

# **Department of Natural Resources and Environment Tasmania's response to the review of the *Tasmania Water Use Accountability Project* Report: Aither Report August 2023**

## **Background**

The *Rural Water Use Strategy* was released in March 2021 and is the Government's blueprint for managing the State's freshwater resources now and into the future. Water use accountability underpins effective management of water resources.

*The Rural Water Use Strategy acknowledged "that as the value of water, investment in irrigated agriculture and the size of the water market continue to grow in Tasmania, and as water management becomes more complex as different water products emerge, greater accountability is needed. Lack of accountability has the potential to undermine farm businesses and water security for other water-dependent industries if the security and certainty of water entitlements cannot be demonstrated. Contemporary water management, including accountability of water use is also important for protecting the environment, water security for town water and availability of water for stock and domestic rights."*

Water use accountability is required at the system and individual level to provide credible information that allows for evidence-based decision-making to underpin the sustainable management of water resources. At the system level, water use accountability and water accounting provides credible information to support assessments of regional demand and supply for water, and sustainable resource planning and management. The management of individual site level water use ensures transparency and confidence that water users are operating in a manner that is consistent with their rights and obligations.

An action within the *Rural Water Use Strategy* is to review Tasmania's water accountability and reporting frameworks to strengthen water use and water conveyance measurement and reporting to provide transparency, security, and investor certainty. The *Tasmania Water Use Accountability Project Report* was commissioned to inform this action and to propose improvements to the existing water accountability framework to address emerging challenges and risks and support improved water resource management outcomes.

## **Current Situation**

The *Tasmanian Water Accountability and Reporting Policy (2014)* sets out accountability and reporting obligations for all water licence holders. The overarching principles of the policy are:

- All water taken from the State's water resources under a water allocation must be accounted for in relation to that allocation and any conditions it may be subject to.
- The method used to account for water taken should be fit-for-purpose, cost-effective and based on a risk management approach.

The *Tasmanian Water Accountability and Reporting Policy* (2014) is supported by the Rural Water Meter Policy, the Rural Water Meter Decision Framework and the Tasmanian Meter Standards. All water licence holders are required by the *Water Management Regulations 2019* to keep records of water taken for a period of five years. Collectively these policies, standards and regulation form the water accountability and reporting framework for Tasmania.

The framework is almost a decade into its implementation, in which time the external environment has evolved. Water management arrangements are also growing in complexity, with multiple water managers providing access to different water products with minimal sharing of water management data across water management entities.

### Review findings

The review of Tasmania's water accountability framework found that it has historically served Tasmania's water management needs, particularly in relatively low-risk, low competition settings.

The review makes recommendations to update the framework to provide a risk-based approach to catchment management, to improve capture and sharing of water use data, and to ensure better alignment with national water initiative principles.

The review outlines that the lessons from other jurisdictions show that it is much simpler and less costly for Government to intervene and implement sustainable water management practices before water resources become overallocated. The Aither Report notes that, given its current level of surface water allocation, Tasmania is well placed to pursue improvements to the water accountability framework before long-term social and economic impacts occur as a result of over allocating water resources.

## **Department of Natural Resources and Environment Tasmania's Response to the Aither Report Recommendations**

The Government, through the Rural Water Use Strategy, has taken actions to improve water management in the State. The Aither Report supports this by providing recommendations to enhance the current Tasmanian water accountability framework.

The Department of Natural Resources and Environment Tasmania (NRE Tas) has carefully considered and scrutinised the 23 recommendations to improve water accountability within the Aither Report and has responded to each recommendation in Table I below.

NRE Tas supports all the Aither Report recommendations, with implementation advanced in a sequential manner in accordance with the assessment matrix for recommendations within the Report, and with appropriate levels of engagement with water users to occur to inform the response to each recommendation. Work has commenced on eleven recommendations due to activities already being implemented under the Rural Water Use Strategy.

The Government is investing in a project to upgrade our Water Information Management System, established a data custodian working group representative of key water managers in Tasmania and increased funding to improve our water monitoring networks.

