

**COMMISSION OF INQUIRY (QUEENSLAND FLOODS INQUIRY)
SECOND STATEMENT OF MICHAEL ANTHONY ROCHE**

I, **MICHAEL ANTHONY ROCHE**, Chief Executive, Queensland Resources Council (QRC), Level 13, 133 Mary Street, Brisbane, in the State of Queensland, solemnly and sincerely affirm and declare:

1. I refer to my first statement dated 26 October 2011.

Supplementary statement of meetings and correspondence with the former Director-General of the Department of Environment and Resource Management (DERM), Mr John Bradley, in 2010.

2. When responding to question 3 of the Requirement to Provide Statement to the Commission of Inquiry, addressed to me, dated 14 October 2011, (the Requirement), my first statement overlooked three meetings and one e.mail exchange with the former Director-General of the Department of Environment and Resource Management (DERM), Mr John Bradley. I have been reminded of these meetings and the related e.mail exchange, as a result of reviewing Mr Bradley's statement to the Commission of Inquiry dated 31 October 2011. In addition, this second statement includes a related e.mail exchange between Mr Damien Brown (Assistant Director-General, DERM) and Frances Hayter (QRC).
3. Annexure 1 to this second statement is a copy of an e.mail trail comprising:
 - (a) my e.mail dated 24 November 2010 to Mr Bradley raising with him a concern that the Fitzroy model water conditions were preventing coal mines in the Bowen Basin from releasing water in advance of the wet season and that the TEP process would be 'way too slow'; and
 - (b) Mr Bradley's response to me that morning agreeing to discuss the issue. Shortly after that e.mail exchange, QRC received the letter from DERM dated 24 November 2010 which is included in Annexure D to the statement of Frances Hayter, which only made minor changes to the Fitzroy model water conditions and proposed a TEP process instead to address excessive accumulations of water at mines.
4. John Bradley was seated next to me at the head table for the QRC Annual Lunch on 24 November 2011. He asked me about QRC's reaction to the DERM letter received that morning. I made it clear we did not see any usable outcomes from DERM's response, given it had come so late and offered little. I said that therefore, we needed to make sure that the TEP process actually worked. Given that the strategic cropping land meeting mentioned in Mr Bradley's email was scheduled for 29 November 2011, it was agreed to squeeze in a meeting beforehand about water in mines. Because I was at the QRC annual lunch and had many official responsibilities I did not take notes of the conversation with Mr Bradley at the lunch. However, Frances Hayter has reminded me that I briefed her that the discussion occurred. Annexure 2 is a copy of her e.mail to Mr Peter Roe (Environment Manager – BMA Coal) dated 24 November 2010, reporting to Mr Roe on my discussion with Mr Bradley, mentioning that Mr Bradley had said that he would be happy to run a 'fast-track' TEP process as a way of resolving the issue within the TEP regulatory framework and that he had explained that, once company material was received, DERM would try to ensure that it would be processed within two weeks, rather than the normal statutory timeframes.

QFCI

Date:

10/11/11

Jm

Exhibit Number:

948

5. Annexure 3 to this second statement is a file note of a meeting which I attended on 29 November 2010 with Mr Bradley. Also present at the meeting were Mr Damien Brown (Assistant Director-General, Regional Service Delivery, DERM), [REDACTED] (President, BMA Coal), [REDACTED] (then Head of Health, Safety, Environment and Communities, BMA Coal) and Peter Roe (Manager – Environment, BMA Coal). At this meeting, the BMA representatives advised DERM of the scale of the water currently being stored at BMA sites across Queensland and explained why it was not an option to continue storing more and more water.
6. In addition to my file note of the meeting of 29 November 2010, Frances Hayter has reminded me that I briefed her afterwards (and I recall) that Mr Damien Brown had advised during the meeting that, although the DERM letter received the previous week had indicated that releases would not be allowed in 'no flow' conditions, this could be varied slightly where DERM could reasonably predict that creeks were about to start flowing shortly. Peter Roe also briefed Frances Hayter after the meeting (and I recall) that he had raised with DERM at the meeting that it would be important for mines not adjacent to rivers that any TEPs should allow releases to continue into the creeks after the creeks had ceased high natural flows. DERM did not state disagreement with this. However, my understanding is that the degree of flexibility indicated at that meeting did not ultimately eventuate in the TEPs approved for the 2010/11 wet season.
7. Annexure 4 is a file note of a meeting which I attended on 8 December 2010 with Ken Smith (then Director-General of the Department of Premier and Cabinet), Mr Bradley, Mr Terry Wall (Associate Director-General, DERM), Damien Brown (DERM), [REDACTED] (Executive Director, Environment and Resources Policy, Department of Premier and Cabinet) and Frances Hayter (QRC). At this stage, many of QRC's members had received from DERM the group e.mail from Mr Terry Wall (DERM) dated 6 December 2010 and attached draft transitional environmental program guide which is at Annexure F item 5 to the statement of Frances Hayter, but preliminary feedback from members was that they had difficulty working out from this e.mail what particular information DERM would require as 'comprehensive' for a 'fast-track' process. Accordingly, the focus of the meeting was on DERM's suggested TEP approach to address the need for water to be released from mines, including DERM's proposal to provide to companies a 'form of words' by way of guidance (that is, something additional to what had already been provided on 6 December 2010). However, additionally, John Bradley mentioned that emergency powers were available to DERM. I also raised the need to prioritise early in the New Year a 'proper review' of the Fitzroy model water conditions. Annexure 5 is a briefing note prepared by Frances Hayter to member companies and their advisers reporting in more detail on the outcomes of the same meeting.
8. Annexure 6 is a copy of an e.mail from Damien Brown (Assistant Director-General, Regional Service Delivery, DERM) to Frances Hayter (QRC) dated 9 December 2011, which was onforwarded to me on that day by Frances Hayter. In this e.mail, Mr Brown provides a 'form of words' in red print, by way of further guidance, as discussed at the meeting of 8 December 2010, mentioned in Annexure 4.
9. Annexure 7 is a copy of an e.mail that I wrote to members on Friday 10 December 2010 (sent by my executive assistant, [REDACTED], reporting on the outcomes of my meeting of 8 December 2010 and also providing the 'form of words' by way of further guidance which had been received from Mr Brown the previous evening.

Supplementary references

10. I refer to paragraph 48 of my first statement and item 26 of Annexure 2 to my first statement, which is a copy of a file note of my meeting with John Bradley of 4 February 2011, together with a copy of the agenda of 'key points' which I presented at that meeting. Relevantly to the question of emergency directions, item 3 of the 'key points' I presented at that meeting was that: *'DERM (in its media release of 28/1) and government spokespeople have misrepresented QRC position as seeking an unconditional blanket exemption. This was then misrepresented to companies on Monday 31/1 as a "cookie cutter" approach'*.
11. For completeness and ease of reference, Annexure 8 to this second statement is a copy of the relevant press release by DERM dated 28 January 2011.
12. Similarly, Annexure 9 is a copy of an article in the *Courier-Mail* headed *Miners to push to pump toxins in rivers*, page 16, January 22-23, 2011, in which the former Minister for Environment, the Hon Kate Jones MP was quoted as referring to the mining industry having sought a 'blanket approval' and 'to relax environment laws'.

