



OUT16/11264

Mr David Fowler  
Director Reform and Compliance  
Environment Protection Authority  
PO Box A290  
Sydney South NSW 1232

Dear Mr Fowler

**DPI comments on the Draft *Protection of the Environment Operations (Hunter River Salinity Trading Scheme) Amendment Regulation 2016***

DPI generally supports the operation of the Hunter River Salinity Trading Scheme to regulate saline water inputs from licensed industrial developments in order to maintain the salinity of the Hunter River within agreed thresholds during discharge periods in higher flows.

The motivation for, and inferred outcome from, proposed key changes in the draft amendment regulation, such as increasing the flood flow thresholds and focusing regulatory management on the discharge point, is noted and supported based on the information provided. It is assumed that the potential reduction in opportunity for largely unlimited discharge in flood flows will result in more economically efficient operation of the salinity credit transfer system during high flows, and maintain or improve the capacity to manage the salinity of the River.

DPI supports the maintenance of the current salinity targets for the Scheme (600 microsiemens/cm in the upper sector, and 900 microsiemens/cm in the mid and lower sectors), and the “flood flow discharge block limit” of 1,500 microsiemens/cm. The basis for the salinity target thresholds was established through a detailed process of consultation with irrigators and other water users, and compelling evidence for change would be required. The precaution of applying a water quality block limit for flood flow discharges, to prevent excessive spikes in salinity while downstream mixing occurs, will also reduce the risk of exceeding the salinity targets for the River during these events.

DPI notes the slight ongoing (but reduced) risk of exceeding the salinity thresholds due to simultaneous full capacity discharge by all participants into flood flows, despite increasing the flood flow thresholds. The inclusion of provisions to suspend the option for flood flow discharges for up to 5 years, should this occur, is acknowledged as a suitable risk management option.

Further experimental studies to investigate the effects of saline water discharge on the Hunter River catchment, including all aspects of its ionic composition and

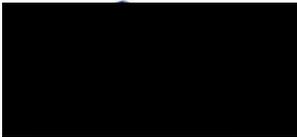
potential for contamination by metals and metalloids, is a recommendation of interest to DPI Agriculture. Where proposed studies are consistent with the scientific expertise of DPI Agriculture, such as investigation of the effect of low quality irrigation water on soil physical and chemical features and crop yield, please consider collaboration with DPI Agriculture to develop, inform and potentially undertake experimental studies.

It should be noted that DPI Water has been involved in this review from an earlier stage and has no further comments.

DPI Fisheries notes support for the proposed changes as they give greater protection to the aquatic environment from excess salt inputs in times of low flows in tributaries and the main stem of the Hunter River.

Please contact Mitchell Isaacs, Director Planning Policy and Assessment ( [REDACTED] [REDACTED], [mitchell.isaacs@dpi.nsw.gov.au](mailto:mitchell.isaacs@dpi.nsw.gov.au)), if further information is required.

Yours sincerely

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Mitchell Isaacs  
**Director, Planning Policy & Assessment Advice**