**Table 1: NRE Tas’s response to the to the review of the *Tasmania Water Use Accountability Project Report: Aither Report (22 August 2023)***

	<b>Aither Report Recommendations</b>	<b>Response</b>	
<b>Recommendations: Fit-for-purpose water accountability</b>			
1	NRE Tasmania should undertake a state-wide risk assessment of water resources to prioritise water accountability requirements according to the specific level of risk in different catchments. Effort and resources to implement the framework should be prioritised according to the risk assessment. Risk assessments may integrate or build upon existing risk assessments undertaken to inform water planning and should be informed by a clear method and guidelines.	Support	<p>NRE Tas supports the development of a new Tasmanian catchment risk assessment framework. The framework will be developed in consultation with key stakeholders and will be informed by the Rural Water Meter Decision Framework. The agreed catchment risk assessment framework will be applied to create a risk rating for all Tasmanian catchments.</p> <p>The Tasmanian Rural Water Meter Policy and the Tasmanian Water Accountability and Reporting Policy will both be reviewed and amended to incorporate the catchment risk assessment framework.</p>
2	<p>NRE Tasmania should complete an information audit to collect information needed to inform risk assessments and decision making for future changes to the water accountability framework.</p> <p>Information collected should include:</p> <ul style="list-style-type: none"> <li>- location of different water rights (including where water users have access to multiple water products and time dependent authorisations), allocations and conditions</li> <li>- water use in priority catchments</li> <li>- location, coverage, and quality of existing meter fleet.</li> </ul>	Support Commenced	<p>NRE Tas will undertake an information audit to identify and collate all water rights and allocations, and existing water meters across Tasmanian catchments. This project will inform the application of the risk assessment framework completed at Recommendation 1. NRE Tas has commenced a desktop review to identify and collate all water rights and allocations, and existing water meters across Tasmanian catchments.</p> <p>NRE Tas will establish reporting protocol for all water entities and individuals that aligns to the catchment risk assessment framework. The data generated by annual reporting will be readily available via the Water Information Management System (Recommendation 23).</p>
3	NRE Tasmania should update its state-wide water accountability framework to provide clarity about the government’s position on the following elements:	Support	<p>NRE Tas will update and streamline the Tasmanian Water Use Accountability Framework including the Rural Meter Policy, policy recommendations from the Aither review and the outcomes of the catchment risk assessment completed under Recommendation 1.</p> <p>The revised Tasmanian Water Use Accountability Framework will document the risk assessment rating for each catchment in the State</p>

	<ul style="list-style-type: none"> <li>- the fit-for-purpose approach to prioritising water accountability requirements, and resourcing and effort for implementation based on risk</li> <li>- metering and measurement requirements</li> <li>- recording and reporting requirements</li> <li>- requirements and standards for meter selection, installation, validation, and maintenance</li> <li>- timelines for implementing the framework</li> <li>- requirements for periodic review of the policy.</li> </ul> <p>Documentation of the updated framework should be streamlined through use of a single overarching and integrated document that applies to all non-urban water use in the state (which reflects at least all the elements above in one place). The framework should be made publicly available to support regulatory certainty and stakeholder awareness of the requirements and self-compliance. NRE Tasmania may wish to resolve uncertainty on any matters before consolidating or streamlining documentation.</p>		<p>and the associated metering, recording, and reporting requirements for water users in each catchment.</p> <p>The revised Tasmanian Water Use Accountability Framework will be publicly available on the NRE Tas website.</p>
<b>Recommendations: Requirements to measure or meter water use</b>			
4	<p>NRE Tasmania should introduce the following strengthened metering and measurement requirements within the state-wide water accountability framework for all water resources (surface water and groundwater):</p> <ul style="list-style-type: none"> <li>- Mandate licensed water use to be metered subject to defined categories of risk-based exemptions (including for example small volumes of take, take in low-risk zones, inactive infrastructure as well as to address on-ground implementation considerations).</li> <li>- Adopt a preferred approach to accounting for water where a metering requirement does not apply (for</li> </ul>	Support	<p>As outlined in Recommendation 1, NRE Tas will progress, in consultation with stakeholders, a defined catchment risk assessment to inform metering and accounting of water resources.</p>

