action Plan, with the objective of delivering on the state's responsibility to ensure there is an equitable and transparent approach to the management of water for current and future generations.

The goals of the plan are to:

- introduce best practice for water management
- ensure transparency in how we share, allocate and manage water
- build a compliance and enforcement regime that ensures strong and certain regulation
- build capability to support implementation of water reforms.

## Delivering the Water Reform Action Plan

Quarterly updates on the delivery of the outcomes of the Water Reform Action Plan can be accessed on [industry.nsw.gov.au/water-reform](http://industry.nsw.gov.au/water-reform)

As part of the ongoing delivery of the plan, the NSW Department of Industry—Lands & Water (the department) undertook a consultation program across the state between 13 March and 13 April 2018, consulting with the community about the water reforms across key topics:

- implementing a robust metering network
- increased transparency in water management
- better management of environmental water
- implementing the floodplain harvesting policy.

An Exposure Bill, the draft Water Management Amendment Bill 2018, was also released as an example of the mechanisms that could be enacted to enable key elements of the reform.

A wide range of stakeholders provided feedback during the consultation process, including Commonwealth, state and local government agencies, industry peak bodies, agricultural representative groups, water-user representative groups, Aboriginal organisations, environmental groups, irrigator corporations, water infrastructure providers, manufacturers and installers, small- and large-scale farm owners, agricultural finance providers, fisheries groups, private landholders and members of the general public.

