



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

<b>Today's Meeting Date:</b>	Monday 15 June 2020	<b>Next meeting date:</b>	Monday 19 October 2020
<b>Meeting location:</b>	MS Teams (online)	<b>Last Meeting Date:</b>	Monday 14 October 2019
<b>Meeting opened at:</b>	10.10am	<b>Meeting closed at:</b>	11.30am
<b>Convenor</b>	Gina Bradley	<b>Minute Taker:</b>	Gina Bradley
<b>Present:</b>	Dr WEJ Paradise – Chair Andrew Speechly – Discharge Licence Holders Hunter Valley Operations Gary Mulhearn – Discharge Licence Holders YanCoal Australia Peter Jaeger – Discharge Licence Holder Wambo Coal Christopher Rooney – Discharge Licence Holder – AGL Macquarie Robyn Parker – River Management Committee – Local Land Services Ken Bray – Irrigators Representative – Hunter Valley Water Users Association Forugh Dorani – NSW Department of Industry, Land and Water Division Martin Prendergast – WaterNSW Sri Sritharan – WaterNSW Mahmood Khan – WaterNSW Mitchell Bennett – Environment Protection Authority (EPA) Genevieve Lorang – EPA Gina Bradley – EPA		
<b>Apologies:</b>	Michael Clarke – Environmental representative		

Agenda Item	Main Discussion Points	Actions	Status
1. Acknowledgement of country	The chair acknowledged the traditional owners of the different lands on which everyone joined the meeting from.		
2. Welcome	The chair welcomed the committee and Ms Bradley ran through online procedural matters.		
3. Review of minutes and actions from previous meeting	<p>The minutes of the previous meeting were adopted with no changes. The previous meeting actions were as follows:</p> <p><b>Action 1:</b> Ms Morton distributed a copy of the EPA/Water NSW Service level Agreement on 30 October 2019 and no comments were received.</p> <p><b>Actions 2:</b> Demonstration on how a discharge event is managed.</p> <p><b>Action 3:</b> Develop a quality assurance, audit and reporting process to ensure that the HRSTS is operated as intended.</p> <p><b>Action 4:</b> Ms Morton distributed a link to Greater Hunter Regional Water Strategy on 30 October 2019.</p> <p><b>Action 5:</b> Ms Morton confirmed that Carolyn Walsh is the acting Chair of the EPA board.</p>	<p>(See agenda item 6 below.)</p> <p>(See agenda item 4 below.)</p>	<p>Complete</p> <p>Outstanding</p> <p>Outstanding</p> <p>Complete</p> <p>Complete</p>
4. Update on the operation of the scheme and any discharge events in 2020	<p>Mr Bennett provided an update on the following matters:</p> <p><u>Discharge events</u></p> <p>There have been four discharge events this year. Data from Water NSW shows that no industries discharged saline water during these events. Mr Prendergast will present more detail on these discharge events. A full report will be discussed at the next meeting and will detail how the scheme achieved salinity goals, how all discharge events were managed and confirmation of any discharges. The May/June meetings are intended to address the upcoming</p>		

	<p>financial year and approve the draft budget, with the October meeting reviewing the performance throughout the previous year.</p> <p><u>Quality assurance process</u> Mr Bennett gave an update in relation to <b>Action 3</b> from the previous meeting. There is a recognised need for better quality assurance processes to ensure the scheme operates in accordance with the regulation. WaterNSW has provided the EPA with its standard operating procedures. These need to be reviewed as Water NSW’s systems have changed. The EPA will update and refine these once they have been cross-checked with the regulation.</p> <p>Mr Speechly asked what had triggered this process. In response Mr Bennett and Dr Paradise referred to the discussion held at the previous meeting about concerns about information sources, systems and monitoring which were the inputs into the decision model for declaring discharge events. There had been a previous event which had resulted in unintended consequences in a section of river where there had been period of low flow during a discharge event. This had led to questions about the adequacy of WaterNSW’s procedures.</p> <p><u>Notifications on discharge events</u> The EPA received a message from someone wanting to be removed from the discharge events notification list. The alert was being sent from the Minerals Council’s Managed Envelope of Residual Flows (MERF) system, not from WaterNSW. The MERF system was established to ensure that HRSTS participants did not exceed salinity targets during floods. Following the last regulation review, the flood flow threshold was increased to the point where discharges will have no impact. So, notifications from MERF appear to no longer be necessary.</p> <p>Mr Speechly agreed to investigate why emails were still being sent from the MERF system.</p> <p><u>Anomalous discharge flow data</u></p>	<p><b>Action 1</b> Mr Bennett to cross check WaterNSW’s operating procedures against the regulation for consistency and draft amendments for consideration at the next meeting</p> <p><b>Action 2</b> Mr Speechly to follow up why MERF notifications are still bring sent</p>	<p>Outstanding</p> <p>Outstanding</p>
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	<p>Mr Mulhearn had enquired as to whether the discharge point monitoring is being checked to identify any anomalous flow data. This is not currently part of WaterNSW's responsibilities. The EPA has checked the monitoring data.</p>		
<p>5. HRSTS Draft Auction Report 2020</p>	<p>Ms Lorang summarised the results of the auction which took place on 22 May. Key points included:</p> <ul style="list-style-type: none"> <li>• There were 11 Hunter-based industries that registered to bid, three of these were out-bid and two did not participate on the day and</li> <li>• All 200 credits were auctioned</li> <li>• There was a total revenue of \$890,674 (an increase of 67%)</li> </ul> <p>The draft auction report was emailed to all members on 3 June 2020.</p> <p>Dr Paradise asked if any organisations had missed out on credits and whether this would cause an issue with them now not having the credits they require. Ms Lorang confirmed that three were outbid. The auction is based on a single bid so it does not auto generate a notification to anyone that was outbid on the day. The unsuccessful bidders have the opportunity to purchase credits from other credit holders.</p> <p>Mr Jaeger stated that his organisation did not get as many credits as it had wanted and it is hard to trade as they are the only mine in the Hunter that is owned by his organisation.</p> <p>Mr Speechly noted the trend in increased revenue from credit auctions and questioned at what point this will become an issue. It is difficult to value the credits. It becomes challenging for companies to get credits when they cannot demonstrate the value of the credits properly to their organisation. There is no confidence in trading when you do not know how many credits you will need.</p> <p>This issue was considered when the auction process was reviewed. It was acknowledged that it can be difficult to predict when the credits will be used.</p>		

