

Minutes
Hunter River Salinity Trading Scheme Operations Committee Ordinary Meeting
14 May 2018
Singleton Civic Centre, Singleton

Attachments
1. <i>HRSTS Draft Budget 18/19 – presentation</i>
2. <i>HRSTS River Salinity Trading Scheme Strategy to prevent salinity spikes - presentation</i>
3. <i>HRSTS Auction Update 2018 - presentation</i>

Meeting opened: 10:05am

Present:

Members / Deputies	Organisation
Wej Paradise – Chair	
John Watson	Glencore
Geoff Martin	Hunter Water Users Association
Chris Rooney	AGL Macquarie
Darryl Dutton	Hunter Local Land Services
Prashant Ghadiali	AGL Macquarie
Eddie Harris	Department of Primary Industries – Lands & Water
In attendance	
Emily Ingram	Environment Protection Authority (EPA)
Bill George	Environment Protection Authority (EPA)
Mitchell Bennett	Environment Protection Authority (EPA)
Craig Cahill	WaterNSW
Martin Prendergast	WaterNSW

1 - 3. Welcome, Introductions and apologies

The Chair acknowledged the traditional owners of the country. Apologies were received from Michael Clarke and Andrew Speechly. Emily Ingram was introduced as the new EPA officer responsible for administrative support for the committee.

4. Minutes of ordinary meeting held 9 November 2017

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

Resolved: Minutes of the meeting of 9 November 2017 were accepted as a true and accurate record of the meeting.

5. Business arising from minutes

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

5.1. Update on avoiding salinity target exceedances

Mr George explained that a spike in salinity recorded in the Hunter River during March-April 2017 occurred for two reasons:

1. One mine had only discharged for a short period but had not adequately reduced its discharge rate. To address this issue, the EPA proposed a condition requiring not to exceed a calculated hourly flow rate.

2. High water levels at river level gauges in the Hunter River upstream of Glennies Creek had been interpreted as high flows. However, these high water levels were actually due to water backing up behind inflows from the Glennies Creek catchment.

To address this issue, Water NSW and the EPA will review the process used to predict discharge opportunities.

The Committee noted that in the past, the risk of this type of issue was reduced because the operator used local knowledge to adjust the model predictions.

ACTION 1: The proposed licence condition developed by the EPA be sent to licensees as a draft for comment.

7. 2018 Credit auction update

Mr George reported that the 2018 credit auction raised \$531,820 (incl. GST), which was approximately three times more than was generated from the auction in 2016. The highest price paid for a credit by any bidder was \$3025, the average paid was \$2659, and the lowest paid was \$2134.

Bidders were willing to pay between \$979 and \$12,100 per credit. There is no clear reason for the increase in the auction revenue.

Details of the auction results will be provided in a report that will be placed on the EPA website once finalised.

6. Draft budget 2018/19

Mr Bennett reported that the draft budget for 2018/19 would total \$886,835. This is lower than in previous years. The main component of the budget is \$669,319 for monitoring, modelling and model improvements by WaterNSW. EPA costs are anticipated to be \$156,496.

The Committee requested more detail on the model auditing and calibration proposed in the budget.

Resolved: The Draft Budget was accepted by the Committee.

ACTION 2: The EPA to ensure that a detailed scope of works and associated budget is developed for the model auditing and calibration proposed by WaterNSW prior to next meeting.

8. Operational issues arising from the Regulation review

Mr Bennett reminded the committee that the Protection of the Environment Operations (Hunter River Salinity Trading Scheme) Regulation (2002) had recently been reviewed. All necessary changes to the Regulation are now complete. However, some issues raised as part of the consultation process related to operation issues that did not require a change to the Regulation. These included:

8.1 Maximum discharge opportunities

A new system could be investigated that uses weather forecasts to predict river flows. This would be a major shift from the existing system but would introduce added risks. Mr Bennett invited the Committee to advise the EPA of any other ideas it has on what could be done to maximise discharge opportunities

The chair expressed support for further investigation of ways to reduce the time taken to issue notifications of discharge opportunities.

Mr Ghadiali commented that once a river register is received, it may take two to three hours to do the calculations necessary prior to a discharge commencing.

The committee supported further investigation of earlier notice of likely discharge opportunities.

ACTION 3: The EPA to work with Water NSW to investigate the feasibility of issuing earlier warnings that discharge opportunities may be likely.

8.2 Improve the credit trading platform

Mr Bennett noted that the committee had previously decided that the estimated cost of fully rebuilding the credit register could not be justified. Minor updates are currently being undertaken. Some of these changes are needed following the review of the Regulation.

ACTION 4: EPA to provide Geoff Martin with an updated notification list from the credit register.

ACTION 5: EPA to investigate the possibility and cost to include logic in the trading platform to prevent trades that may lead to a non-compliance.

8.3 Review of online material

Mr George has reviewed the online material related to the auction. Committee meeting minutes will soon appear on the EPA website. The Committee was invited to advise the EPA of any other documents that need to be reviewed and updated.

8.4 Training

Mitchell Bennett invited the Committee to advise the EPA about training needs. An online training option may be possible.

The Committee agreed that an online training video could be developed to give an overall understanding of the salinity trading scheme and how it works. Two versions could be developed. The first version would give a brief overview and very general information. The second version would be more detailed and show how calculations are made.

ACTION 6: EPA to develop online training options.

8.5 Salt Budget

Mr Bennett reminded the Committee that salt from the mines and industry is a small percentage of overall contribution to the Hunter River.

Mr Harris advised that CSIRO is about to complete a ten year study of this issue.

ACTION 7: EPA to distribute the CSIRO report on salt load to the Committee when it is released. Revisit the need for flood flows.

Mr Bennett explained that as a result of the Regulation review, the threshold for "flood flows" had been raised. Consequently, "flood flows" will now be less frequent. During the consultation on the Regulation review, concern was expressed that in response to the increase in the flood flow threshold, participants may increase their maximum discharge capacity. The EPA agreed to keep a watch on this, but there have been no discharge opportunities since the changes were implemented.

ACTION 8: EPA to continue to assess the effectiveness of the current flood flow threshold.

9. General Business

Mr Bennett reported that the current tenure of the current committee ends as the conclusion of this meeting. He thanked everyone for their contributions to this committee for the past three years, as they have served as a constructive and collaborative team. New nominations have been invited through the EPA website and in three local newspapers. Copies of the nomination forms were made available and all current committee members were encouraged to reapply. Committee members are encouraged to formally nominate an alternate in case they are unable to attend any meetings. The EPA will contact government agencies directly to seek their nominations.

Next meeting: Monday 22 October 2018 – 10am

Close 11.37am