### Quick statistics



### Locations of community consultation events and stakeholder briefings across NSW

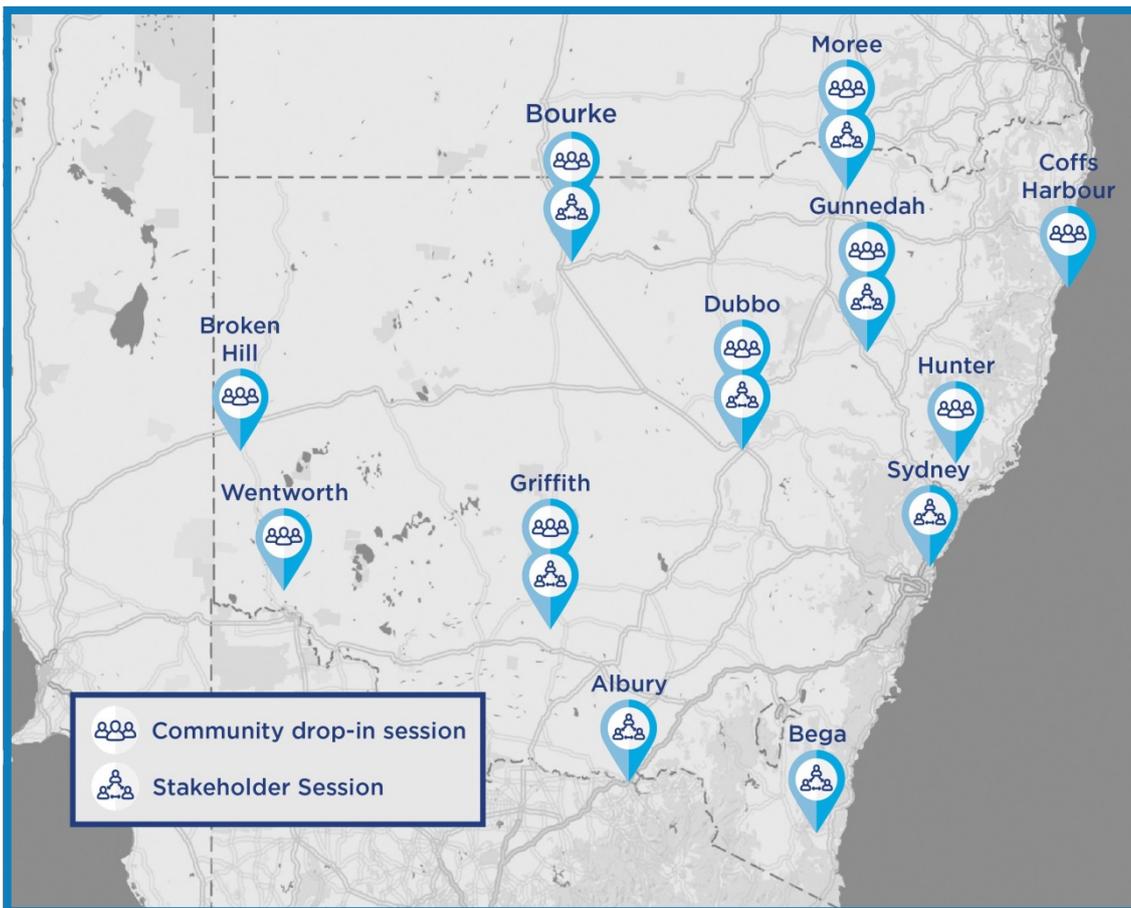


Figure 1. Consultation and stakeholder locations

## What we heard

The key messages that emerged from the consultation program included:



Need for improved regulation, compliance and enforcement



A focus on long-term environmental outcomes



Strong support for metering of licensed take



Improved clarity and simplicity on rules



Clear and open communications on possible changes



The need for a comprehensive public register that holds all water data in one place



Cost effectiveness of reforms



Staged roll-out of the reforms



Consideration of potential impacts to existing entitlements



Value of ongoing consultation



Aboriginal representation and protection of cultural flows



Differences between inland and coastal systems

# Implementing a robust metering framework

## What we heard

### Strong stakeholder support for metering the large majority of water take

- Need to take into account the cost impact, particularly for coastal stakeholders and small water users
- Some stakeholders suggested that stock and domestic use should also be accounted for as cumulative use can be significant.

### Transitional arrangements for meters

- Need to account for any market barriers such as insufficient approved meters on the market and insufficient installers to meet demand
- Need to consider transitional arrangements for existing meters that are new and/ or accurate.

### Private ownership

- Most water users groups generally supported private ownership of meters
- Suggestions were made that the NSW Government should consider financial assistance to help small water users and coastal users.

The consultation paper presented a range of options and questions, seeking feedback on how the NSW Government could deliver on its commitment to implement a robust metering framework.

The vast majority of respondents agreed that accurately measuring water is necessary for both managing our valuable water resources, and providing a foundation for delivering a robust and defensible compliance and enforcement framework.

However, people were concerned about how much this would cost, and the practical implications of having to change water meters, particularly if they are relatively new or have been verified as being accurate.

Suggestions were put forward for thresholds that could be applied for when metering is required. While there was a range identified, it was consistently noted that cost considerations should be taken into account, particularly for small water users. There was also commentary around the cost versus benefit for the same metering requirements being applied in coastal areas, given the differences when compared to inland rivers systems.

Transition periods and grandfathering of existing accurate meters were also suggested as practical steps to implement any future metering framework. There was a general view that high-risk areas and/or large water users should be prioritised in the first instance, with the reforms then being rolled out into other areas across the state. Having transitional arrangements for existing meters that have been verified as accurate was also seen as a practical measure to assist in speeding up the reforms, address any market shortfall in providing pattern approved meters, as well as managing cost impacts.

The use of telemetry and accurate data capture was also raised, with many people noting the positive benefits including assisting on farm management practices, as well as monitoring, transparency and compliance. However, costs and practicality of implementation (for example, whether or not you can retrofit existing meters) were noted as an issue again, and the need to ensure any requirements accounted for these.

Overall, there was general support for private ownership of meters. However, many people noted that a mix of government and private ownership may be a practical means to achieve early roll-out of meters. That is, government may be able to assist in funding early delivery of meters where cost is an issue. Stakeholder groups who benefited from previous government roll outs and coastal stakeholders noted support for government ownership. Some respondents suggested ownership wasn't really the issue, and that compliance and monitoring is where the government should focus its attention.

## Where to from here

The NSW Government has developed a series of draft metering requirements that we will discuss further with stakeholders over the coming months. Legislative amendments will be introduced that allow the details of these requirements to be developed in regulations, and we will consult on the draft regulations before they commence.

It is proposed that the threshold for meters to be required will be based on infrastructure size. Meters will need to be auditable, accurate, and verifiable, and log books will be phased out and replaced with an online portal. The objective is to ensure meters over the threshold are telemetered. We will continue to consult with the community on the pathway to achieving this.