Supplementary information about communications with Queensland Treasury and impacts on production and royalties

13. Annexure 10 is a copy of a file note of my meeting with the Treasurer, the Hon Andrew Fraser MP on 17 March 2011. Although the meeting was arranged to discuss QRC concerns about the Government's actions in relation to North Stradbroke Island and policy on strategic cropping land, I also took the opportunity to update him briefly on the status of water in coal mines. The reasons why I overlooked this file note when preparing my first statement was that this meeting was arranged for the purpose of discussing other topics and also that I was checking my notes for an earlier time than March 2011. This paragraph and annexure are intended to replace the first sentence of paragraph 65 of my first statement, which incorrectly stated that I did not engage in direct discussions with the Treasurer, the Hon Andrew Fraser MP, about the impact of flooding on mines.
14. Further details on the economic impact of flooding on mines are also set out below. The State Budget 2011-12 Revenue paper (pg.1) states:
'The devastating Queensland floods and Tropical Cyclone Yosi have had a significant direct impact on own source revenue with downward revisions in 2010-11 of around \$400 million for royalties and \$100 million for taxation. Although the majority of the impact is in 2010-11, there is expected to be some flow over to 2011-12.' Source:
<http://www.budget.qld.gov.au/budget-papers/2011-12/bp2-4-2011-12.pdf>
15. However, a QRC Press Release dated 21 July 2011 estimated a more significant impact as follows: *'However, as a result of the record rainfall from September that extended into widespread flooding of coal-producing regions, Queensland's annual exports fell some 40 million tonnes short of that projection,' Mr Roche said, 40 million tonnes of coal is valued on averaged prices at \$7 billion.'* Source: <https://www.qrc.org.au/01/cms/details.asp?ID=2835>
16. Essentially, the main reason for the difference in estimates of the impacts on coal production and royalties is that QRC estimated a higher baseline from which to measure the

Impact. In more detail, the estimate by QRC's estimate is that the loss of coal production in 2010-11 due to flooding of coal mines was about 40 million tonnes. Before the severe and early wet season started to disrupt coal production, the Queensland coal sector was, according to QRC analysis, on track to export a record 200 million tonnes of coal or more. However, ultimately, exports were only 163 million tonnes. The difference in return represents coal of a value of some \$7 billion (assuming an average coal price of \$175/tonne). At an average coal royalty rate of 8.3%, QRC estimates the loss of potential royalty income to the Queensland Government was some \$580 million. Queensland Treasury are understood to have had a more conservative budget estimate for coal production but in the 2010-11 State Budget papers they still estimated the loss of royalties in 2010-11 due to flooding at \$400 million.

17. The impact of excess water in many coal mines continues to be demonstrated in the data on coal exports from the Bowen Basin. Exports from the Bowen Basin in the September quarter 2011 were 16 per cent lower than the corresponding quarter of 2010. The latest export data, for October 2011, shows that exports from the ports servicing northern Bowen Basin mines (Hay Point Coal Terminal and Dalrymple Bay Coal Terminal) are more than 30 per cent below the levels of October last year.
18. The chronologies provided in response to the Commission's Requirements are now as accurate as I have been able to ascertain both from searching my own notes and reviewing the statement of John Bradley, although it is possible that there may have been other contact that has not been captured by the searches undertaken and which I do not specifically recall.

I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the *Oaths Act 1867*.

Signed. 

MICHAEL ANTHONY ROCHE

Taken and declared before me at Brisbane this 9th day of November 2011

..... 

Solicitor



From: Bradley John [REDACTED]
Sent: Wednesday, 24 November 2010 8:27 AM
To: Michael Roche
Subject: RE: Confidential: Looming big problem in Fitzroy Basin

Thanks Michael,

We are very focussed on the Fitzroy risks and feedback I had been getting from my team in the last week is that the interaction with companies was working OK – so I would be keen to discuss.

[REDACTED] was also trying to find time late this week or early next for follow up to our SCL discussion. Would it be worthwhile trying to add on a dedicated discussion re Fitzroy before or after the SCL discussion?

