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# SUBMISSION

## **Water Management (General) Amendment (Miscellaneous) Regulation 2020**

October 2020



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## NSW Irrigators' Council

The NSW Irrigators' Council (NSWIC) is the peak body representing irrigation farmers and the irrigation farming industry in NSW. Our members include valley water user associations, food and fibre groups, irrigation corporations and commodity groups from the rice, cotton and horticultural industries.

Through our members, NSWIC represents over 12,000 water access licence holders in NSW who access regulated, unregulated and groundwater systems. NSWIC engages in advocacy and policy development on behalf of the irrigation farming sector. As an apolitical entity, the Council provides advice to all stakeholders and decision makers.

Irrigation farmers are stewards of tremendous local, operational and practical knowledge in water management. With more than 12,000 irrigation farmers in NSW, a wealth of knowledge is available. Participatory decision making and extensive consultation ensure this knowledge can be incorporated into best-practice, evidence-based policy.

NSWIC and our members are a valuable way for Governments and agencies to access this knowledge. NSWIC offers the expertise from our network of irrigation farmers and organisations to ensure water management is practical, community-minded, sustainable and follows participatory process.

NSWIC welcomes this opportunity to provide a submission on the Draft Report for the *Water Management (General) Amendment (Miscellaneous) Regulation 2020*.

NSWIC sees this as a valuable opportunity to provide expertise from our membership to inform the Inquiry. Each member reserves the right to independent policy on issues that directly relate to their areas of operation, expertise or any other issues that they deem relevant.

## NSW Irrigation Farming

Irrigation farmers in Australia are recognised as world leaders in water efficiency. For example, according to the Australian Government Department of Agriculture, Water and the Environment:

*“Australian cotton growers are now recognised as the most water-use efficient in the world and three times more efficient than the global average”<sup>1</sup>*

*“The Australian rice industry leads the world in water use efficiency. From paddock to plate, Australian grown rice uses 50% less water than the global average.”<sup>2</sup>*

Our water management legislation prioritises all other users before agriculture (critical human needs, stock and domestic, and the environment), meaning our industry only has water access when all other needs are satisfied. Our industry supports and respects this order of prioritisation. Many common crops we produce are annual/seasonal crops that can be grown in wet years, and not grown in dry periods, in tune with Australia's variable climate.

Irrigation farming in Australia is also subject to strict regulations to ensure sustainable and responsible water use. This includes all extractions being capped at a sustainable level, a hierarchy of water access priorities, and strict measurement requirements.

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<sup>1</sup> <https://www.agriculture.gov.au/ag-farm-food/crops/cotton>

<sup>2</sup> <https://www.agriculture.gov.au/ag-farm-food/crops/rice>



## NSW Irrigators' Council's Guiding Principles

Integrity	Leadership	Evidence	Collaboration
Environmental health and sustainable resource access is integral to a successful irrigation industry.	Irrigation farmers in NSW and Australia are world leaders in water-efficient production with high ethical and environmental standards.	Evidence-based policy is essential. Research must be on-going, and include review mechanisms, to ensure the best-available data can inform best-practice policy through adaptive processes.	Irrigation farmers are stewards of tremendous knowledge in water management, and extensive consultation is needed to utilise this knowledge.
Water property rights (including accessibility, reliability and their fundamental characteristics) must be protected regardless of ownership.	Developing leadership will strengthen the sector and ensure competitiveness globally.	Innovation is fostered through research and development.	Government and industry must work together to ensure communication is informative, timely, and accessible.
Certainty and stability is fundamental for all water users.	Industry has zero tolerance for water theft.	Decision-making must ensure no negative unmitigated third-party impacts, including understanding cumulative and socio-economic impacts.	Irrigation farmers respect the prioritisation of water in the allocation framework.
All water (agricultural, environmental, cultural and industrial) must be measured, and used efficiently and effectively.			Collaboration with indigenous nations improves water management.



## Introduction

The NSW Irrigators' Council (NSWIC) welcomes this public consultation on the *Water Management (General) Amendment (Miscellaneous) Regulation 2020* (herein, the Amendment).

NSWIC supports the continued improvement of metering, monitoring, and measurement and the reporting of such actions for all water users across the state. This is crucial to ensure irrigators' continued stewardship of our river systems and to reaffirm the wider community's trust in the sector and its practices.

However, this submission outlines several key concerns and recommendations to ensure the amendments effective implementation.

NSWIC is of the understanding that the intent of this Amendment is to establish monthly self-reporting requirements for "water users with a meter who use a pump, bore or other work to take licensed water and unlicensed water" and "water users who have a meter but not telemetry." NSWIC is of the understanding that this Amendment is an unfinished part of earlier regulation - the *Water Management (General) Regulation 2020* – and is intended to address gaps on the frequency of reporting requirements (which current legislation is not clear on). NSWIC is of the further understanding of the intent to ensure consistency and equity between all water users.