	<p>example, deemed use based on volume allocated, assessment of theoretical water use requirements, or minimum accepted methods).</p> <ul style="list-style-type: none"> <li>- Require meter implementation plans to be developed with respect to different water catchments and/or water resource plan areas that defines risk-based thresholds for meter coverage and any applicable exemptions and transitional pathways for compliance with the state-wide policy.</li> <li>- Require metering to comply with the state-wide policy.</li> <li>- Provide clarity on the state's policy position of a user pays approach to metering (for example, new and replacement meters will be privately owned and maintained at owner's expense).</li> <li>- Specify order of use or volumetric thresholds for different types of water use where multiple sources are taken through the same water meter.</li> </ul>		
<b>Recommendations: Standards for meter selection, installation validation and maintenance</b>			
5	<p>NRE Tasmania should amend the Tasmanian Standard to better align it with the rules and guidance in MAF2:</p> <ul style="list-style-type: none"> <li>- Providing an explicit requirement for all meters to be pattern-approved in accordance with AS4747 from a defined date (e.g., the date of the policy or date specified in the meter implementation plan).</li> <li>- Introducing grandfathering arrangements, for example meters installed prior to the policy may be exempted from the requirement to have pattern approved meters up to a defined date (e.g., on replacement or a fixed date) if a meter meets minimum accuracy and function requirements defined in the policy.</li> </ul>	Support Commenced	<p>NRE Tas supports in-principle the recommendation for meters in Tasmania to comply with the National Metering Standard noting that there is a limited number of contractors in Tasmania who are qualified to certify meters to the National Standard.</p> <p>The Tasmanian Standard already largely aligns with the rules and guidance for the use and regulation of non-urban water meters detailed in Metrological Assurance Framework 2 (MAF2).</p> <p>NRE Tas, in consultation with stakeholders, will develop an updated and streamlined Metering Standard that incorporates the policy recommendations from the review and continues to meet the requirements of MAF2</p> <p>NRE Tas will work with stakeholders to ensure that meter</p>

	<ul style="list-style-type: none"> <li>- Detailing requirements for the selection, installation, maintenance, testing, replacement, and validation of meters, including requirements for records of compliance with standards to be retained and provided to the relevant authority.</li> <li>- Clarify any circumstances where telemetry is required, for example under a relevant applicable meter implementation plan.</li> </ul> <p>The Tasmanian Standard could be integrated as part of the overarching state-wide water accountability framework documents (recommendation 2) or continue to be housed in a separate document.</p>		<p>implementation plans are developed in accordance with the catchment risk assessment framework and that stakeholders are supported to meet the outcomes and timelines of meter implementation plans.</p> <p>To minimise complexity, it will be considered whether the Tasmanian Metering Standard should be incorporated into the water accountability framework.</p>
<b>Recommendations: Compliance and enforcement</b>			
6	<p>NRE Tasmania should determine and apply compliance and enforcement strategies and resourcing for different water resources based on the water resource risk assessment.</p>	Support	<p>NRE Tas supports a risk-based approach to compliance and enforcement activities. NRE Tas is currently conducting water audit, compliance and enforcement activities using a risk-based approach.</p> <p>The current approach will be updated in accordance with a contemporary view of risk informed by the new catchment risk assessment framework.</p>
7	<p>NRE Tasmania should implement a water management specific compliance and enforcement policy and procedures that:</p> <ul style="list-style-type: none"> <li>- specifies how risk-based and flexible compliance pathways should be applied, including with reference to risk classification of water resources and water-related offences.</li> <li>- require compliance strategies and actions to be developed at regular intervals and approved.</li> <li>- documents roles and responsibilities for compliance including NRE Tasmania and other water managers to clarify responsibilities for strategic direction and</li> </ul>	Support	<p>NRE Tas currently conducts its compliance and enforcement activities in accordance with the NRE Tas Compliance and Enforcement Policy and Procedures as well as internal <i>Interim Policy – Enforcement Policy for the Water Management Act 1999, 2004</i>.</p> <p>NRE Tas will update and implement water management specific compliance and enforcement policy and procedures that are informed by the outcomes of the catchment risk-assessment process, including clear identification of the roles and responsibilities in catchments of all water entities and individuals and aligns with nationally accepted better practice.</p> <p>NRE Tasmania has commenced the development of an updated water management-specific compliance and enforcement policy.</p>

	leadership, operational implementation, and oversight to check that entities are delivering on their roles and functions.		
8	NRE Tasmania should review and where necessary amend legislative provisions to support enforcement of the State-wide policy and standards. For example, to provide increased flexibility to enforce lower-risk offences.	Support	NRE Tas will consider whether any legislative changes are required to support strengthened water use accountability through Action 4.1 in the Rural Water Use Strategy - <i>Identify the suite of amendments to legislation to enhance efficiency, consistency, and effectiveness of the water management framework.</i>
9	NRE Tasmania should establish platforms and procedures to publish compliance information including compliance objectives, strategies and actions taken.	Support Commenced	NRE Tas will improve access to information about water management objectives, strategies and actions and has commenced a review of existing information related to content currently on its webpages through its webpages.
<b>Recommendations: Recording and reporting water use</b>			
10	The state-wide policy framework should specify minimum requirements for recording and reporting water use (for example at least once per year), with additional frequencies able to be specified as a condition of authorisations to take water. Implementation plans should specify further detailed requirements as to the frequency or timing of recording and reporting to be reflected on approval conditions (for example, daily/weekly/monthly in high-risk systems or where time critical authorisations occur). Where meters are required, the policy should specify where validation requirements are needed (for example, annual download of data logger).	Support Commenced	Reporting standards and processes to document water use are being reviewed to support the implementation of the catchment risk assessment framework. The updated reporting standards and processes will be incorporated into the Tasmanian Water Accountability and Reporting Framework and the development of the Water Information Management System.
11	The state-wide policy framework should apply to all licensed water users including bulk water users that grant use rights to take water to other users. A bulk water user would be responsible for reporting use against its allocation in accordance with policy requirements and relevant conditions, and liable for breaches of conditions or overuse penalties. If a bulk water user is subject to the requirement	Support	Reporting standards and processes to document water use will be reviewed to support the implementation of the catchment risk assessment framework. Bulk water users will be engaged in the development and application of the catchment risk assessment and associated accountability, reporting and compliance procedures that will support the catchment risk assessment framework.



