

Supplementary statement by Daniel Thomas Spiller, affirmed on 17 May 2011

- 1 I, Daniel Thomas Spiller of Level 15, 53 Albert Street, Brisbane, Queensland, the
Director, Operations, of the SEQ Water Grid Manager (**Water Grid Manager**),
affirm the following:
- 2 In this statement to the Queensland Floods Commission of Inquiry, as required in the
letter to me dated 26 April 2011 (**letter**), I:
- (a) have provided all the information in my possession and identify the source or
sources of that information; and
 - (b) make commentary and provide opinions I am qualified to give as to the
appropriateness of particular actions or decisions and the basis of that
commentary or opinion,
 - (c) in relation to the matters outlined in topics 3, 4, 5, 6, 7, 8 11, 12, 13, 14, 15 and
16 of the letter.
- 3 I address each of those topics separately below. The remaining topics in the letter are
addressed in my first statement sworn 13 May 2011, to which I refer. In particular, I
refer to paragraphs 4 and 5 of that statement, which are equally apposite to this
statement.


Signed:.....
Daniel Thomas Spiller

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TOPIC 3: A REQUEST BY THE HONOURABLE STEPHEN ROBERTSON MP, THEN MINISTER FOR ENERGY, MINES AND NATURAL RESOURCES ('the Minister') MADE BY LETTER DATED 25 OCTOBER 2010 TO THE SOUTH EAST QUEENSLAND WATER GRID MANAGER TO INVESTIGATE THE PROSPECTS OF REDUCING THE LEVELS OF WIVENHOE, SOMERSET AND NORTH PINE DAMS


4 In the text that follows, I have provided the extent of my recollections about my interactions with various people in connection with the Minister dated 25 October 2010. For the purposes of providing this account, I have refreshed my memory by rechecking my emails, letters and other documents. Insofar as they are relevant to this topic, copies of those emails, letters and other documents are annexed to this statement as **Annexure AA**, save for those documents which are, or which could be, the subject of cabinet confidentiality. I have included in the annexure of a list of those documents in that category. To the extent that the documents are subject to cabinet confidentiality I understand that Crown Law will, on instructions, either produce them to the Commission or take objection to their production. Those documents which are not subject to cabinet confidentiality will be produced by me to the Commission separately.

5 Whilst relevant only as to context for this topic, I consider that it is important to note that I had been working extensively with Mr John Bradley, the Director-General of the Department of Environment and Resource Management (**DERM**), and others prior to 20 October 2010 on advice for the Minister and the Treasurer as to the optimal operating strategy for the desalination facility at Tugun and the Western Corridor Recycled Water Scheme.

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- 6 That process had commenced in a meeting I attended (with Mr Dennien) on or about 22 July 2010, a few weeks after I commenced work for the Water Grid Manager. That meeting was with officers from Queensland Treasury and DERM and the Chief Executive of WaterSecure (the owner of the desalination plant at Tugun).
- 7 In that meeting, officials from Queensland Treasury and DERM advised that the Minister and the Treasurer had sought advice about whether or not it would be possible or prudent to demobilise one of the facilities or reduce their operating levels in light of increased water levels in the South East Queensland Water Grid (**Water Grid**) in around the middle of 2010.
- 8 On 27 July 2010, Treasury officials provided me with a draft letter from the Minister and the Treasurer. I provided comments on the draft that day.
- 9 The formal signed letter was ultimately sent and received on 13 September 2010. However, work was ongoing from 22 July 2010.
- 10 Once we received the initial request in the meeting on 22 July 2010, the Water Grid Manager relied upon WaterSecure, for its advice. It provided that advice, which informed the advice from the Water Grid Manager.
- 11 Ultimately, that was a process which we adopted with the request from the Minister dated 25 October 2010 and which is discussed below; namely that the asset owner (in the case of the desalination plant, WaterSecure, and in the case of the reduction of Wivenhoe and Somerset Dams, Seqwater) was asked for advice about aspects of the Minister's request. The reasons that the Water Grid Manager participated and led

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some of these discussions was, in my opinion, that the Minister's request impacted upon the provision of water security in accordance with the System Operating Plan, made by the Queensland Water Commission (QWC), and the fact that the Water Grid Manager was responsible for the optimal operation of the Water Grid as a whole.

- 12 As such, and whilst the Water Grid Manager was not in a position to provide specific advice about the Ministers' request insofar as it related to the specific assets, it was necessary that the Water Grid Manager consider the asset owners' advice in formulating the optimal operating strategy for the Water Grid as a whole, and to ensure that the Ministers were appropriately advised about the impact of any recommendations or advice provided by asset owners.
- 13 Ultimately, the work in relation to the desalination facility and the recycled water project in response to the 22 July 2010 request culminated in advice from the Chair of the Water Grid Manager dated 12 November 2010. On 5 December 2010, the Minister announced that the desalination facility would be placed in standby mode and part of the Western Corridor Recycled Water Scheme would be demobilised.
- 14 That is important context as it explains, in my view, why Mr Bradley telephoned me when following a request from the Minister on or about 19 October 2010 for advice in relation to options for reducing dam levels, a topic which is discussed further below. In my view, Mr Bradley logically called me as the request was similar to the work that we had previously been doing.
- 15 The first I knew of the request by the Minister for the Water Grid Manager to investigate the prospects of reducing the levels of Wivenhoe, Somerset and North

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Pine Dams was when I received a telephone call from Mr Bradley. My recollection is that Mr Bradley had telephoned me on his mobile phone whilst he was walking down George Street. Mr Bradley said words to effect that he had just been asked by the Minister about whether, mindful of forecasts, flood risks and impacts could be reduced by drawing down storage levels in the dams. To the best of my recollection, this discussion occurred in the morning of 19 October 2010.

16 I recall that Mr Bradley asked me, in our discussion, to draft a Matter to Note for the Minister about this, together with a letter from the Minister formally requesting advice. A Matter to Note is effectively a one page summary that the Minister could take to Cabinet in order to raise the issue in general discussion. I understand that the form of the Matter to Note is dictated by Cabinet.

