



## Environment Protection Authority – Hunter River Salinity Trading Scheme Operations Committee - Minutes

<b>Meeting:</b>	HRSTS Operations Committee	<b>Date:</b>	Friday 29 July 2022
<b>Location:</b>	MS Teams (online)	<b>Time:</b>	10:00am – 11:53am
<b>Last Meeting Date:</b>	Wednesday 8 December 2021	<b>Next Meeting Date:</b>	November 2022
<b>Present:</b>	<p>Dr WEJ Paradise – Chair</p> <p>Lisa Richards – Discharge Licence Holder – BHP – Mt Arthur Coal</p> <p>Craig White – Discharge Licence Holder - Bengalla</p> <p>Christopher Rooney – Discharge Licence Holder – AGL Macquarie</p> <p>Robyn Parker – River Management Committee – Local Land Services</p> <p>Ken Bray – Irrigators Representative – Hunter Valley Water Users Association</p> <p>Danielle Dougherty, Mgr Coastal Waters – NSW Department of Industry, Land and Water Division</p> <p>Thava Palanisami – Community Representative</p> <p>Mahmood Khan – WaterNSW</p> <p>Ben Mulhearn – WaterNSW</p> <p>Ajantha Prathab - WaterNSW</p> <p>Audrey Yim – NSW Environment Protection Authority (EPA)</p> <p>Alex Young, Director – EPA</p> <p>Emelia Caliskan – EPA</p>		
<b>Apologies:</b>	<p>Natasha Ryan – EPA</p> <p>Gary Mulhearn – Discharge Licence Holder – Yancoal</p>		
<b>Guests:</b>	Alarna Bristow (representing Yancoal in Gary Mulhearn’s absence)		

Agenda Item	Main Discussion Points	Actions
1. Acknowledgement of Country	The chair acknowledged the traditional owners of the different lands on which everyone joined the meeting from	
2. Welcome and Introductions	The chair welcomed the Committee Members and invited each attendee to introduce themselves.	
3. Review of minutes and actions from previous meetings	<p>The minutes of the previous meeting were adopted as true and accurate with no changes.</p> <p>The previous meeting actions were as follows:</p> <ul style="list-style-type: none"> <li>- Action item 1: Headshots and biographies for committee members (Status – still outstanding, all persons)</li> <li>- Action item 2: Request to circulate EPA org chart to members (Status – still outstanding, EPA responsible)</li> <li>- Action item 3: Update contact details on the credit register (Status – completed)</li> <li>- Action item 4: Confirm service agreement details – confirmed that service operates on business hours 9-5 weekdays and 9-12 on weekends. They can work beyond those hours in certain circumstances (Status – confirmed, EPA/WaterNSW responsible)</li> </ul>	<p><b>Action item 1:</b> Headshots and biographies (EPA, Ms Emelia C)</p> <p><b>Action item 2:</b> Circulate EPA org chart (EPA, Ms Audrey Y)</p> <p><b>Action item 3:</b> Follow up with SOP updates (WaterNSW, EPA)</p>