Look forward to discussing further today,

John Bradley
Director-General
Department of Environment and Resource Management
Telephone: [REDACTED]
Email: [REDACTED]
www.derm.qld.gov.au

Department of Environment and Resource Management
400 George Street, Brisbane Q 4000
GPO Box 2454, Brisbane Q 4001

From: Michael Roche [REDACTED]
Sent: Wednesday, 24 November 2010 8:17 AM
To: Bradley John
Subject: Confidential: Looming big problem in Fitzroy Basin

John

I am getting approaches from coal majors that the Fitzroy water conditions are set to cause havoc in Basin mines very, very soon. The issue seems to be that under the new conditions the mines are prevented from discharging water of acceptable quality into streams unless there is a certain level of stream flow. In the meantime the mines are filling and filling with water from heavy rainfall as recently as last weekend. Mine pits that should be turning out tens of millions of dollars of coal (and royalties) are instead becoming water storages. The usual answer from DERM is that companies can apply for a TEP but the TEP process in our companies' experience is way too slow for what is emerging as a problem needing to be addressed in a matter of weeks, not months. If we get a chance I will raise with you at the QRC Lunch – you are on top table with Premier, Minister [REDACTED], myself.

Clearly your staff have been out in the field doing an audit and are aware of a looming problem given they (Damien Brown) have listed on the DERM/QRC meeting agenda for 8 December "Preparations for wet season and emergency responses". I guess our message is that we need to be talking about this asap.

See you at lunch.

Regards

[REDACTED]

Michael

Michael Roche
Chief Executive
Queensland Resources Council
t: [REDACTED]
f: [REDACTED]
Level 13 133 Mary Street Brisbane Queensland 4000
www.qrc.org.au

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From: Frances Hayter [REDACTED]
Sent: Wednesday, 24 November 2010 4:16 PM
To: Roe, [REDACTED]
Subject: Fitzroy releases
Importance: High

Hi Pete,

Sorry, I don't have [REDACTED] email address – this email is intended for both of you.

As flagged yesterday, Michael had a brief discussion with John Bradley about the water release issue, and John indicated that he was happy to run a fast-track TEP process (ie once company material is received, then processed within two weeks) as a way of resolving the issue within the regulatory framework available to him.

He and Michael have a tentative meeting arranged for 1pm on Monday to talk more about this issue. I am away that day.

Would you and/or [REDACTED] and/or [REDACTED] like to attend to talk further about this proposal and give an indication of whether it assists BMA in any way.

Cheers!
Frances

Frances Haytor
Director Environment and Social Policy
Queensland Resources Council
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f: [REDACTED]
Level 13 133 Mary Street Brisbane Queensland 4000
www.qrc.org.au

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Note for File: Meeting on 29/11/10 with John Bradley and Damien Brown (DERM); [REDACTED]
[REDACTED] Peter Roe (BMA); Michael Roche (QRC)

[REDACTED] outlined BMA situation with water. To store all water long term would require 2000 ha of dams. Mine water storages are full. Have taken on 7000 ML of water in last 3 weeks.

JB: DERM is "poised and waiting to help companies". DERM needs info about environment risk. He asked whether there were issues with TEP process.

PR: BMA has info about water quality and quantity but less certain info about the environment into which water would be discharged.

DB: Some sites will be assisted by revised conditions, others will need TEPs. BMA need to outline their priority sites.

JB: Have a pre-lodgement meeting with DERM. DERM will give you a benchmark timing (best endeavours timeframes). He quoted example of 20 business days for Rolleston.

MR: Need to be clear on nature of communications with stakeholders.

JB: An upcoming Fitzroy Advisory Group meeting would be the prime stakeholder engagement

Note for file of meeting of 8 December 2010: Ken Smith (Premiers), John Bradley, Terry Wall and Damien Brown (DERM), Michael Roche and Frances Hayter (QRC)

Discussion re use of the TEP mechanism. DERM (JB) advice was to have an eye to the future in applying for TEP. It will come down to the case that individual companies can make. Get the dialogue going early. DERM had sent info request re likely demand for TEPs and had heard back from only 3 companies.

QRC response was that they were aware of 10 TEP applications coming through and that DERM could expect applications from at least half of coal mines. QRC asked if DERM will have staff available to handle these applications?

KS: DERM will need to look at leave situation at DERM to ensure people on deck. JB said they were also looking at "external resources".

