



Department of  
Primary Industries

OUT14/1496

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Mr David Fowler  
Acting Director Reform and Compliance  
POEO (HRSTS) Regulation Review  
Reform and Compliance Branch  
Environment Protection Authority  
PO Box A290  
Sydney South NSW 1232

Dear David

It is acknowledged that salinity in the Hunter River catchment has multiple, mostly natural, sources and Agriculture NSW generally supports the operation of the Hunter River Salinity Trading Scheme to regulate saline water inputs from licensed industrial developments to maintain the salinity of the River within agreed thresholds during discharge periods in higher flows.

The apparent increase in utilisation of Total Allowable Discharge opportunities and also the proportion of total salt load contributed by licensed industrial discharges in recent years is noted, as is the increase in the auction price of credits. If these features correlate with increasing industrial activity, ongoing monitoring and interpretation of trend may provide valuable feedback on Scheme operating conditions and provide background for continuous improvement of operations.

I have attached (in TAG 1) Agriculture NSW comments on five of the key issues and encourage you to contact Dr Tracey MacDonald, Manager Water Research and Development (ph 02 6391 3411), or Dr Georgina Kelly, Manager Soils (ph 02 8843 1121), should further input be required.

Yours sincerely

  
**ROB YOUNG**  
**ACTING DEPUTY DIRECTOR GENERAL**  
**AGRICULTURE NSW**

Encl.

## **TAG 1: Agriculture NSW Comments**

### **Key Issue 1: Altering the salinity targets**

The Office of Environment and Heritage Hunter Catchment Salinity Assessment Final report notes that *'...the weight of scientific evidence suggests that current Scheme salinity targets should not be raised.'* The targets represent an acceptable level for a majority of agricultural land/water uses and Agriculture NSW **does not support altering the salinity targets.**

### **Key Issue 2: Increasing discharge opportunities**

The salinity targets are the key control on water quality but discharges during lower flow levels, when natural flows and water releases from the water supply dams are being delivered to licence holders, may see higher than usual salinity and concentrations of other ions in the River during these periods. Those users who do not usually extract water during the higher flows (such as those without supplementary water access licences or growers of more salt sensitive crops who carefully monitor water quality for suitability) may object to discharges during these times.

### **Key Issue 3: Other significant sources of salt within the Scheme area**

It is mentioned that the scheme participants could be expanded to include:

- industrial point-source discharges (e.g. sedimentation dams, sewage treatment plants);
- other point-source discharges (e.g. farm dams, effluent ponds, manufacturing);
- diffuse sources (e.g. saline water runoff from cleared areas within the catchment suffering from dryland salinity, excessive fertiliser application); and/or
- natural sources (e.g. groundwater).

At the moment the trigger for participation in the scheme is that the activity is licensed under the PoEO Act (1997). Many of the potential sources or activities on agricultural land, such as dryland salinity and fertiliser application, are not "scheduled" and, as the discussion paper states, cannot be forced to obtain a licence. This precludes them from being involved in the scheme unless the landholder voluntarily seeks Environment Protection Licence (EPL) coverage.

Any change to the scheme to compulsorily include currently non-licensed activities would require a change to the PoEO Act and Regulations. This would presumably not be considered unless potential new sources were known to be significant and have the potential to compromise the effectiveness of the scheme. Agriculture NSW (Soil Team) may be able to assist in this regard by conducting appropriate research to be combined with existing information and the use of robust models. However, funds would need to be made available.

Additionally, the Agriculture NSW Water Research Team has recently completed the NSW Salinity Key Sites project to improve understanding of the processes controlling salinity and catchment hydrology and this may further inform any consideration of potential expansion of the Scheme.

### **Key Issue 5: Other pollutants present in saline discharges**

Water quality guidelines for domestic and stock users and irrigation of food crops refer to a range of chemical components not described in water characterised only by electrical conductivity measurement. Agricultural stakeholders have expressed concerns about the

possible chemical constituents of licensed discharges. It is acknowledged that Scheme participants may have some other water quality limits on discharges (such as pH and Total Suspended Solids concentrations) that would further protect water quality, but further investigation of a broader range of water quality parameters of discharges is supported.

***Key Issue 9: Additional uses for revenue generated via auctions***

As indicated in response to Key Issue 3, Agriculture NSW has research and development capacity in the Soils Unit and the Water Research & Development Unit, should Scheme funds be made available.