	<ul style="list-style-type: none"> <li>- Action item 5: Circulate powerpoint from 8 December meeting (Status – done)</li> <li>- Action item 6: Provide financial report FY21/22 (Status – EPA presenting on today, EPA responsible)</li> <li>- Action item 7: HRSTS discharges and flood flow volumes – discussion about updating EPA website to better illustrate volumes going through the river system vs through HRSTS (Status – for discussion in this meeting, all persons)</li> <li>- Action item 8: SOP updates (Status - follow up needed, WaterNSW responsible)</li> <li>- Action item 9: flood warning notification service – agreement that there is a service available simply must register (Status - Register with Mr Ben Mulhearn for this service)</li> </ul>	
4. Update on services provided by WaterNSW	<p>Mr Ben Mulhearn noted the time signatures of WaterNSW working on HRSTS showing overtime work and going above and beyond.</p> <p>Ms Audrey Yim in light of this raised whether the current service agreement needs to reflect that the service provided by WaterNSW extends beyond business hours.</p>	<b>Action item 4:</b> EPA to review service agreement with WaterNSW and amend service hours
5. Concerns about the river register service	<p>Mr Chris Rooney highlighted some potential issues when dealing with the river register – some minor technical issues. Mr Rooney mentioned some isolated incidents where river registers were not received and that nothing came through via text or email for the first register. Other concerns related to the timing of river registers especially for those whose day starts in the early hours of the morning.</p> <p>Mr Mahmood Khan identified that some limitations exist about warnings sent per says as the service services more than just HRSTS.</p> <p>Mr Ben Mulhearn agreed that some delays in the notification services had been observed.</p> <p>Ms Lisa Richards agreed with Mr Chris Rooney's sentiment and noted that some of the river registers coming through were hit and misses particularly with timing.</p>	<b>Action item 5:</b> EPA to follow up with WaterNSW to understand and address the issue (if needed).
6. HRSTS management within EPA	<p>Ms Audrey Yim presented on HRSTS management within EPA. Noted that the functions of HRSTS have moved to Ms Yim's area in the EPA however, regulatory compliance and licensing still remain in Operations.</p>	
7. Discussion on proposed updates to EPA website	<p>Ms Emelia Caliskan presented on proposed HRSTS website updates. Ms Caliskan covered the main types of website updates including: Enhancing accessibility and ease of use, re-prioritising content, archiving material, updating data and graphs where possible, and improving on grammar and syntax Ms Caliskan then asked the committee for feedback and recommendations.</p> <p>Mr Mahmood Khan provided the following website recommendations, adding more information on:</p> <ul style="list-style-type: none"> <li>- Technical information on how the scheme works</li> <li>- How the credits will be transferred into the discharge times</li> <li>- Credit factor</li> </ul>	<b>Action item 6:</b> Incorporate website recommendations into proposed HRSTS website changes document (EPA, Ms Emelia C)

	<p>Mr Chris Rooney provided the following website recommendations:</p> <ul style="list-style-type: none"> <li>- Add current allocation of credit register allocations</li> <li>- More information on credit trades (relatively new with all the rain)</li> <li>- Would like to know more about who all the players are in the HRSTS – for the two-year period after the auction</li> <li>- Who is going to be looking at the next credit auction, who may need to trade?</li> <li>- Need to improve transparency and this will help knowing who is currently in the scheme</li> <li>- Especially with the recent floods and how that will impact discharges</li> </ul>	
<p>8. Hunter River Presentation on Salinity and Flow Levels for FY21/22</p>	<p>Mr Mahmood Khan presented on the salinity and flow levels in the Hunter River for FY21/22. The presentation covered the following:</p> <ul style="list-style-type: none"> <li>- HRSTS and how it works</li> <li>- Location and location of discharge sites</li> <li>- Gauging Network</li> <li>- Discharge opportunity and what WaterNSW calculates for scheme discharges</li> <li>- Sector credit factor explanation</li> <li>- Rainfall FY21/22</li> <li>- Tributary flows</li> <li>- Denman graph (salinity and sector flow)</li> <li>- Longest wettest period we have had in the last 20 years and the most registers issued.</li> <li>- Denman Discharge Opportunity graph (same graph plus discharge opportunity on top)</li> <li>- 8 days of flood flow access available and around 40 days of high flow access available.</li> <li>- Even where discharge was allowed salinity levels did not exceed limits.</li> <li>- U/S Glennies graph in the middle sector</li> <li>- Singleton/Lower sector graph and discharge opportunity graph</li> <li>- River Registers 2021-22 <ul style="list-style-type: none"> <li>o 203 total number of registers published</li> <li>o 48 upper</li> <li>o 117 middle</li> <li>o 136 lower</li> </ul> </li> </ul> <p>Mr Chris Rooney raised a point on the holes in the middle sectors in terms of flow and discharge capacity due to location of rainfall and asked how this impacts the sector credit factor.</p> <p>Ms Lisa Richards had additional questions on the sector credit factor including:</p> <ul style="list-style-type: none"> <li>- If a lot more credits are traded into the upper sector would that cause the sector factor to lower <ul style="list-style-type: none"> <li>o Mr Mahmood Khan responded – Yes, that is correct.</li> </ul> </li> <li>- Salinity thresholds – is there a disproportion between salinity thresholds in the upper and middle sectors? Why was it set at 600 despite ambient levels quite high?</li> </ul>	<p><b>Action item 7:</b> Review salinity thresholds across sectors, determine reasoning for numbers (EPA, Ms Audrey Y)</p> <p><b>Action item 8:</b> EPA to organise information sessions for scheme participants to aid good understanding of the scheme.</p>