Merits of the TEP option were discussed. JB mentioned that emergency powers do exist in the EP Act. DERM advice was for companies to prioritise their TEP applications, making it easier for DERM to assess and approve.

It was agreed that DERM would provide a form of words that QRC could provide to companies by way of guidance on TEP applications.

MR also raised need to prioritise early in new year a proper review of the model conditions. DB said he favoured a company-by-company approach on amending EAs and JB agreed.

From: Frances Hayter
Sent: Thursday, 9 December 2010 11:18 AM
To:

Subject: RE: Fitzroy model conditions - TEP update
Importance: High

Hi everyone,

On 8 December, QRC (Michael Roche and Frances Hayter) met with Ken Smith (DG of Premiers) and John Bradley (DG of DERM), Terry Wall and Damien Brown from DERM regarding the Fitzroy floods, the model conditions and fast processing of TEPs (including DERM resourcing to do this).

Ken was very clear with John Bradley that DERM would have these resources (including bringing on external expertise if necessary) but asked QRC to convey the following to members regarding the nature and context of the TEP applications they receive to assist with the fast processing occurring. DERM asked that:

- Early as possible discussions take place with DERM regarding the reasons and potential for applying for a TEP
- Early as possible communications occur with relevant landholders and other interested parties (ie appropriate community information / consultation)
- Companies do not put ambit claims to DERM in their TEP applications eg not asking for excessive release points, but focus on what is actually needed and what specific EA conditions need to be managed
- Companies have detailed science to back up their applications, including where discharges may be required to go to waters with less flow than the major rivers, even if there will ultimately be significant dilution of any potential water quality issues

In turn DERM committed that they will instruct their regional officers to deal with applications on their science, and not consider the political ramifications. This extra layer is for John and Ken to worry about.

It was agreed that the larger scale review would take place in the first half of next year, with the terms of reference for the review being provided to QRC in the first quarter (originally this was all to occur in the second half of 2011), however it was noted by Damien Brown that that actually the term 'model' conditions was incorrect and that not all mines were the same, so each had to have individual conditions and that it wasn't appropriate to standardise them. (QRC sought confirmation in writing of this significantly different DERM position to that put to industry in 2009).

As a heads up, for those companies who have a QRC Board member, Michael will soon be sending out a request as a follow up from the meeting with Ken and John where they asked that to ensure the adequate resourcing of DERM they would appreciate it if QRC collated which companies (sites) would be seeking (may be additional) TEPs in the near future (ie before Christmas) and if possible an actual anticipated date for application.

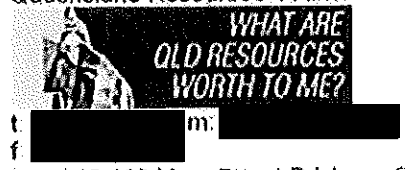
We would like to receive this information as soon as possible (this is a cut down version of the info request I sent you last week – and thank you to those companies who have given me the

information that they will be making a TEP request – this is now a little more specific about the actual application timeframe).

For those who don't have a QRC Board member, I would still appreciate receiving a potential timeframe for application if at all possible – this information should help us to help you.

Kind regards,
Frances

Frances Haytor
Director Environment and Social Policy
Queensland Resources Council



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From: Brown Damien [REDACTED]
Sent: Thursday, 9 December 2010 5:11 PM
To: Frances Hayter [REDACTED]
Cc: [REDACTED]
Subject: Fitzroy Mines
Importance: High

Frances

Further to our discussions yesterday.

In response to the heavy rainfall in the Central Highlands late last week and over the weekend DERM has contacted all sites in the Fitzroy on Monday and Wednesday this week. We are again following up with sites today, and there are ongoing and in some cases constant discussions with the companies. I have also personally spoken to a number of managers and executives of the majors that are Brisbane based. We now believe we have a good picture of how companies have responded to or intend to respond to the weekend's events.