	to meter water use, it would need to implement individual use metering within the network to effectively comply with metering conditions.		
12	The state-wide policy framework should specify a standard format and process for reporting meter readings, supported by standard forms and platforms to support simplified and accurate reporting. The framework should specify cases where standard reporting format and processes differ based on risk.	Support	<p>Reporting standards and processes to document water use will be reviewed to support the implementation of the catchment risk assessment framework. This will include the development of user-friendly forms and platforms.</p> <p>NRE Tas will explore the incorporation of enhanced technology solutions options through the <i>Water Information Management System (WIMS) Upgrade Project</i> to better support collection of water meter information as well as to provide improved service to water users to be able to view their entitlements and water use.</p>
<b>Recommendations: Management of water use information</b>			
13	<p>NRE Tasmania should consider functionality for water accountability as part of the business case being developed to upgrade the Water Information Management System (WIMS) as outlined in the Rural Water Use Strategy (RWUS) WIMS Upgrade Project. The business case should consider the management systems of other jurisdictions and determine suitable approaches to be applied in Tasmania. Key functionality that should be considered alongside other water register functionality (e.g., licences, allocations, conditions) include:</p> <ul style="list-style-type: none"> <li>- Water use against allocations</li> <li>- Metering records management</li> <li>- Compliance management.</li> </ul>	Support Commenced	The Business Case for the <i>Water Information Management System (WIMS) Upgrade Project</i> considers the inclusion of functions related to water accountability. NRE Tas has undertaken a review of water registers and information management systems in other jurisdictions (SA, NSW, VIC and QLD) while completing the Business Case for the <i>Water Information Management System (WIMS) Upgrade Project</i> . The learnings from this review informed the next stage of implementing the Business Case.

<b>Recommendations: Capability and resourcing</b>			
14	NRE Tasmania should consider potential capability and resourcing issues associated with implementing Tasmania's water accountability framework, and work with other areas of government to identify and understand any skills or labour shortages issues.	Support	<p>Once the catchment risk assessment framework is completed NRE Tas will complete a resource allocation mapping process to determine how existing resources within NRE Tas will be allocated.</p> <p>NRE Tas will also work with stakeholders to understand the costs associated with the implementation of the catchment risk assessment framework and to seek appropriate levels of funding where appropriate.</p>
<b>Recommendations: Costs and cost allocation</b>			
15	NRE Tasmania should, as it has foreshadowed, undertake a thorough review of its cost allocation and cost recovery approach for rural water. This should have regard to relevant economic principles and should reflect the current and future costs of its water management activities (including an enhanced water accountability framework). It should also interrogate the current approach to water user fees and charges and seek to implement changes that are consistent with the NWI pricing principles.	Support	<p>As reflected in the Aither Report there are numerous actions in the Rural Water Use Strategy to deliver better water management outcomes that are likely to inform any review of water licence fees. Revising the National Water Initiative (currently underway) may also have implications for the broader water pricing policy framework.</p> <p>A review of Tasmania's water licence fees is planned following implementation of Tasmania's Rural Water Use Strategy and will include any changes to compliance and water management activities because of implementing the catchment risk assessment framework.</p>
16	NRE Tasmania should investigate investments made by other jurisdictions in water registers and information management systems to identify opportunities for cost savings and to provide greater confidence in future investments in technology solutions.	Support Completed	NRE Tas has completed a review of water registers and information management systems in other jurisdictions while completing the Business Case for the <i>Water Information Management System (WIMS) Upgrade Project</i> . The learnings from this review informed the next stage of implementing the Business Case.
17	NRE Tasmania should investigate opportunities to leverage national funding opportunities for water register enhancements and associated reforms to align Tasmania with national water accountability policy directions. Opportunities may also exist to help manage the costs of enhanced meter or telemetry coverage where this is immediately necessary in Tasmania.	Support Commenced	NRE Tas has successfully obtained funding from the Australian Government's National Water Grid Science Programs to implement priorities under the Rural Water Use Strategy including the Aither Report. NRE Tas will look to this program and opportunities that may arise from the review of the National Water Initiative to accelerate the implementation of the Aither Report recommendations.
<b>Recommendations: Stakeholder awareness and co-operation</b>			