17 At about 3.30pm on Tuesday, 19 October 2010, Mr Dennien attended a meeting with the Minister, his advisers and Mr Bradley regarding the Water Grid Manager's advice about the operation of the desalination plant and Western Corridor Recycled Water Scheme. The meeting was scheduled that morning. I did not attend the meeting. Mr Dennien told me, in summary, what had been said in the meeting shortly after it. I do not have any particular recollection of the detail of that now. I have a passing recollection that the request for advice about options to draw down dam levels was discussed at the end of the meeting.

18 Later, at about 5.20pm on Tuesday, 19 October 2010, I received an email from Mr Dennien in which he outlined a range of actions that I was to coordinate the next day (as he was to be interstate). These actions included drafting a letter from the Minister

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to Mr Peter Borrows (the Chief Executive Officer of Seqwater) requesting some analysis of the flood risk benefits of reducing water supply levels below Full Supply Level as a pre-emptive action for the wet season. Actions in relation to the advice about climate resilient supplies were also outlined. These actions related to the impacts of placing the desalination plant in standby mode over the 2010/11 wet season while completing further analysis in relation to demobilisation options.

19 I recall that this advice had become timely, due to public discussion regarding the role of the desalination plant with dams overflowing (for example, see the *Gold Coast Bulletin* article of 12 October 2010). As of 19 October 2010, our advice and supporting report were well progressed. However, WaterSecure was continuing to refine key inputs and consultation with the QWC was ongoing.

20 In the morning of Wednesday, 20 October 2010, I requested the template of the Matter to Note from Mr Don Sfiligoj, Manager of Cabinet and Parliamentary Services for DERM. He provided the template by email at 7.59am, along with a previous example.

21 At about 12.35pm on Wednesday, 20 October 2010, I sent an email to Mr Bradley confirming my understanding of the outputs that he required. Among those outputs was a Matter to Note that addressed the options to temporarily reduce storage levels and the status of advice regarding the operation of the desalination facility and Western Corridor Recycled Water Scheme.

22 In that email, I sought his approval to consult Seqwater in relation to the options for their dams and, alternatively or as well, Messrs John Ruffini (an employee of DERM)

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and Bob Reilly (General Manager of the Office of the Water Supply Regulator). I also inquired as to whether an indicative media release would be required, as a demonstration of how the policy decision may be explained. I did the latter within the context that there had been extensive discussion in the media about maintaining Wivenhoe Dam at above Full Supply Level.

23 At 1.09pm on 20 October that same day, Mr Bradley replied to me and a group of officers from his department. In that email, Mr Bradley:

- (a) confirmed that the Matter to Note was required from me by close of business the following day (Thursday, 21 October 2010). I understood that this timeframe was to enable it to be discussed at Cabinet the following week;
- (b) requested that Mr Reilly coordinate the preparation of a range of letters, including two for the Minister to sign. These letters were to be sent by close of business on Monday, 25 October 2010 for the Minister's signature, following consultation with Seqwater, Sunwater and me. I understood myself to be responsible for drafting a letter from the Minister seeking advice about options to temporarily reduce the storage levels of key dams. I understood Mr Reilly to be responsible for the other letters, which related to a range of regulatory matters for which he is responsible; and
- (c) that the indicative media release was required from me, though a deadline was not specified.

24 Following that email chain, I had a telephone discussion later that day with Mr Reilly.

I talked to Mr Reilly about his view of the Minister's request given his role as the

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Regulator of the Dams, the fact that the Minister was concerned about reducing the risks of flooding and the most appropriate way of tackling this. I sought his feedback as to the process generally. We discussed what the options could be. We discussed two potential objectives, one being a small reduction of the water levels in the dams and one being a large reduction (in that order). Mr Reilly mentioned that a small reduction, in the order of 95% of Full Supply Level, may have some benefits. We agreed that this type of reduction was likely to minimise inconvenience to local areas due to local bridges being inundated. My recollection of the discussions is that Mr Reilly did not have any scientific basis for making the 95% reduction, it was merely a 'gut feel' reaction from him based on his experience. Mr Reilly and I discussed that we did not know what the benefits would be in terms of major flood impacts. We also discussed the possibility of a larger reduction. We agreed that this would need further modelling and advice from experts. I cannot now recollect who originally suggested this latter aspect in the discussion.

25 I note that the System Operating Plan, under which the Water Grid Manager operates, sets critical risk criteria for the purposes of assessing water security. The System Operating Plan also contains a range of operating rules. It is made by the QWC. The Water Grid Manager regularly reports to the QWC on its compliance with the System Operating Plan.

26 From current storage levels, the critical criteria relates to the risk of the twelve key Water Grid storages falling to 40% of combined capacity within five years, triggering the reintroduction of Medium Level Restrictions and the use of purified recycled water to augment Wivenhoe Dam. The maximum acceptable risk of that occurring is

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5%. Anything under a 5% risk is deemed to be acceptable from a water security perspective. This is set out in the System Operating Plan, for example in section 7 of version 3.2.

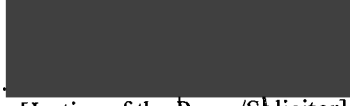
27 In essence, the Water Grid Manager makes its decisions based on water security across the Water Grid as a whole (including the twelve key storages) based on medium-term assessments, and not at any given point therein.

28 In late October 2010, the probability of the twelve key storages falling to 40% of combined capacity within five years was well below 5%. This security was due to completion of new infrastructure, dams being near capacity and ongoing water efficiency.

29 In particular, inflows (in October 2010) had filled Wivenhoe and Somerset Dams to 100% of their Full Supply Levels for the first time in many years. That, together with the prospect of a very wet season, gave a significant amount of comfort as to water security for any proposal to make a small reduction in water levels in the dams.

30 There was a deal of comfort on my part, based on the work that we had done, that temporarily drawing Wivenhoe and Somerset Dams down to 95% of their Full Supply Level would have a very small impact on the risk of the twelve key Water Grid storages falling to 40% of combined capacity within five years (that is, such releases would have no impact on the ability of the Water Grid Manager to continue to comply with the risk criteria contained in the System Operating Plan).