To date DERM has received 1 TEP application (as discussed yesterday) and two Program Notices. We are working closely with a number of sites and there are certainly 2-3 sites that we would place in the "possible" category of submitting a TEP in coming days. But our research and consultation has painted a different picture to that which you presented yesterday. With this in mind we are keen to make sure that our understanding is as thorough as possible and any information you have and can provide us would be most welcome.

In addition, as agreed yesterday, you might choose to use the following text (in red) in any communications with companies regarding the submission of TEPs in response to last week's event. Note that this advice is not intended to be a formal Guideline and does not constitute an Operational Policy or any such formal document, it is simply intended as guidance given the current circumstances and expressed urgency. It should not be taken out of context.

If a company intends to submit a draft Transitional Environmental Program (TEP) to DERM that would allow it to discharge mine affected water outside its current Environmental Authority (EA) conditions several considerations may speed up its assessment.

- Keeping the submission and the discharge plan to a scale, based on the company's immediate and urgent priorities, that will allow timely consideration;
- Specifying which conditions of the EA can't be complied with;
- Providing a clear and specific plan covering at least discharge locations, volumes, timeframes, criteria and importantly, monitoring that the company will undertake;
- Using all relevant information from any previous similar events, any data relating to those releases, and any relevant information regarding environmental impacts;
- Clearly stating information gaps and why they exist (inability to sample etc), using any available information to make an inference on those gaps;
- Stating any assumptions;

A key aspect of timely response to the submission of the draft TEP is that the better the case and the more "work" done by the company to support that case then the easier the assessment process is for DERM.

You should also note that the weather outlook for the Central Highlands is not good (unless you are a duck!). DERM is keeping a close eye on this and also encouraging mines to do likewise. The situation in relation to responses at sites and the need to seek approval for deviations from

approvals is very dynamic and some "possible" TEP submissions may quickly move to "probable" status.

Feel free to contact me to discuss this further.

Regards

Damien Brown
Assistant Director-General
Regional Service Delivery

Telephone: [REDACTED]

Mobile: [REDACTED]

Email: [REDACTED]

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In turn DERM committed that they will instruct their regional officers to deal with applications on their science, and not consider the political ramifications. This extra layer is for John and Ken to worry about.

While I am aware that DERM has spoken with companies directly, both at a site and Brisbane office level and DERM have advised QRC that there is one current TEP application in train and two or three that are likely applications, DERM have also asked QRC to collate information on which sites (companies) would be seeking TEPs in the near future (ie before Christmas) and if possible an actual anticipated date for application. DERM require this information to ensure they have adequate resourcing in place to deal with the TEP workload.

I would appreciate any available information on your possible TEPs by return email so that QRC can continue to work to ensure that DERM meets the timing commitments it has given.

Regards

Michael

Michael Roche
Chief Executive
Queensland Resources Council



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Environment and Resource Management

Blanket exemptions not appropriate

28 January 2011

Department of Environment and Resource Management Director-General John Bradley today urged mining companies to be proactive in managing mine affected water and how they address their environmental obligations.

"The department has added significant additional resources and is working closely with the mines to ensure that they discharge excess water as quickly and as safely as possible," Mr Bradley said.

"In the past two months, the department has approved or amended 27 applications for Transitional Environmental Programs or amendments to existing applications enabling the mines to safely discharge water, and a further 14 applications are being assessed.

"Applications must be assessed on a case by case basis."

Mr Bradley rejected public calls from the Queensland Resources Council for a 'blanket exemption' to allow their companies to discharge without assessing the environmental impact.

"The mine discharges which occurred in the Fitzroy River in 2008 show the risks of elevated salt levels in low flow environments to ecosystems and downstream users.

"The QRC's proposed blanket exemption would allow mines which are storing worse quality water in some cases to discharge into creeks which aren't flowing."

Mr Bradley said that while some mines had prepared well for the current wet season, others had not.

"Some of the issues could have been minimised or avoided through adequately addressing environmental concerns in relation to their water management planning prior to the start of the wet season.