## Overview

### Key Points/Findings

- Reduced services by WaterNSW for customers.
- This Amendment must not substitute, nor disincentivise, the frequency of meter reading by WaterNSW.
- Unclear commencement date and outline who is impacted.
- Accuracy issues relating to human error.
- Additional administrative burden for water users.
- Concerns of usability of online reporting portal.

### Recommendations

- A clearly outlined 'sunrise clause' for each impacted user group.
- A well-outlined pathway for water users to amend incorrect take reports which were a result of human error.
- Consistent WaterNSW auditing of self-reported water take to maintain public confidence in the sector.
- The reporting requirement be reduced to months where water is taken.
- Consult further with growers about the usability of the 'reporting portal'.
- An optional postal reporting system for water users with limited or no capacity to report online.
- WAMC metering service charges to appropriately reflect metering services provided by WaterNSW.



## Submission

### Reduced WaterNSW services for customers

NSWIC has concerns that this Amendment may result in a reduction in services from WaterNSW, with duties historically performed by WaterNSW transferred to water users.

The operating licence for WaterNSW states “*WaterNSW must determine the volume of water Extracted by, or Supplied to, each of its Customers, at least annually, for the purpose of accurate account management, billing and reporting.*” Whilst reporting ‘at least annually’ is the minimum requirement, the standard practice of WaterNSW has historically been to perform more frequent meter reads. Water users have reported that the frequency of meter reading by WaterNSW has progressively reduced over time.

The Amendment has left many of our members concerned that WaterNSW will default to its minimum requirements if the regulation is passed, owing to an increased reliance on self-reporting by water users on the frequent monthly basis. This potential reduction in meter reading services will not only undermine the sectors’ social licence if verified data is not readily available, but contradicts the *First Flush Final Report* which highlighted that annual metering by WaterNSW was not sufficient and that more frequent and “an event-based meter run” would ensure better data collection.

This Amendment must not substitute, nor disincentivise, the frequency of meter reading by WaterNSW.

Additionally, meter reading is a service that water users pay for, and have long paid for. As evidenced in the recent IPART Issues Papers: “*WaterNSW is now responsible for undertaking WAMC’s licensing functions, providing metering services and account management services to water management customers in NSW*”<sup>3</sup>.

Recent price proposals for the provision of Water Administration Ministerial Corporation Services (WAMC) from 1 July 2021, have included a significant price increase (22% over 4 years) for improved water management, specifically including “measurement of water take”<sup>4</sup>. Such a price increase for improved services is inconsistent with the observations of water users of reduced meter readings, and would be entirely inconsistent if the effect of this Amendment was to shift the reporting role to water users.

Therefore, NSWIC encourages the maintenance of regular meter reads by WaterNSW (above minimum requirements), or at the very least, the reduction in WAMC metering service charges if the duty or reporting falls on the landholder.

**Recommendation:** Maintain regular meter reads by WaterNSW (above minimum requirements), or at the very least, reduce WAMC metering service charges appropriately to reflect the level of metering services from WaterNSW.

<sup>3</sup> <https://www.ipart.nsw.gov.au/files/sharedassets/website/shared-files/pricing-reviews-water-services-rural-water-review-of-water-management-prices-from-2021/legislative-requirements-review-of-water-management-prices-from-2021/issues-paper-review-of-water-management-prices-september-2020.pdf> [P 2].

<sup>4</sup> <https://www.ipart.nsw.gov.au/files/sharedassets/website/shared-files/pricing-reviews-water-services-rural-water-review-of-water-management-prices-from-2021/legislative-requirements-review-of-water-management-prices-from-2021/joint-summary-of-water-administration-ministerial-corporation-wamc-pricing-proposals-30-june-2020.pdf>



### Clear commencement date and outline who is impacted

NSWIC members have expressed significant confusion surrounding the commencement of this Amendment and which users will be impacted. The proposed Amendment may significantly alter the current reporting requirements for landholders' water take, so clarification is essential to ensure water users and regulators alike understand the requirements, and when they come into effect.

Whilst the DPIE website<sup>5</sup> indicates that “*if these changes are made, they will come into effect in line with the existing rollout dates for the non-urban metering rules*”, the draft Amendment regulation<sup>6</sup> itself does not specify this. To the contrary, the draft Amendment regulation on consultation says:

*“This Regulation commences on the day on which it is published on the NSW legislation website.”<sup>7</sup>*

NSWIC recommend a sunrise clause is included in the Amendment regulation to address this inconsistency. The clause should clarify the intention for changes to come into effect in line with the existing rollout dates for the non-urban metering rules, and set out those rollout dates to avoid confusion. A sunrise clause is a key requirement that must be undertaken to ensure the regulation is clear, each water user understands the commencement date, and thus reports water take accordingly.