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- 31 I did not need to arrange for any further studies to be conducted in connection with a temporary reduction of the Wivenhoe and Somerset Dams to 95% of their Full Supply Levels, as the Water Grid Manager had previously done a great deal of work in relation to water security across the Water Grid. Much of this work had been undertaken in August and September 2010, when Wivenhoe and Somerset Dams were at around 95% of their combined storage capacity. This work related to the preparation of the second version of the Water Grid Operating Strategy and of the advice to the responsible Ministers in relation to the operation of the Western Corridor Recycled Water Scheme and the desalination plant. That is discussed above.
- 32 I have a passing recollection that Mr Reilly and I also discussed our understanding of the tasks that we had been allocated by Mr Bradley, and the process by which we would collate those.
- 33 Following my discussion with Mr Reilly, I telephoned Jim Pruss from Seqwater. I think that was in the evening of 20 October 2010. I had a short conversation with Mr Pruss that was similar to the conversation I had with Mr Reilly. I explained the Minister's request. I recounted what Mr Reilly and I had discussed - in that there were two sets of objectives, being the minimisation of inconvenience to local areas and the cutting-off of local roads and what could be done about major flood impacts. I recounted to Mr Pruss that we felt that a temporary reduction to 95% of Full Supply Level would have some benefits for local convenience and asked his views on that.

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- 34 In the discussion with Mr Pruss, we agreed that a temporary reduction to about 95% of Full Supply Level could be useful for the purpose of minimising local disruption without any significant detriment to water security.
- 35 Mr Pruss stated to me that he saw some value in the dams being reduced marginally to something like 95% of Full Supply Level. He noted that there could be operational benefits reducing the frequency of dam operations, thereby reducing operating costs and enabling key staff to focus on 'real' events.
- 36 Mr Pruss, to my understanding, had previously been the manager of Redlands Water, which was responsible for the operation of the Redlands City Council water assets. The management of water supply from Leslie Harrison Dam had been within his remit in that role. He recounted to me, in this discussion, that his understanding was that Redlands Water had operated Leslie Harrison Dam in a similar manner, reducing storage levels slightly to minimise inconvenience to local areas. The reference in the letter from the Minister to the Leslie Harrison Dam came from Mr Pruss' discussions with me on this occasion (as I drafted the letter for the Minister at Mr Bradley's request, see below).
- 37 Mr Pruss stated that, beyond that, he would need his personnel to model whether or not there would be any benefit in terms of flood mitigation.
- 38 I advised Mr Pruss that I expected the Water Grid Manager would get a letter from the Minister to formally consider these options and that the Water Grid Manager would, in turn, write to Seqwater seeking its advice.

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- 39 The next morning, Mr Pruss arranged a brief discussion with Mr Rob Drury (Dam Operations Manager for Seqwater) and me at short notice. Beyond the matters that we had discussed the previous night, I also briefed Mr Pruss about the advice being provided about the climate resilient supplies and sought his comment. At some point – to the best of my recollection, in that conversation, but it may have been in a later conversation within a few days – Mr Pruss provided some comments, based on his experience, about the operational challenges involved in recommissioning a water treatment source once it had been demobilised. This is the extent of my recollection of our meeting.
- 40 In an email chain related to setting up the meeting, Mr Pruss advised that he had discussed the concept of drawing down dams with his Chief Executive Officer (Mr Borrows) and Mr Drury and that there was general agreement that it could be done and that it would help operationally and with public impacts.
- 41 I also telephoned Mr Ruffini to discuss the Minister's request. I believe that was around 20 or 21 October 2010. Between about 2005 and 2007, while at the Office of Urban Management and later at the QWC, I had done a lot of work with Mr Ruffini including in developing the system yield model for the Water Grid and in the development of the Water Strategy generally. Mr Ruffini had done much of the thinking behind the model and its application, such as through the risk criteria described in paragraph 26 above. In my view, he had a significant amount of relevant expertise.

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42 I told Mr Ruffini the same things I had previously told Mr Reilly and Mr Pruss. I recall that he also indicated that he was generally comfortable with the idea of the dams being temporarily reduced to approximately 95% of the Full Supply Level.


43 Late on Wednesday, 20 October 2010, I briefed Mr Bradley on my outline of the content of the Matter to Note, informed by the above conversations. I cannot recall the detail of that conversation.

44 At 9.18am on Thursday, 21 October 2010, I provided a first draft of the Matter to Note to Mr Sfiligoj by email, with a note that it was subject to consultation with Mr Reilly about dam operations. Mr Don Sfiligoj had requested an update on its status the previous evening. Mr Dennien commented on the draft prior to my providing it to Mr Sfiligoj.

45 At 11.35am, Mr Tim Watts (one of Mr Robertson's advisers) requested an update on whether the Water Grid Manager would be able to provide a progress report on options for the future operation of the desalination plant, as discussed with the Minister on the preceding Tuesday. At 11.41am, Mr Bradley replied advising that he had discussed the advice with me and that I was working on a Matter to Note for close of business that day.

46 At 12.25pm, I provided, by email, a copy of the draft Matter to Note to Mr Reilly for comment (having removed the text relating to climate resilient supplies). I have a passing recollection that I rang Mr Reilly beforehand to advise that I was sending the draft and that I required urgent comment.

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- 47 At 1.31pm, Mr Reilly provided comments in tracked change, copied to Mr Robson (then Deputy Director General, DERM). The comments reflected the latest status of the draft communications protocol for dam releases, which I was not involved in drafting.
- 48 Throughout this period Mr Dennien and I continued to consult with officers of WaterSecure and, to a lesser extent, Queensland Treasury and the QWC about the proposed advice regarding climate resilient supplies. Officers from Queensland Treasury were primarily interested in accounting and contractual issues with the operator.
- 49 I subsequently refined the draft. In parallel, Mr Michael Lyons (Water Grid Manager Director, Communications) iteratively prepared the draft media release in consultation with Mr Dennien and me. During that process, from time to time, I incidentally discussed with Mr Dennien what I was doing in that regard.
- 50 At 5.18pm, I provided the updated Matter to Note to Mr Bradley by email, with copies to Mr Dennien and Mr Reilly.
- 51 At 5.48pm, Mr Watts advised by email that the Minister had requested that the Matter to Note not propose a decision about the operation of the desalination plant. He advised that it should provide the latest information on desalination plant options and a brief update on the process that the Minister and the Treasurer had initiated. As indicated in the email, and expanded upon in a subsequent conversation, the purpose of the delay was to provide time for all of the analyses to be completed and to ensure that the Minister was available to speak publicly to any announcement once it was

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made (I understood that he was scheduled to travel overseas immediately after the Cabinet meeting on 25 October 2010).