"It is also unfortunate that, of those companies storing water onsite, only a small number sought discharge approvals in advance of significant flows and rainfall occurring, while most requests came after pits were further inundated.

"Some mines have not had sufficient pumping infrastructure which has limited their ability to make the most of the high river levels that have been experienced."

Mr Bradley said some applications for Transitional Environmental Programs are being delayed because mining companies have not provided all of the information required for a robust assessment to be made regarding the management of water on mine sites, and associated monitoring requirements.

Mr Bradley said while the Department was keen to support the mining industry's recovery, companies are obliged to adequately manage the risks to the environment, in line with the requirements of the Environmental Protection Act.

"Mines must be able to submit robust information on their infrastructure options, the chemical composition of stored water, receiving water flows, potential impacts on downstream users and relevant ecosystems that may be at risk due to the release.

"Where approvals are granted, companies must accept that there need to be triggers to reduce or stop discharges if the receiving flows reduce or water quality degrades, increasing the risk of a threat to the environment or downstream water users."

The department is aware of 25 breaches of environmental authority conditions across the state this wet season. All breaches will be investigated, with particular attention to whether the situation could have been avoided or minimised through better on site preparation or water management infrastructure.

ENDS

For further information contact Department of Environment and Resource Management Media Services Ph: [REDACTED] or email [REDACTED]

Last updated 28 January 2011

Miners push to pump toxins in rivers

Brian Williams
ENVIRONMENT REPORTER

THE waterlogged coal industry wants the State Government to temporarily drop environmental regulations to allow 44 mines to pump out millions of litres of contaminated floodwater into creeks and rivers.

It comes as 14 companies are investigated for releasing water without approval during floods.

Miners seeking a blanket approval to release water say the situation is urgent as dams are full and must be lowered to avoid potential uncontrolled releases in looming cyclonic conditions in the north.

The Government has issued 23 permits to discharge water and a further 16 are being assessed.

"Only 15 per cent of mines are in full production and every mine is holding varying amounts of water," a source said. "Approvals are issued only during high flows (to allow greatest dilution of contaminants) and because creek runs have slowed we can't pump out."

Miners, who will pay \$2.8 billion in royalties to Queensland this financial year, argue it is essential the industry is helped back on to its feet to help kick-start the post-flood economy.

Queensland Resources Council chief executive Michael Roche said yesterday miners needed help dealing with what was now an emergency.

"It's a balancing act and a challenging situation for a regulator," he said.

Up to eight mines held so much water that it was stymieing operations.

Friends of the Earth spokesman Drew Hutton called on Sustainability Minister Kate Jones not to relax environment laws.

Mr Hutton said mining pollution was occurring on a grand scale, with 140,000ML released just from central Queensland's Ensham mine in 2008 and much larger unknown quantities from 10 sites in the northwest in 2009 and in the latest floods.

This is completely intolerable," Mr Hutton said.

"This is corporate bullying of the worst sort. These are our creeks and rivers, not mining company drains."

Drew Hutton from Friends of the Earth

"These companies are asking the Government to allow the biggest single release of toxic material in the state's history and to make it legal."

"This is corporate bullying of the worst sort. These are our creeks and rivers, not mining company drains."

Ms Jones would not concede to a blanket approval yesterday, saying every application to dispense water would be assessed on merit.

She was backed by Premier Anna Bligh, who said water would not be discharged at the expense of the environment.

Notes of meeting with Treasurer Andrew Fraser 17 March 2011

Meeting was set up to discuss QRC concerns re Government intentions to shut down sandmining on North Stradbroke Island and also the strategic cropping land policy. Treasurer noted concerns and indicated Government announcement would please neither side of NSI issue. On SCL he made no commitments but described the policy development as an iterative process.

I took the opportunity to brief him on situation re water in coal mines. I indicated that QRC's best case scenario of loss of 30 mt of coal in 2010-11 was looking more and more likely of being reached or worse. I outlined the situation at particular mines, how they are managing the water. I made it clear this was a medium term, not short term problem.