18	<p>NRE Tasmania should build early community engagement into risk assessments, and amendments to and implementation of water accountability measures, based on communications and engagement plans.</p>	Support Commenced	<p>NRE Tas is delivering genuine and early engagement to support implementation of the Rural Water Use Strategy. Key stakeholders participated in workshops and case study analysis to inform the Water Use Accountability Review. Stakeholders will also be engaged in the development and application of the state-wide risk assessment as well as work to update and streamline the water use accountability framework.</p>
19	<p>NRE Tasmania should publicly publish clear, accessible, user-friendly information about Tasmania’s water accountability framework. Information should be appropriately tailored to relevant stakeholders (for example, water users, industry participants, the public). Priority information to be published includes:</p> <ul style="list-style-type: none"> <li>- The Tasmanian water accountability framework</li> <li>- The Tasmanian Standard for Non-Urban Water Meters (including reporting forms, certificates and platform for water meter notifications and information on pattern approved meters and approved meter installers/validators)</li> <li>- Tailored and accessible information to help water users, industry participants and the public understand water accountability arrangements and requirements <ul style="list-style-type: none"> <li>▪ contact information for questions on metering and reporting obligations</li> <li>▪ FAQs and user guide to the metering standard (for water users)</li> <li>▪ information for meter installers/validators.</li> </ul> </li> <li>- Implementation plans and progress reports.</li> <li>- Periodic reporting of catchment water use, metering, and compliance information.</li> </ul>	Support	<p>NRE Tas will improve access to information about Tasmania’s water use accountability framework on the NRE Tas webpages. NRE Tas will provide simple and clear information about new requirements under a revised policy, who will be affected and the timeframes for change.</p>

20	NRE Tasmania should consider how it can continue to be transparent, open, and accountable in order to build public confidence in government delivering Tasmania's enhanced water accountability framework.	Support	NRE Tas will improve access to information about Tasmania's water use accountability framework. NRE Tas is considering what information could be made publicly available through the Water Information Management System (WIMS) Upgrade Project.
<b>Recommendations: Use and transparency of water use data</b>			
21	NRE Tasmania should investigate the feasibility of providing individual water account information to individual water users. This may include providing information about water use against allocations based on reporting or access to raw water data (where possible).	Support Commenced	NRE Tas is considering enhanced technology solutions options to provide improved service to water users to be able to view their entitlements and water use through the Water Information Management System (WIMS) Upgrade Project.
22	NRE Tasmania should lead a process with Hydro Tasmania, TI, TasWater and other water entities to investigate opportunities to improve coordination and sharing of data between water managers to support efficient water resource management outcomes. This should consider sharing of information on water licensing, allocations, conditions, usage, orders and deliveries and link with surface water monitoring data. The process could be undertaken through the Water Managers and Data Custodian Working Group.	Support Commenced	<p>NRE Tas established the Water Managers and Data Custodians Working Group to collate and review data sets and monitoring programs in the State related to surface and groundwater data. Membership of the Water Managers and Data Custodians Working Group includes: NRE Tas, Hydro Tasmania, Tasmanian Irrigation, TasWater, Inland Fisheries Service, EPA Tasmania</p> <p>The Water Managers and Data Custodians Working Group has completed a review of existing freshwater datasets and established the parameters for the State-wide Collaborative Water Quality Monitoring Program.</p> <p>The Water Managers and Data Custodians Working Group will be engaged in considering data sets to support the information audit outlined in Recommendation 1.</p>
23	NRE Tasmania should review its approach to publishing water use accountability information with a focus on providing fit-for-purpose, publicly available water use, metering, and compliance information. Information should meet the usability and accessibility requirements recommended in recommendation 19. This should include:	Support Commenced	NRE Tas will improve access to water information about Tasmania's water use accountability framework. Options for providing more information about water use, metering and compliance information is also being considered through the Water Information Management System (WIMS) Upgrade Project.

	<ul style="list-style-type: none"><li>- progress on implementing water accountability reforms (including meter coverage and quality)</li><li>- annual aggregated (for example, catchment scale) water accounts for high-risk catchments and areas of public interest</li><li>- compliance and enforcement activities.</li></ul>		
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