52 I replied at 6.02pm, in order to confirm that the Matter to Note was still required to address the options in relation to drawing down key dams. Mr Watts replied confirming this.

53 At 5.26am on 22 October 2010, I emailed from my home email address a revised version of the Matter to Note to Mr Bradley with a copy to Mr Dennien. This email followed email exchanges with Mr Sfiligoj at 3.45am and 5.00am that morning, where Mr Sfiligoj inquired as to its status.

54 I subsequently emailed a series of updates to this version, due to my errors in controlling versions. In particular, Mr Watts commented on a version sent at 7.50am, requesting that I use text that reflected his request of the previous evening and that I address the review of dam operating levels before operation of the desalination plant. Prior to the version sent at 8.41am, I also omitted to include the text from Mr Reilly (refer paragraph 47). The content of the discussion of the review of dam operating levels did not change between these versions.

55 At 8.40am, I circulated a final version to Mr Sfiligoj with copies to various others.

56 I received no advice as to whether the Matter to Note was amended, or written outcomes of any subsequent Cabinet discussion. However, through subsequent conversations with Mr Watts, Mr Dennien and I confirmed that a formal request for a review of dam operating levels would be forthcoming.

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57 I have a passing recollection that I had a discussion with Mr Reilly that morning, having completed my involvement in the Matter to Note. I recall that I apologised for the omission and that we discussed how we would compile the letters. He advised that he would prepare a covering brief and provide a draft to me for comment. I advised that I would focus on the letter and media release.

58 At 2.11pm, Mr Reilly provided a copy of the draft brief for comment. He also requested that the letter and indicative media release be provided by 3pm.

59 At 3.32pm, I provided the letter and indicative release directly to Ms Stephenie Hogan from the Deputy Director General's office by email. I did so as I had been unable to provide them to Mr Reilly prior to his deadline. I was also unable to comment on the draft brief within his deadline. My email was copied to Mr Bradley, Mr Reilly, Mr Watts and Mr Dennien.

60 At the same time, I drafted a letter from the Water Grid Manager to Seqwater. Based on my discussions with the people referred to above on or about 20 October 2010, everyone agreed that Seqwater was the entity that needed to provide the requisite advice about options to temporarily reduce the storage levels of key dams and the benefits that might flow from those. Seqwater was the asset owner and operator.

61 On 25 October 2010, the Minister wrote to the Chair of the Water Grid Manager, Mr Gary Humphrys, in the terms proposed.

62 In that letter, the Minister sought advice as to whether there was an opportunity temporarily to reduce the volume of water stored in key dams in preparation for the

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upcoming summer season. In doing so, the Minister noted that recent releases from Wivenhoe Dam (in October 2010) had resulted in significant inconvenience and isolation for residents in some downstream areas. The Minister sought a response by the end of November 2010 as to the available options and likely benefits.

63 On 25 October 2010, I wrote (by email) to Mr Pruss, copied to Mr Dennien, advising that we understood we would receive a letter requesting advice as to available options and likely benefits of releases from dams, including Wivenhoe, and stating that that letter would be forwarded as soon as possible.

64 The Water Grid Manager also communicated the likelihood of the letter arriving from the Minister to the QWC by way of an email dated 26 October 2010 at 7.37am from Mr Dennien to Ms Karen Waldman (the Chief Executive Officer of the QWC). I understood from discussions with Mr Dennien that this email was sent as a courtesy and because the Minister's request had the capacity to impact upon the over-arching strategy for the management of the State's water resources (a matter within the Commission's remit).

65 I understand that on 28 October 2010, Mr Dennien forwarded to Ms Waldman a copy of the Minister's letter by email.

66 On 2 November 2010, Mr Dennien wrote to Mr Borrows (the Chief Executive Officer of Seqwater) confirming that the Minister had sought urgent advice about whether the volume of water stored in dams could be reduced as a means of reducing the severity, frequency and duration of flooding in downstream areas. I drafted that letter for Mr

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Dennien. Mr Dennien enclosed a copy of the Minister's request and sought Seqwater's advice by 19 November 2010.

67 During the period from 20 October 2010 until the formal response to the Minister on 24 December 2010, I had regular discussions with Mr Dennien about the Minister's letter, the response from Seqwater and the advice from the Water Grid Manager. I cannot now recollect each individual discussion, or the words used in those discussions or the effect of them. Mr Dennien and I talk on a daily basis in our roles for the Water Grid Manager and we did discuss this subject on many occasions during this period.

68 On or around 10 November 2010, Mr Pruss provided me, by email, a draft advice by Seqwater's dam safety experts. I subsequently forwarded a copy of that email to Mr Dennien. The document from Seqwater examined a range of different scenarios for temporary reductions of the water levels in Seqwater's gated dams in order to provide flood mitigation benefits. Amongst other things, the advice noted that, for major flood events impacting on urban areas, it was unlikely that peak water levels in Brisbane would be significantly impacted by minor reductions in the level of the Wivenhoe Dam and that reductions in dam volume in the order of at least 250,000 megalitres would be needed to provide any significant reduction in water level peaks experienced in urban areas. That advice also noted that such reductions would not necessarily guarantee reductions in urban flood levels because the distribution of rainfall in the Brisbane River catchment governed the extent of possible urban flooding.

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- 69 On about 16 November 2010, I was in Canberra for a workshop which was also attended by Mr Pruss. At a dinner he commented to me, in passing, that he considered that the first response given by Seqwater may not answer all the questions and may need some more work. He expressed a view that they (Seqwater) were keen to meet with us and discuss our views as to where it went from there.
- 70 At around that time, I had modelling done by Gilbert and Sutherland, independent contractors to the Water Grid Manager, who assisted with hydrological modelling for the assessment of water security risks. That modelling (which is done on the model which the Water Grid Manager has on licence from the QWC) was solely on the possibility of a reduction to 95% of Full Supply Level. Whilst we had previously done a lot of work, I wanted specifically to confirm that the risk of proceeding to 40% of Full Supply Level in the immediate future was less than 5% if the levels of Wivenhoe and Somerset Dams were reduced to 95% of their Full Supply Levels.
- 71 Before the Water Grid Manager could determine the water security impacts, it needed advice from Seqwater about the options and the potential benefits of those options. The potential benefits had to be weighed against the increased risks to water security (even if the risks were small). This is equivalent to the process applied in relation to the climate resilient supplies, wherein the Water Grid Manager did not pre-empt or constrain options considered by WaterSecure.
- 72 The Water Grid Manager did not model the water security impacts of alternative draw downs at that time. There was no point to that until Seqwater decided what parameters or options it wished to test or adopt. In the absence of instructions on the

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parameters or options by Seqwater, I chose to focus my modelling resources on the finalisation of advice about climate resilient supplies and the proposed second version of the Water Grid Operating Strategy, both of which were important tasks and being completed at that time. For my purposes it was sufficient that the water security related modelling could have been done promptly when Seqwater advanced the matter. I knew that that modelling could be done promptly.