	<ul style="list-style-type: none"> <li>○ Ms Audrey Yim to investigate.</li> <li>- There are lots more participants in the upper sector than there used to be – will this drive a change in how the salinity thresholds were modelled? <ul style="list-style-type: none"> <li>○ Ms Audrey Yim notes that a regulation review may considered the above points in that review.</li> </ul> </li> </ul>	
<p>9. Operation Matters Presentation</p>	<p>Ms Audrey Yim presented on the operational matters of the scheme including the high number of rainfall events which has presented challenges in managing water on site. Ms Yim put to the committee whether there had been any unexpected constraints and what had operations looked like for participants. The following are some of the answers.</p> <p>Mr Craig White noted Bengalla’s 4am start discharge times and the difficulties and WHS concerns when working in the dark.</p> <ul style="list-style-type: none"> <li>- no predictability about the river registers and it makes it difficult to prepare for and requires constant monitoring of the release of river registers.</li> <li>- Would like to see a set of criteria for when registers are released.</li> <li>- Very hard to see the rationale for the numbers– trying to understand what that looks like (especially in the upper sector) and whether the numbers are coming through accurately.</li> <li>- Background salt levels across sectors</li> <li>- Production impacts if can’t discharge from discharge dams or can’t add move water to discharge dams because they are full. As only one open cut can’t move water around leads to discharge dams</li> <li>- If the scheme is so sensitive that we have to stagger discharge windows then the scheme needs to be reviewed. 3am discharge window = pitch black can’t see water flow and quite difficult to monitor water quality at that time in the morning. For other participants who are starting in the day don’t have this issue. Requires extra lighting and other safety concerns.</li> </ul> <p>Ms Lisa Richards also noted their 3am discharge start time and that the variability of river registers significantly impact operations.</p> <ul style="list-style-type: none"> <li>- Missing half of that discharge window as they are on the side of caution.</li> <li>- Haven’t discharged for a long time.</li> <li>- Constantly watching the moving registers (especially when they are reduced) is a massive issue</li> <li>- Noticed a lot more credits move into the upper sector and have noticed a drop in the sector factor.</li> <li>- Discharge opportunities aren’t being reflected (now because of the credit factor and it’s a point 2 factor they only have point 2 of the credit that they can discharge.) Historically was not like this.</li> <li>- Curious as to whether that’s occurring because more credits have been purchased in the upper section.</li> </ul>	<p><b>Action item 9:</b> Review river register timing and consistency, determine whether a release criterion can be created (EPA, WaterNSW)</p>

