1. Coal seam gas (CSG) production is booming in Queensland. Significant quantities of water are produced in CSG production - in 2007, 12.5 gigalitres (GL) were produced in Queensland. The production of gas for domestic consumption in the Surat Basin will produce an estimated annual average of 25GL of CSG water for the next 25 years, with the additional water equivalent to between one-third and three-quarters of the urban consumption in South-East Queensland for 2007-08.
2. CSG water typically contains significant concentrations of salts, has a high sodium adsorption ratio and may contain other contaminants (e.g. hydrocarbons) that have the potential to cause environmental harm if released to land or waters through inappropriate management. There are significant ecological risks associated with its disposal and, without treatment, uses for CSG water are limited.
3. Currently, most CSG water is disposed of in evaporation ponds ranging from 1 to 100 hectares in area. Limited quantities of untreated CSG water are used for feeding stock, coal washing and related petroleum activities.
4. Apart from stock watering and coal washing, other beneficial uses being considered include the use of treated CSG water to augment town water supplies, as cooling/blowdown water in power stations, and for irrigation and aquaculture. The cost associated with treatment and transport is the key factor in economically-viable applications for the water.
5. Cabinet noted that the likely continuing growth of coal seam gas (CSG) production will require appropriate regulation of CSG water to maximise its beneficial use and minimise environmental impacts.
6. Cabinet approved a policy requiring that CSG producers be responsible for treating and disposing of CSG water to a standard defined by the Environmental Protection Agency and that Government will not subsidise these activities.
7. Cabinet approved the development of a Discussion Paper (and subsequent consultation) that canvasses options to deal with CSG water which cannot be directly injected or has no immediate customers.
8. *Attachments*

* Nil