73 However, I note that the general water security position had already been outlined in detail in widely available documents, including the final SEQ Water Strategy.

74 Further, even if the water security impacts were small, costs would have needed to be considered. If options provided by Seqwater had a significant impact on the probability of key Water Grid storages falling to, for example, 40% of combined storage capacity, the increased costs of operating the desalination plant and implementing other additional water security measures would need to be considered.

75 On or about 18 November 2010, Mr Dennien asked Mr Pruss and Mr Drury to attend a meeting on 23 November 2010, at the offices of the Water Grid Manager, in order to discuss the draft advice provided by Seqwater on 10 November 2010 and the response to the Minister's letter. To the best of my recollection, Mr Dennien made that invitation by having his personal assistant send an invitation in Outlook to those gentlemen (and me). The invitation was sent on 18 November 2011, most likely after Mr Dennien's personal assistant had agreed upon a suitable time with Mr Pruss' assistant.

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76 That meeting occurred in the office of Mr Dennien at the Water Grid Manager on 23 November 2010, commencing at or around 4.00pm. To the best of my recollection, the meeting was approximately one hour in duration. Mr Pruss and Mr Drury attended from Seqwater and Mr Dennien and I were the attendees from the Water Grid Manager. To the best of my recollection, at the meeting:

- (a) Mr Drury dominated the discussion insofar as Seqwater was concerned. He spent a significant amount of time explaining or speaking to their opinion, as was summarised in their preliminary report provided on 10 November 2010;
- (b) in essence Mr Drury summarised much of what was in their written report provided on 10 November 2010;
- (c) after that was done, Mr Dennien asked a series of questions focusing on events where the water flow out of the dams was greater than 3,500 cubic metres per second (which Seqwater had nominated as larger flood events in their preliminary paper);
- (d) Mr Drury drew a diagram on the whiteboard in Mr Dennien's office. In essence, that involved drawing a triangle with the longer edge of the triangle resting horizontally and the point facing upwards. I do not recall the exact words that Mr Drury used but my recollection is that the effect of what he said was that even if there was a significant reduction from the dam, it was unlikely to make any difference to the peak flow downstream. I recall that in the diagram, Mr Drury 'cut off' the left hand side of the triangle, indicating that a large reduction in the water levels in Wivenhoe and Somerset Dams may delay

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the onset of water releases, but it would not change the peak water flow downstream;

- (e) I recollect that Mr Drury said that a large reduction in the dam would not change whether or not there was 'mud in the houses' in Brisbane;
- (f) in addition, Mr Drury said words to the effect that if pre-releases were made from the dam immediately prior to major inflows, there was a risk that, in a situation like a 1974 flood, you would have large releases from the dam coinciding with the king tide or significant rainfall in the catchment area below the dam, making potential floods worse. This was given as one example of the types of complex interactions that would need to be modelled in detail;
- (g) Mr Drury also drew another diagram on the board that illustrated this potential situation, showing a triangle representing Wivenhoe Dam, a squiggly line showing the Brisbane River and then various arrows showing where the weather system could coincide with releases from the dams. My recollection of what he said was that it could be predicted that the rain would fall on the dam, but it could move and hit the river at the same time that the releases did, thereby worsening the situation;
- (h) Mr Drury said that Seqwater was not in favour of doing pre-releases immediately prior to a potential flood event, because of the unpredictability of the weather systems, the tides and the confluence of all of these events;
- (i) my recollection is that Mr Drury concluded his answers to Mr Dennien's questions by saying words to the effect that these were very complicated

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questions and required a significant study that would take in the order of six months to do; and

- (j) at the conclusion of the meeting, Mr Pruss and Mr Drury promised that they would provide further information to us shortly after the meeting. I understood that this would occur fairly quickly, given that a deadline of the end of November 2011 that had previously been posed in the correspondence to the Water Grid Manager and, through it, to Seqwater.

77 On 1 December 2010, Mr Dennien emailed Mr Pruss and Mr Drury following up on the discussions on 23 November 2010 with regard to dam levels and flood impacts and advised that we were due to respond to the Minister by the end of November.

78 On 2 December 2010, Mr Drury sent me, by email, (copied to Mr Pruss and Mr Borrows) a draft report.

79 On 3 December 2010, Mr Dennien responded, by email, to Mr Drury (copied to Mr Pruss, Mr Borrows and me) asking several further questions about the draft report and, in particular, asking for clarification about the impacts and benefits of medium and large releases from the dams for large flood events and about the modelling that had been done as to those issues.

80 At some point in early December 2010, on a date I cannot now recollect, I had a discussion with Mr Bradley about our response to the Minister's letter dated 25 October 2010. My recollection is that Mr Bradley and I were discussing another topic and he asked me how we were going with a response to the Minister. I advised

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him that we were still waiting on a response from Seqwater and that we were chasing that up. I cannot now recollect anything else about that discussion.

81 On 8 December 2010, Mr Dennien emailed Mr Pruss and Mr Drury (copied to Mr Borrows and me) seeking a response to the earlier queries Mr Dennien had asked.

82 On 9 December 2010, Mr Drury sent an email to Mr Dennien, (copied to Mr Pruss, Mr Borrows and me) responding to the questions that had earlier been asked.

