

**SUBMISSION TO THE  
QLD DEPARTMENT OF ENVIRONMENT AND  
RESOURCE MANAGEMENT**

**DRAFT  
BENEFICIAL WATER USE POLICY**

**23 DECEMBER 2011**

Coal Seam Gas Water Management Policy Consultation Energy Resources  
Environment and Natural Resource Regulation  
Department of Environment and Resource Management  
GPO Box 2454  
Brisbane Qld 4001

c/o csgreg@derm.qld.gov.au

Queensland Farmers' Federation (QFF) is the peak body representing and uniting 16 of Queensland's rural industry organisations who work on behalf of primary producers across the state. QFF's mission is to secure a sustainable future for Queensland primary producers within a favourable social, economic and political environment by representing the common interests of its member organisations'. QFF's core business centres on resource security; water resources; environment and natural resources; industry development; economics; quarantine and trade.

Our goal is to secure a sustainable and profitable future for our members, as a core growth sector of the economy. Our members include:

- Australian Prawn Farmers' Association,
- CANEGROWERS,
- Cotton Australia,
- Growcom,
- Nursery and Garden Industry Queensland,
- Queensland Chicken Growers Association,
- Queensland Dairyfarmer's Organisation,
- Queensland Chicken Meat Council,
- Flower Association of Queensland Inc.,
- Pork Queensland Inc.,
- Biological Farmers of Australia
- Fitzroy Food and Fibre Association,
- Pioneer Valley Water Co-operative Limited,
- Queensland Aquaculture Industries Federation,
- Central Downs Irrigators Limited, and
- Burdekin River Irrigators Area Committee

QFF is pleased to provide this submission in response to the draft CSG Beneficial Use Policy released by DERM. QFF has responded directly to the issues raised in the paper but we would welcome the opportunity to discuss these matters further with the Government at a later date. This submission adds to the ongoing discussion around policy matters relating to the management of CSG in Qld. While we have attempted to provide a collective and representative view, our submission is provided without prejudice to any submission provided by any of our member groups.

Regards



Dan Galligan  
CEO

## General Comments

The QFF supports CSG Water being viewed as a resource, rather than a waste but in doing so we believe it needs to be treated and utilized without risk of environmental harm or loss of security for existing water users.

Clearly for this to be achieved with what is only a transitory resource CSG water still needs to be planned for, treated, and appropriate mechanisms established for monitoring, accounting for use and reporting.

The extraction of water in association with CSG could come at a risk to the future security of irrigators in the prevailing region.

QFF supports that in the first instance the management of associated water should go to reducing the real or potential future risk of stress to underground aquifers.

QFF is therefore supportive of the view that wherever feasible CSG produced water should be re-injected into the aquifers it was extracted from, so as to maintain the pre-CSG water balance. Ideally it should be used to improve that balance.

It is understood that in some circumstances it may be technically not feasible to re-inject into the exact aquifer where the water was extracted from, but it may be possible to make good aquifers that have already been impacted upon.

Fundamentally though, reinjection should go towards mitigating the stress that the CSG development has placed or may place on the underground water system.

Where there is technical, environmental or economic justification for re-injecting back into the aquifers, then the water should be directed to other beneficial uses.

QFF supports the view that to achieve an adequate, strategic approach to the management of CSG associated water a specific regional CSG water plan should be developed. These plans must:

- Take into account all CSG water produced within the region.
- Identify the feasibility or otherwise of re-injection, with site specific information.
- Determine volumes required to maintain local productive water balances.
- Determine volumes required to meet “make-good” provisions.
- Determine volumes available for other “beneficial” uses.
- Identify suitable distribution networks.
- Identify a framework for allocating available water which may include, requirements for environmental needs, for losses such as evaporation and for replacement of existing groundwater entitlements if necessary.

It is essential that Regional CSG water plans are developed with significant levels of local community input and ownership that must be facilitated at the earliest possible stages of design.

## **Specific Comments on the Draft CSG Water Management Policy**

### **Injection**

The QFF is generally supportive of the concept of injection and virtual injection as the preferred management option for CSG water. Determining where, how and the appropriateness of aquifer reinjection or virtual reinjection should be determined by experts in this field in consultation water users and planners.

QFF has noted proposal made by Cotton Australia calling for investigations into the concept of “water banking” or injecting CSG associated water into an aquifer to build reserves for future use. There appears to be significant merit in this discussion.

Either way, the policy should drive for options that ensure the water is used, wherever possible, to “spell” aquifers from further stress. In doing so the economic costs of this process should not be born by beneficiaries as the bulk of this cost should be carried by the resource company who has the obligation to develop an acceptable management solution for the water.

### **Virtual Injection**

The QFF considers virtual injection (substitution) as a concept, that supports the principles outlined thus far. Further, the QFF would encourage the government to actively engage with key stakeholders on the practicalities of virtual injection. Issues to consider include:

- How to ensure the water is fit for purpose.
- What is the appropriate substitution exchange rate? For example a one for one exchange rate would not be acceptable to an irrigator as there will be additional storage costs and storage losses, compared to extracting water direct from an aquifer on an as-needs basis.
- How will the allocation and use framework fit in with the existing regulatory framework that governs the extraction of underground water by irrigators?
- What would be an appropriate compliance framework?
- How would the water be distributed?
- Should virtual injection be limited to maintaining the productive water balance, or should it be used to help increase the long-term sustainable yield of the aquifer.

### **Beneficial Use**

QFF is supportive of the Beneficial Use of CSG water, where it can be demonstrated that the water is in excess of what is required to maintain the productive water balance.

In determining appropriate beneficial use plans it must be remembered that the CSG is a transitory resource only. Therefore community and industry engagement in establishing beneficial use projects is important. This engagement must be a requirement of a beneficial water use plan to ensure the risks, feasibility and long terms outcomes are understood by all stakeholders. Once these limitations are understood, QFF would support as a first principle

beneficial use projects that support primary production (of all types) that goes towards increasing Queensland's overall output of food and fibre.

## **CSG Evaporation Dams**

QFF notes that the use of CSG Evaporation Dams is not a preferred option in the draft policy. QFF believes that most irrigators and the community view evaporation dams as simply not an acceptable solution to CSG water management.

## **Disposal to Surface Waters**

QFF is opposed to disposal to surface waters, and sees this as a high risk option, that significantly increases the risk of soil and water contamination due to salt load of CSG water, and the likely impact on the natural stream flow.

## **Treatment and Disposal of Brine and Solid Salt**

QFF does not have the technical expertise to comment on the most appropriate method to dispose of salt and brine. However, any solution must absolutely minimise the possibility of contamination of soil or water with salt and brine.

## **Conclusions:**

In very general terms QFF sees the draft CSG water management policy as an acceptable way forward to deliver a preferred hierarchy of options for the management of these resources..

QFF and our members seek much greater detail from the Queensland Government on how it will decide whether preferred options are feasible or not, and therefore how and when non-preferred options will be approved.

QFF and our members remain concerned that without significant incentives , CSG companies will try to take the "least cost option". We would encourage the Government to ensure that it is only in the most exceptional circumstances that non-preferred options are approved. Even in these circumstances the approval should only be seen as an interim measure, which would allow the CSG company time to implement one of the preferred options.

With much of the detail of how the proposed policy would be implemented yet to be discussed or clarified, QFF would seek further discussions with the Government on this very important policy area.