Importantly, metering requirements will be staged over five years to allow for the highest-risk users and areas to be prioritised and to allow the market to respond with adequate numbers of meters and enough qualified people to install them.

Details of the draft requirements can be accessed via [industry.nsw.gov.au/water-reform](http://industry.nsw.gov.au/water-reform)

# Better management of environmental water

## What we heard

- High level support to introduce changes to areas of highest environmental sensitivity or at greatest risk, such as the Barwon–Darling system in the Northern Murray–Darling Basin (northern basin)
- Strong support for better management of environmental water, but concern expressed by some that this should not be at the expense of existing water entitlements
- Concern about the potential for new legislative tools to apply to all types of water sources across the state, given the particular challenges that have been identified in unregulated water sources
- Requests for further information and consultation on measures, particularly those that could impact on water user's reliability
- Recognition that environmental water provides a range of benefits, including social and cultural benefits.

There was strong support for the principle that the environment, including environmental water, should be protected for the long-term. There was also commentary around the significant economic, environmental and social benefits associated with access to reliable water sources.

Existing water users noted concerns with the scope of some of the proposed legislative measures in the Exposure Bill, particularly the imposition of conditions on existing licences without consultation. It was suggested the existing water-sharing plan framework already provided sufficient tools without the need for further legislative mechanisms.

Stakeholders broadly acknowledged that regardless of the measures implemented, they needed to target high-risk areas such as the northern basin in the first instance.

Nearly all respondents highlighted the need for ongoing consultation regarding the proposed measures and implementation, including through the existing consultation mechanisms for water sharing plans. This additional consultation should focus on potential impacts of the proposed measures based on scientific evidence, and consider mitigation measures.

Submissions from Indigenous groups outlined the importance of taking into account the need for protection of environmental water for cultural reasons, and requested that Indigenous groups be further consulted on the detail of any reforms relating to water.

An Intergovernmental Working Group (IWG) with NSW and Commonwealth Government agency representation was established in February 2018 to develop options on how the NSW Government could deliver on its commitment to better manage environmental water. Incorporating feedback received during the consultation period, the IWG recommended a package of interim and enduring solutions for the better management of environmental water. The report from the IWG can be found at [industry.nsw.gov.au/water-reform/better-management-of-environmental-water](http://industry.nsw.gov.au/water-reform/better-management-of-environmental-water)

## Where to from here

We are progressing the package of interim and enduring solutions for the better management of environmental water set out in the IWG report.

This includes the roadmap that outlines further work—focusing on the northern basin— needed to progress implementation of the identified interim solutions between now and July 2019, with a particular focus on the northern basin.

This work includes consultation to better understand the potential benefits and impacts of the options being considered and will identify possible mitigation measures. Where solutions involve changes to water sharing plans, consultation will be aligned with existing processes.

We will introduce legislation to facilitate these changes, including enabling specific changes in the Barwon–Darling Water Sharing Plan, following further consultation. Regulations which implement the new legislative tools will also be consulted on.

# Increase transparency in water management

## What we heard

- Strong support for a comprehensive public register—all information accessible in one place
- Concern about commercially sensitive information being published—specifically real-time meter readings and account balances
- Significant support for a web mapping tool/GIS platform as the preferred format
- Publication of compliance actions supported
- General support for a single source of authority on when water take is permitted.

The consultation paper presented a range of options and questions, seeking feedback on how the NSW Government could deliver on its commitment to increase transparency in water management and meet the needs of industry and the wider community.

While a broad range of views were expressed, it was generally acknowledged that there is a need to improve transparency and accessibility of water resource information to build public confidence and support a more compliant culture among water users. Ensuring information is accessible in one place, for example via a public register, was supported by a range of stakeholders.

Generally, people agreed that the regulator should have access to the information it requires to ensure compliance. However there was some concern about making all information publicly available—particularly commercially sensitive information. Privacy issues, misuse of information, compromised commercial interests and the manipulation of the market were identified as potential issues with making this type of information publicly available. That said, some people we heard from felt that all information should be made available in order to promote a culture of voluntary compliance.