83 The next relevant event was a board meeting of the Water Grid Manager on 13 December 2010, which was attended by Minister Robertson and Mr Watts. I was in attendance at that meeting. To the best of my recollection, at the board meeting:

- (a) There was a reasonably lengthy presentation regarding the OCA Incident Manager system and how the Water Grid Manager was now equipped to manage emergencies. That involved the presentation of a number of case studies to the Minister to show him how OCA Incident Manager worked.
- (b) My estimation is that the presentation went for approximately 15 minutes.
- (c) After that I estimate that Mr Dennien spoke for approximately 15 minutes summarising the advice that we had received from Seqwater and, informed by that, our response to his request of 25 October 2010. I made some comments. I cannot now recollect exactly what Mr Dennien said, or what comments I made. However, to the best of my recollection, the effect of what was said was that:

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- (i) Mr Dennien explained there two different types of situations had been contemplated, one involving small release to something like 95% of Full Supply Level and the other involving larger releases;
- (ii) Mr Dennien explained, insofar as small releases were concerned, the Seqwater advice about what could be achieved by a temporary reduction to 95% of the combined storage levels of Wivenhoe and Somerset Dams. To the best of my recollection, we said that our advice would be that we had no objections to such releases;
- (iii) insofar as major releases were concerned, Mr Dennien stated that Seqwater had recommended that further study was required and that any benefit would require the release of approximately 250,000 megalitres. Mr Dennien also spoke about the advice he had received from Seqwater about the unpredictability of rainfall in terms of where it might occur and when and the difficulty in estimating whether or not there would be any benefit from that order of change to the levels in the dams and what the costs would be;
- (iv) Mr Dennien said that Seqwater's advice had been that releasing water upfront to lower the water levels would defer the need for major releases, but would only change storage level and peak outflow rate in a very small subset of flood events;
- (v) I stated that there hadn't been a major release (defined by Seqwater as being in the order of 3,500 cubic metres per second) since Wivenhoe

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Dam had been constructed and thus the chance of major flood event needed to be considered in making decisions as to these matters; and

- (vi) Mr Dennien said that Seqwater's advice had been that there should be no change to the Manual at this time and that a process needed to be followed prior to making decisions about major releases. He also added that he considered that further work was required.

84 On 24 December 2010, Mr Humphrys wrote to the Minister, responding to his letter dated 25 October 2010, regarding the possibility of releasing from key storages in anticipation of major inflows. That advice was based upon information provided by Seqwater. The letter advised the Minister that the Water Grid Manager and the QWC had confirmed that drawing down of Wivenhoe and Somerset Dams to 95% of their combined Full Supply Level would have negligible effects on the ability of the Water Grid Manager and the QWC to provide water security for South East Queensland. In the advice attached to the letter, the Water Grid Manager advised that Seqwater had confirmed that any impact to allow additional flood mitigation potential would require Wivenhoe Dam releases of at least 250,000 megalitres. The Minister was advised that such a release may have potential water security impacts and that a more detailed investigation was recommended, to be led by Seqwater and involving the Bureau of Meteorology, the Councils and the Water Grid Manager. Mr Dennien had provided, by email, a copy of the draft advice to the QWC for comment prior to it being sent to the Minister.

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85 On 24 December 2010, Mr Dennien also wrote to the QWC by email requesting its approval for a letter to go to Seqwater advising that Wivenhoe and Somerset Dams' levels could be reduced to 95% of their combined Full Supply Level for flood mitigation purposes. That approval was provided to Mr Dennien by email at approximately midday on 24 December 2010.

86 Mr Dennien also subsequently wrote to Seqwater to confirm the instructions provided. This advice was provided by email at approximately 2.32pm on 24 December 2010.

TOPIC 4: ANY ACTIONS BY THE SOUTH EAST QUEENSLAND WATER GRID MANAGER IN RESPONSE TO TOPIC 3 ABOVE

87 I have covered the actions by the SEQ Water Grid Manager in my response to Topic 3.

TOPIC 5: ANY DOCUMENT PRODUCED BY QUEENSLAND TREASURY, THE SOUTH EAST QUEENSLAND WATER GRID MANAGER, QUEENSLAND WATER COMMISSION, SEQWATER OR ANY OTHER BODY ABOUT THE COST OF POTENTIAL REDUCTIONS IN THE LEVELS OF WIVENHOE, SOMERSET AND / OR NORTH PINE DAMS BETWEEN 1 OCTOBER 2010 AND 31 MARCH 2011

88 To the best of my knowledge, there is no document that has been produced by Queensland Treasury, the Water Grid Manager, the QWC, Seqwater or any other body about the specific cost of potential reductions in the levels of Wivenhoe, Somerset and/or North Pine Dams between 1 October 2010 and 31 March 2011.

89 However, I should make clear to the Commission that a significant amount of work had historically been done by the Water Grid Manager in determining the potential costs of a reduction in the 12 main dams which are part of the Water Grid and which supply the majority of the urban areas of Brisbane with water. Wivenhoe and

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Somerset Dams are approximately 50% of the combined storage capacity of these 12 dams.

90 In the period between July and October 2010, I had worked extensively with the Queensland Treasury and DERM, principally through my contact with Mr Bradley, about the economic impact of the desalination plant, the cost associated with the reductions in dams in the Water Grid generally and other matters. These matters are addressed in paragraphs 5 to 13 of this statement.

91 In relation to a temporary draw down, additional costs will be incurred should the 12 dams not refill prior to an extended period of low inflows. These low inflows may cause changes to the operation of the Water Grid, with associated impacts on the operation of the Water Grid. The extent of these changes would depend upon the levels of the 12 key Water Grid storages and upon current and forecast demand. Operational changes may include a combination of:

- (a) increasing or reversing transfers across the region, such as between the Gold Coast and central South East Queensland;
- (b) increasing production from climate resilient sources, such as the desalination plant;
- (c) increasing production from supplies that have been de-mobilised or are being operated at below full capacity, such as the Western Corridor Recycled Water Scheme;
- (d) reducing the take from storages that are at low levels.

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92 Major changes will occur when key Water Grid storage levels fall to:

- (a) 60% of combined capacity, triggering the operation of the desalination plant at capacity at all times, subject to operational constraints (as defined by the Water Grid Operating Strategy);
- (b) 40% of combined capacity, triggering the use of purified recycled water to augment Wivenhoe Dam and the introduction of Medium Level Restrictions (as specified in the South East Queensland Water Strategy and System Operating Plan);
- (c) 30% of combined capacity, triggering the construction of drought response infrastructure (as specified in the South East Queensland Water Strategy and System Operating Plan).