Further, whilst the proposed Amendment outlines the exclusion of users with “metering equipment that complies with clause 6 of Schedule 8” or “approved data logging and telemetry”, it is vital that water users can easily and simply assess whether they are required to report take in the proposed manner.

**Recommendation:** Insert a sunrise clause in the Amendment regulation (Part 2 – Commencement) to clarify the intention for changes to come into effect in line with the existing rollout dates for the non-urban metering rules, and to address the inconsistency of the current draft regulation.

### Accuracy issues relating to human error

NSWIC has concerns about self-reporting water take for two reasons: the possibility of culpability for simple human error and social licence issues a self-reporting method may present.

- i) Human Error:** NSWIC members have expressed their reluctance to self-report due to the potential negative impact of unintended and inadvertent human-error. Untrained staff or growers, who are performing a role previously performed by trained government officers, may unwittingly and unintentionally report an incorrect meter read that exposes them to serious prosecution from the Natural Resource Access Regulator.
- ii) Social Licence:** The NSW irrigation sector has continually worked with government and communities to ensure public confidence in the sector and its practices. NSWIC has zero-tolerance for malpractice and is guided by the key principle of integrity, and that environmental health and sustainable resource

<sup>5</sup> <https://www.industry.nsw.gov.au/water/metering/water-management-general-amendment-miscellaneous-regulation-2020>

<sup>6</sup> [https://www.industry.nsw.gov.au/data/assets/pdf\\_file/0011/321302/Exhibition-Draft-Amendment-Regulation.pdf](https://www.industry.nsw.gov.au/data/assets/pdf_file/0011/321302/Exhibition-Draft-Amendment-Regulation.pdf)

<sup>7</sup> [https://www.industry.nsw.gov.au/data/assets/pdf\\_file/0011/321302/Exhibition-Draft-Amendment-Regulation.pdf](https://www.industry.nsw.gov.au/data/assets/pdf_file/0011/321302/Exhibition-Draft-Amendment-Regulation.pdf)





access are integral to a successful irrigation industry. Whilst we maintain that the vast majority of irrigators operate ethically, many growers fear that self-reporting lacks the validity and credibility of official Government reporting. Self-reported figures would be perceived negatively in the public arena and risk eroding years of work instilling public confidence in the sector. Thus, NSWIC is of the position that if monthly meter readings is to be the required frequency, this should be either conducted by WaterNSW, or at minimum, a more regular and consistent auditing/verification system must be provided (above the minimum annual requirements of WaterNSW) to ensure the broader community's confidence in the NSW irrigation sector.

**Recommendation:** To ensure reported data is frequently verified, the preference is for WaterNSW to be required to conduct more frequent meter reads than the minimum annual requirement, or at minimum, consistent auditing of self-reported water take by WaterNSW to maintain public confidence in the sector.

#### Additional administrative burden for water users

The monthly self-reporting of water take is an extremely onerous requirement that may have a significant impact on farm operations with most irrigators only taking water for limited periods each water year. Such an administration process will place significant pressure on “mum and dad” farmers with limited to no additional staff and larger businesses may have to hire additional staff or divert staff from other duties to perform the self-reporting process. This process places an additional financial burden on irrigators who have already experienced significant downturns in production in recent years. A particular example of a largely unnecessary administrative burden, is the proposal under the Amendment that:

*“if no water was taken as referred to in subclause (2)—a statement indicating that no water was taken during that month.”*

To decrease the administrative burden, NSWIC is of the position that self-reporting should only be required if water was taken within the month.

**Recommendation:** The reporting requirement to only apply to months where water is taken.

#### Concerns of usability of online reporting portal

NSWIC note that “*the NSW Government is developing an online reporting portal to make it easy for water users to report their water take*”. NSWIC is of the understanding that this is intended to be in the form of an upgrade to the existing iWAS system. NSWIC strongly encourages that water users are consulted in the early stages of this development so that the experiences of water users of the current system can inform the development.

NSWIC members are concerned about the usability of any reporting portal required to “report water take to the minister every month.” Whilst some growers have reported concerns with the usability of the current iWAS platform, it is also a great concern that more isolated irrigators with limited or no internet services may be unable to utilise such an online platform. NSWIC urges WaterNSW to consult with growers to ensure





that the reporting platform can be effectively used and that there is a realistic postage reporting system in place for growers with limited or no access.

**Recommendation:** Consult further with water users about the development of the new 'reporting portal'.

**Recommendation:** An optional postal reporting system for water users with limited or no capacity to report online should be available.

## Conclusion

NSWIC hopes that this feedback and recommendations provide valuable industry insight and assist in the implementation of water management regulation.

NSWIC and our members are available at your convenience if you have any questions or would like any further information.

Kind regards,

NSW Irrigators' Council.