

**Minutes**  
**Hunter River Salinity Trading Scheme Operations Committee Ordinary Meeting**  
**9 October 2017**  
**Hunter Local Land Services, Tocal**

<b>Attachments</b>
1. <i>Draft HRSTS Annual Report 2016/17 - report</i>
2. <i>HRSTS 2016/2017 Performance Report - presentation</i>
3. <i>HRSTS Expenditure Review 2016/2017 – presentation</i>
4. <i>HRSTS Credit Trading Platform Upgrade - presentation</i>
5. <i>HRSTS Gen2 Upgrade Progress to Date - presentation</i>

**Meeting opened:** 10:05am

**Present:**

<b>Members / Deputies</b>	<b>Organisation</b>
Wej Paradise – Chair	
John Watson	Glencore
Geoff Martin	Hunter Water Users Association
Chris Rooney	AGL Macquarie
Andrew Speechly	Yancoal
Darryl Dutton	Hunter Local Land Services
<b>In attendance</b>	
Bill George	Environment Protection Authority (EPA)
Mitchell Bennett	Environment Protection Authority (EPA)
Craig Cahill	WaterNSW
Brad Mulhearn	WaterNSW
Martin Prendergast	WaterNSW
Peter Hughes	Department of Primary Industries – Water (DPI-Water)

**1. Apologies:**

Apologies were received from Prashant Ghadiali (Chris Rooney attended as deputy).

**2. Minutes of ordinary meeting held 15 May 2017**

The minutes were accepted as an accurate record of the meeting.

**Resolved: Minutes of the meeting of 15 May 2017 were accepted as a true and accurate record of the meeting.**

**3. Business arising from minutes**

All matters arising from the minutes of the previous meeting were listed under agenda items.

**4.1 Organisational Arrangements**

Mitchell Bennett introduced Bill George who is now responsible for coordinating the Scheme for the EPA. The EPA is also transferring responsibility for invoicing to an administrative team based in Coffs Harbour. This should improve the efficiency of this process, but there have been delays during the transition period.

Following DPI-Water's advice that it would no longer fulfil the role of Services Coordinator, the EPA signed a service agreement with WaterNSW which took effect on 1 July 2017. The EPA will be more directly involved in project management and will work more directly with the WaterNSW personnel who are responsible for the day-to-day operation of the scheme.

DPI-Water will continue to be represented on the Operations Committee as the NSW government agency responsible for water management.

#### **4.2 HRSTS Annual Report 2016/17**

Bill George reported that from July 2016 to June 2017 there were four discharge events. Four River Registers were issued for the upper sector, six were issued for the middle sector and seven were issued for the lower sector. A total of 9387 tonnes of salt was discharged by industry. This is seven percent of the total salt load passing Singleton. Three blocks were declared as flood flows.

There were two short periods during which the salinity targets were exceeded during discharge events. This appears to be due to unusual river behaviour. The committee encouraged the EPA to make sure that these events are thoroughly investigated and more fully explained in the annual report. If necessary, the model, which is used to declare discharge events, may need to be refined. Key sections of the graph showing flow, conductivity and discharge events may need to be enlarged.

Most credits are held by mines and power stations that hold discharge licences, but 50 credits are held by companies that are currently unable to use them.

Actual discharges were 29 percent of the Total Allowable Discharge.

All facilities submitted compliance reports. One participant appears to have incorrectly reported information on discharge timing. The EPA is investigating this.

The EPA distributed a draft annual report prior to the meeting. The EPA requested any further comment on the draft Annual Report within 2 weeks.

**Resolved: That the EPA meet with Water NSW to discuss the causes of the salinity target exceedences and actions to avoid such exceedences and report back to the Committee.**

The committee requested that the EPA provides updates on scheme performance at all meetings.

#### **4.3 HRSTS Operations Expenditure Report 2016/17**

Mitchell Bennett reported that operational costs were significantly less than budgeted, mainly because of cost savings following DPI-Water's decision to stand down as Services Coordinator. These savings reduced the amounts that needed to be recouped from participants.

#### **4.4 Operations Committee Report**

The operations committee report was accepted by the committee.

#### **4.5 Credit Trading Upgrade Options**

Mitchell Bennett reported that during the review of the Regulation that underpins the Scheme, the EPA had received feedback that improving the credit register may encourage credit trading. The EPA investigated the cost of totally rebuilding the credit register in a mobile phone compatible format. This would cost about \$119,000. The EPA also investigated simple changes to enhance the existing credit register notification system. These changes would cost about \$28,000. The committee's feedback was sought on the priorities for changing the credit register and the amount that should be spent on this project.

The committee advised that changes to the credit register were unlikely to lead to more trading. However, the committee recommended that the EPA write to all participants to promote awareness of the existing notification system and provide guidance on how it can be used.

#### **4.6 Gen 2 Project Update**

Ben Mulhearn reported on work done to modernise the communications systems used by each participant to report flow and conductivity data from their discharge points, known as the Gen2 upgrade. Most sites have now upgraded, and data is now available on a DPI-Water webpage. Sites can flag when system testing is occurring. Each participant nominates the data that is publicly reported.

The EPA asked WaterNSW to provide documentation of the new system so that Environment Protection Licences can be updated to require data to be transmitted using the new system.

The EPA and WaterNSW agreed to work together to better integrate communication related to credit trading and river registers.

**Next meeting: 14 May 2018 – 10am**

Close 12:00