	<ul style="list-style-type: none"> <li>- Is the original model no longer reflecting the current needs of the participants and users of the Hunter River and HRSTS</li> <li>- A lot of water on sight and they can use pits that aren't being mined. They have more flexibility than craig but again they are also hitting those limits.</li> <li>- In most instances the early am discharge windows are still a safety concern so waiting for first light before proceeding.</li> </ul> <p>Mr Mahmood Khan responded noting that they often publish river registers late to ensure the most benefit is achieved. Delaying the register achieves the right opportunity for mines to discharge the right amount. If that is not working WaterNSW can work to improve the publishing of the register.</p> <p>Mr Chris Rooney reiterates the concerns around the timing of registers. Prefer the way its being done but a common time for register to be announced would be beneficial. Regular timing of registers would be ideal.</p> <p>Ms Alarna Bristow reiterated same timing issues. Noted that they have a 4pm release so there are not the same timing restraints (ie working in the dark) but again consistency in the timing of registers. Likes the idea of the common time and then updating with changes.</p> <p>Mr Ben Mulhearn provided explanation on the release of register updates and notifications. Spoke on mobilisation in preparation for register release.</p> <p>Mr Chris Rooney</p> <ul style="list-style-type: none"> <li>- On those days where they receive them early it is very helpful but on days the register is received 5 minutes before it is difficult. Not the best way to operate.</li> </ul>	
<p>10. Presentation on Auction Outcomes</p>	<p>Ms Audrey Yim presented on the outcomes of the HRSTS credit auction 2022.</p> <ul style="list-style-type: none"> <li>- Value of credits (the increase perhaps driven by the increase in rainfall we have been experiencing).</li> <li>- Happy to explore credit auction platform options <ul style="list-style-type: none"> <li>o Ms Alarna Bristow <ul style="list-style-type: none"> <li>▪ Interested in a review of the credit auction platform</li> <li>▪ Lost 20</li> <li>▪ Next year/next auction they will lose more</li> <li>▪ They are currently trading and would be open to more trading opportunities.</li> </ul> </li> <li>o Mr Wej Paradise <ul style="list-style-type: none"> <li>▪ Revisiting the report that reviewed the different auction options</li> </ul> </li> <li>o Ms Lisa Richard <ul style="list-style-type: none"> <li>▪ Agreed – not having that opportunity to revisit auction bids isn't ideal and would like to also review the auction platform.</li> </ul> </li> </ul> </li> </ul>	<p><b>Action item 10:</b> Review credit auction platform and incorporate recommendations from Committee (EPA).</p> <p><b>Action item 11:</b> Circulate the report that reviewed the various credit auction options to committee members (EPA and Chair)</p>

11. Presentation on FY21/22 Finances	<p>Ms Audrey Yim presented on the FY21/22 Finances and budget for FY22/23.</p> <ul style="list-style-type: none"> <li>- 2020-21 and 2021-22 Financial Report</li> <li>- 2022-2023 Budget</li> <li>- Future Improvement Projects <ul style="list-style-type: none"> <li>o Mr Ben Mulhearn <ul style="list-style-type: none"> <li>▪ PLC to Loggers – tech upgrade</li> <li>▪ Real time notifications – plan in place but has not been actioned because of budget previously.</li> </ul> </li> <li>o Ms Lisa Richards <ul style="list-style-type: none"> <li>▪ Model review for the current register</li> <li>▪ Trading is straight forward – searchable, bit clunky and the ability to simply trade.</li> <li>▪ Actively ringing people who they knew had credits to trade externally from the platform.</li> <li>▪ Was able to search those who holds credits and figure out whether they can request to trade</li> </ul> </li> <li>o Ms Alarna Bristow <ul style="list-style-type: none"> <li>▪ Has tried to find who has what credits and that has been clunky/hard to find. More transparency needed for that process.</li> </ul> </li> </ul> </li> </ul>	<b>Action item 12:</b> Review future improvement projects and present more detailed scope of works and cost estimates to Committee at next meeting (EPA).
12. General Business	<p>Mr Kenneth Bray</p> <ul style="list-style-type: none"> <li>- Record keeping and publicity around tonnes of salt/salinity would worry him when putting that out into the public as that it is often misinterpreted.</li> <li>- More context around tonnes of salt figures and statistics. Can be alarming to irrigators and others.</li> </ul> <p>Mr Ben Mulhearn</p> <ul style="list-style-type: none"> <li>- Natural tonnes of salt outside of the scheme should also be published to show that what the scheme participants put into the scheme is relatively small and diluted.</li> </ul>	
13. Next Meeting Date	Early November 2022. Preferably Friday.	
14. Meeting Closure	Mr Wej Paradise (chair) declared the meeting closed at 11:53pm	