93 These medium to long-term cost impacts can be considered as part of the assessment of proposed operational changes, where those changes would have a material impact on the probability of storages falling to the trigger level. These cost impacts are calculated as the change in the probability weighted costs (being the change in the probability of reaching the trigger level multiplied by the additional costs incurred once storages are below that level).

94 The Water Grid Manager undertakes detailed assessments of the cost impact of major changes to the operation of the Water Grid. The advice on climate resilient supplies is one example. Similar operational assessments are currently being undertaken for the Murrumba Downs Advanced Water Treatment Plant, South Maclean Water Treatment Plant and Capalaba demand zone. Like the advice on climate resilient supplies, these

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assessments involve a range of non-cost considerations and input from relevant entities.

95 In addition, the Operating Strategy specifically addresses operational costs and measures taken to ensure efficient operation (for example, refer to Section 5.2 of the approved Operating Strategy version 3). Indicative operating costs are calculated each month, when Grid Instructions are prepared. Attached as **Annexure A** is Operating Strategy Version 3 and the relevant approval letter from the QWC dated 15 April 2011.

TOPIC 6: MY ROLE IN RELATION TO THE CREATION OF A DRAFT COMMUNICATIONS PROTOCOL FOLLOWING FLOODING DOWNSTREAM OF THE WIVENHOE DAM IN OCTOBER 2010

96 I had no role in drafting this Protocol. Mr Michael Lyons (Water Grid Manager Director, Communications) and Mr Scott Denner (Water Grid Manager Director, Risk and Technology) provided input on behalf of the Water Grid Manager.

97 On 3 December 2010, Mr Denner provided to me a copy of the final draft Protocol. Mr Denner advised me that the Premier had requested that the parties involved utilise the protocol in its current draft format until the final version was approved.

98 I had previously been sent some emails where the draft protocol was discussed (copies of which are included with this statement as **Annexure B**).

99 From email communications and discussions with Mr Denner and Mr Lyons, I understand that the Protocol was drafted by Mr Michael Shapland and Ms Irina Stankovska (Emergency Management Queensland). I understand that it was prepared

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in consultation with a working group that was chaired by Mr Reilly. The working group included representatives of Seqwater, Councils and the Bureau of Meteorology.


TOPIC 7: DETAILS OF ANY COMMUNICATIONS BY ME WITH THE FLOOD OPERATIONS CENTRE BETWEEN 6 AND 19 JANUARY 2011, VERBATIM WHERE POSSIBLE (ANY COMMUNICATIONS, INCLUDING EMAILS, SENT OR RECEIVED BY ME ARE ANNEXED TO THIS STATEMENT)

100 I assume that the Flood Operations Centre (FOC) referred to is that defined on page 2 of the Seqwater Manual of Operational Procedures for Flood Mitigation at the Wivenhoe and Somerset Dams (and particularly revision 7 of that document dated November 2009).

101 During January 2011, I did not have any discussion with the flood operations engineers, except for one teleconference with Mr Borrows where I believe some of the engineers may have been present (but I cannot now be sure). I cannot now recollect the details of that teleconference. I do recall, for the purposes of that teleconference, having received an email from Mr Borrows at the FOC and having sent an email to him at the FOC email address on 15 January 2011. Those two emails are referred to in **Annexure C**. Further, I occasionally received FOC Situation Reports through a third party.

TOPIC 8: MY ROLE IN RELATION TO THE COMMUNICATION OF DECISIONS MADE BY THE FLOOD OPERATIONS CENTRE TO EXTERNAL PERSONS AND AGENCIES BETWEEN 6 AND 19 JANUARY 2011 (ANY CORRESPONDENCE, INCLUDING EMAILS, SENT OR RECEIVED BY ME ON THIS TOPIC DURING THIS PERIOD ARE ATTACHED TO THIS STATEMENT)

102 Apart from what I mentioned in paragraph 101, I did not have any direct communications with the Flood Operations Centre between 6 and 19 January 2011.

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103 Throughout January 2011, I did have extensive communications with other officers of Seqwater in relation to dam releases.

104 My communications primarily involved Mr Drury, who was responsible for sending me Technical Situation Reports (TSRs) as required by the draft Communications Protocol. I was primarily responsible for forwarding those to others in accordance with the Protocol. Mr Drury was my point of contact in relation to dam releases. I often spoke to him to clarify aspects of the TSR, prior to its distribution.

105 I had some limited communications about dam operations with other officers of Seqwater, being Mr Borrows (CEO), Mr Stan Stevenson (Acting Executive General Manager Water Delivery) and Mr Mike Foster (Manager Strategic Relations and Communication). Mr Borrows joined the Water Grid Emergency Management Team (EMT) (discussed in my first statement) for key teleconferences, including one with Council CEOs at 12.30pm on 9 January 2011. Mr Stevenson was the Seqwater representative on the EMT. He provided some limited advice in relation to dam operations. Mr Foster and his staff provided advice regarding communications and media inquires throughout the event.

106 I cannot now recollect the details of every discussion that I had with Mr Drury and other officers. I believe that the emails and records in the OCA Incident Manager reflect the discussions that we had. I am unable to provide any further details at this time.

107 Copies of my direct communications between 6 and 19 January 2011 relevant to this topic are attached as **Annexure D** save for those documents which are, or which could

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be, the subject of cabinet confidentiality. I have included in the annexure a list of those documents in that category. To the extent that the documents are subject to cabinet confidentiality I understand that Crown Law will, on instructions, either produce them to the Commission or take objection to their production. Those documents which are not subject to cabinet confidentiality will be produced by me to the Commission separately.

108 Communications relevant to my statement include:

- (a) TSRs provided to me by officers of Seqwater;
- (b) TSRs distributed by me;
- (c) other information provided to me by officers of Seqwater;
- (d) other communications with key Government and external stakeholders; and
- (e) communications about media releases and responses to media enquiries, including consultation with officers of Seqwater.