	<p>Revenue from the auction must be used in the year following the auction.</p> <p>Dr Paradise asked how the credits were distributed across the river, whether they were bulked together and/or shifted up the river. Mr Speechly observed that most credits are still in the middle sector.</p> <p>Mr Rooney asked whether the highest losing bid could be added to the report. The terminology may need to be checked in relation to this. Ms Bradley confirmed the report will be published on the EPA website subject to this clarification.</p>	<p><b>Action 3</b> Ms Lorang to update the report to include reference to the 'highest losing bid' and Ms Bradley to publish the report on the EPA's website</p>	Complete
6. Demonstration on managing a discharge event (from the presentation What happens when a rainfall event triggers a Notice to Discharge)	<p>Mr Prendergast agreed to present this demonstration at the next meeting at a venue with sufficient internet connection. There may be a different application to manage the demonstration by then. The demonstration will help for quality control.</p> <p>Mr Prendergast summarised flow and conductivity during discharge events in early 2020. This consisted of four events with two peaks in February and April, with most flows from the Goulburn River and Wybong Creek.</p> <p>Mr Mulhearn asked if there is a notification system for the discharge opportunities. Mr Prendergast advised there is an early warning network register for this. Industry representatives are responsible for keeping their contact details up to date.</p>	<p><b>Action 4</b> Demonstration on managing a discharge event to be carried over to the next meeting and Ms Bradley to secure a meeting venue with sufficient internet connection for the presentation</p>	Outstanding
7. HRSTS Draft Budget for 2020/21	<p>Mr Bennett presented the budget for upcoming financial year 2020-2021. Key points included:</p> <ul style="list-style-type: none"> <li>• Total expenditure is estimated to be \$886,752</li> <li>• Water NSW costs are estimated to be \$683,144</li> </ul>	<p><b>Action 5</b> Ms Bradley to circulate the presentation on budget</p>	Complete

	<ul style="list-style-type: none"> <li>• Auction income will reduce next year's total contributions to an estimated \$85,146.</li> </ul> <p>Mr Speechly asked if it is clear when making a bid that GST is included. Ms Lorang confirmed p5 of the Auction Guidelines states that all bids include GST.</p> <p>Mr Speechly asked if the \$40,000 expenses carried over for the upgrades to the credit register could be covered in the next financial period. The planned changes are in process with the EPA.</p>	<p><b>Action 6</b> Upgrades to the credit register to be actioned in the next financial year</p>	<p>Outstanding</p>
<p>8. General Business</p>	<p><u>Water NSW structural changes</u></p> <p>Mr Sritharan provided an update on structural changes within WaterNSW. Mr Prendergast has been looking after the coastal systems and the Hunter but this will now transition to the central team which includes Mr Sritharan and Mr Khan. Mr Khan will be running the model and the discharge events. The transition will take place from 1 September 2020.</p> <p>Mr Rooney highlighted the need for the person managing the river to have in-depth knowledge of the system and its complications. Operating remotely requires reliance on computer observations as opposed to what is happening on the ground. The transition period should fill some of these gaps along with updated technology to improve the modelling system. Mr Khan has a good understanding of the Hunter.</p> <p>Mr Bray added that more consideration should be given to the coast in relation to how the river operates.</p> <p>Mr Bennett added that it is important to balance local knowledge with a well-documented system that is rigorously followed.</p> <p><u>Monitoring discharge points</u></p>		

	<p>Mr Jaeger asked if there is any move towards discharge points having additional monitoring. Mr Bennett confirmed that any changes were not part of the HRSTS program and offered to discuss any issues following the meeting.</p> <p><u>Hunter catchment contributions</u> Ms Parker noted the update on how Local Land Services catchment contributions were used in the last 12 months. This is on the Hunter Local Land Services website.</p> <p><u>DPIE</u> Mr Dorani noted that Water Group in DPIE might have some extra changes in the near future in terms of how they operate. Mr Dorani is a Water Strategist within the Regional Water Strategies section.</p>		
	<p>Next Meeting: 19 October 2020 10am location to be confirmed</p>		