There were mixed views on whether the level of information that is currently available on the NSW Water Register and Water Access Licence Register is enough to ensure transparency. However, it was acknowledged that there is an opportunity to simplify and re-organise existing information to make it more accessible to water users, stakeholders and the broader community. A web mapping tool or GIS platform was supported as a means of improving accessibility and usability of information.

Overall, there was general acknowledgement of the need to ensure that any data collected is accurate, and is made available to the regulator in a timely way. Aggregating data and delaying the public release of sensitive information were suggested as ways to ensure the interests of water users are protected.

Generally, stakeholders were supportive of a single source of authority on when water take is permitted. There was also general support for the publication of compliance and enforcement activities.

## Where to from here

We heard that people want easy access to water information in a single location to find information about water entitlements, allocation and use. To address this need, legislation will be introduced to establish a single public register where water information will be brought together and made easily accessible.

The single public register will be developed in stages. Firstly, we will make more readily available the information that already exists on a number of other public registers. In later stages, as more information becomes available through improvements to metering and telemetry, additional information may be made available.

We are carefully considering the concerns raised about water account information that may be commercially sensitive and ways that these risks may be managed. For example, we are investigating where these sensitivities can be managed by publishing aggregated information.

# Draft Exposure Bill

## What we heard

There was strong support for a clear, enforceable and transparent regulatory and compliance regime.

Stakeholders also requested further information on how the legislation would be implemented.

To support the implementation of the Water Reform Action Plan and the options proposed in the consultation papers, amendments will be required to the *Water Management Act 2000* and *Natural Resources Access Regulator Act 2017*.

A number of people noted the need for a certain, enforceable and transparent regulatory and compliance regime generally, to deter people from doing the wrong thing, and that these measures should be included in legislation. Some suggestions included:

- tougher penalties
- suspending pumping if rules are breached
- additional compliance officers.

Detailed comments were provided on the draft Exposure Bill by water users, who raised concern that a mandatory conditions framework was being introduced that circumvents the consultation process in the existing water sharing plan framework. Some stakeholders expressed concern that the proposal to impose mandatory licence conditions by regulation could be used to limit extraction entitlements without consultation or compensation.

## Where to from here

We heard that the community and water users want further opportunities for consultation.

Accordingly, the legislation will require that regulations that impose mandatory conditions will be subject to a minimum 28-day public exhibition period (unless the condition is mechanical in nature or will have minor effect). Further, we will consult on regulations that implement new legislative tools.

In response to the feedback about compensation for mandatory conditions, the compensation provision will not be in the proposed legislation. This provision was never intended to impact on water allocations or change the current compensation framework.

We also heard strong support for a more robust and transparent enforcement framework. The legislation we are bringing to NSW Parliament will permit higher monetary penalties, provide the Natural Resources Access Regulator with additional enforcement tools such as enforceable undertakings and compliance audits, and enable details of enforcement actions to be published.

## Next steps

The vision for water management in NSW is a strong, transparent and enforceable system that supports our water users and communities. The people of NSW want a water management system that is simple and straightforward, however, they also want a system that is nuanced, allowing for local solutions and able to mitigate adverse impacts on water users.

We still have a long way to go, but we are on track to strike a balance and manage our water resources for current and future generations.

What we have heard during the consultation period has helped the NSW Government shape its policy positions and is informing implementation. Our next step will be the introduction of legislation into NSW Parliament in June 2018.

The NSW Government recognises that further consultation is required regarding elements of the proposed metering policy that would be implemented via regulation. Following the passing of legislation, we will commence further consultation with community on regulations to implement the metering reforms.

In order to keep the momentum of the reforms, in parallel to this we will also be conducting additional consultation on the scope and implementation of enduring solutions to better manage environmental water. This consultation will be timely and will be a real opportunity for the community to raise potential impacts of proposed changes and discuss possible mitigation.

The NSW Government is committed to effective and genuine engagement with stakeholders and the broader community; such engagement leads to better public policy outcomes.

Delivery of other actions within the Water Reform Action Plan will continue throughout 2018 and 2019, with the NSW Government committed to regular progress reports.

## More information

NSW Department of Industry

[industry.nsw.gov.au/water-reform](http://industry.nsw.gov.au/water-reform)

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