TOPIC 11: MY COMMUNICATIONS RELATED TO THE BUSINESS OF THE SOUTH EAST QUEENSLAND WATER GRID MANAGER BETWEEN 1 SEPTEMBER 2010 AND 31 MARCH 2011 WITH THE FOLLOWING:

109 I attach, as separate Annexures to this statement, copies of all of the emails I have been able to locate with the people referred to below that are relevant to the topics contained in the Commission's email to McCullough Robertson of 28 April 2011 narrowing the scope of the original request and which are not otherwise produced under a specific topic. The annexures exclude communications that are relevant to another topic. To the extent that certain documents are, or may be, the subject of Parliamentary privilege or cabinet confidentiality, I have listed them in a schedule

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within the annexure relevant to the person concerned. I understand the documents which are the subject of Parliamentary privilege have been, or will be, produced to the Commission by Crown Law. To the extent that the documents are subject to cabinet confidentiality, I understand that Crown Law will, on instructions, either produce them to the Commission or take objection to their production. Those documents which are not subject to cabinet confidentiality will be produced by me to the Commission separately.

- 110 To the extent that certain documents are, or may be, the subject of Parliamentary privilege or cabinet confidentiality, I have listed them in a schedule within the annexure relevant to the person concerned. I understand that those documents will be produced to the Commission by Crown Law.

SUB TOPIC 11(A): MY COMMUNICATIONS WITH JOHN BRADLEY, DIRECTOR GENERAL, DEPARTMENT OF ENVIRONMENT AND RESOURCE MANAGEMENT

- 111 Copies of the relevant emails with Mr Bradley are enclosed with this statement as **Annexure G.**

- 112 In broad terms, there were three relevant topics which I was corresponding with Mr Bradley about during the specified period. They are:

- (a) the advice regarding the operation of climate resilient supplies;
- (b) dam operations, including our (the Water Grid Manager's) functions under the final draft Communications Protocol; and
- (c) water supply emergency management, essentially from 10 January 2011.

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113 **Annexure G** includes my emails containing TSRs. It also includes updates on the water supply emergency, which I sent to a similar distribution list. These reports were also distributed to the Minister and his advisers, among others.

114 Mr Bradley was on leave from 25 December 2010 to 10 January 2011. Ms Debbie Best was the Acting Director General for most of that period. To the extent that they are relevant to the topics outlined in the balance of the letter, my emails to and from Ms Best during that period are also annexed in **Annexure G**.

SUBTOPIC 11(B): MY COMMUNICATIONS WITH THE HONOURABLE STEPHEN ROBERTSON MP, MINISTER FOR ENERGY, MINES AND NATURAL RESOURCES AND SUBSEQUENTLY MINISTER FOR ENERGY AND WATER UTILITIES

115 My relevant emails are annexed to this statement as **Annexure H**, excluding the TSRs included in **Annexure G**.

116 My recollection of my communications with the Minister is as follows.

117 I had communications with the Minister in the 13 December 2010 board meeting of the Water Grid Manager.

118 From 25 December 2010, I also copied the Minister into TSRs I was requested to do so by Mr Tim Watts, who was then one of his advisers.

119 Further, on 10 January 2011, I attended a meeting with Mr Dennien, Mr Watts and the Minister at approximately 10.30am. At that meeting, Mr Dennien and I briefed the Minister on the establishment of the EMT and the steps being taken to manage possible threats to water supply. I cannot now recollect the words that we used, or the effect of the words that we used, at that meeting, save that the Minister was briefed

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about the establishment of the team and the progress of the implementation of the Water Grid Emergency Response Plan.

120 On 31 January 2011, I attended a meeting at which Mr Borrows briefed the Minister on the status of Seqwater investigations regarding options to temporarily draw down Wivenhoe Dam (refer Topic 14).

121 On 13 February 2011, I attended a meeting with the Minister, Mr Borrows, Mr Dennien and Mr Bradley and their advisers immediately prior to the announcement that Wivenhoe Dam would be temporarily drawn down to 75% of its Full Supply Level. The meeting was preparation for a media interview.

SUBTOPIC 11(C): MY COMMUNICATIONS WITH THE HONOURABLE STEPHEN ROBERTSON MP'S MINISTERIAL ADVISORS

122 The relevant emails are annexed to this statement as **Annexure I**, excluding the TSRs that are included in **Annexure G** and the briefing notes that are included in **Annexure H**.

123 To the best of my recollection, my communications were with Mr Tim Watts, Mr Lance McCallum, Mr Geoff Stead, Ms Zoe Russell and Ms Tess Bishop. In particular, I had regular conversations with Mr Watts during this period.

124 I cannot now recollect the details of every relevant discussion. I believe that the emails and records in OCA Incident Manager reflect the discussions that we had. I am unable to provide any further details at this time.

SUB TOPIC 11(D): MY COMMUNICATIONS WITH PETER BORROWS, CHIEF EXECUTIVE OFFICER, SEQWATER

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125 The relevant emails I exchanged with Mr Borrows are annexed to this statement as
Annexure J.

126 I cannot now recollect any individual meetings or discussions with Mr Borrows that
are not referred to in those emails.

*SUB TOPIC 11(E): MY COMMUNICATIONS WITH MARY BOYDELL, QUEENSLAND
WATER COMMISSIONER*

127 To the best of my recollection, I did not have any relevant communications directly
with Ms Mary Boydell, the Queensland Water Commissioner, during this period. I
was copied into communications between Ms Boydell and Mr Dennien or the
Chairman of the Water Grid Manager. The relevant emails I been able to locate are
annexed to this statement as **Annexure K.**

128 I attended two meeting with the Chairs and Chief Executive Officers of the QWC,
WaterSecure and Water Grid Manager in relation to the advice on climate resilient
supplies.

*SUB TOPIC 11(F): MY COMMUNICATIONS WITH KAREN WALDMAN, CHIEF
EXECUTIVE OFFICER, QUEENSLAND WATER COMMISSION*

129 I did not have many relevant communications with Ms Waldman during the relevant
period. The relevant emails that I have been able to locate are annexed to this
statement as **Annexure L.**

130 In broad terms, there were two relevant topics which I was corresponding with Ms
Waldman about during the specified period. They are:

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- (a) the advice regarding the operation of climate resilient supplies, including the impacts for the QWC modelling of the bulk water price path; and
- (b) dam releases, including the advice provided about Hinze Dam on 10 December 2010 and about Wivenhoe Dam on 24 December 2010 and in early 2011.

131 I attended a limited number of meetings with Ms Waldman in relation to the advice on climate resilient supplies. The outcomes of these meetings are reflected in my emails.

132 With Mr Dennien, I attended a meeting with Ms Waldman and key officers in early January 2011. At that meeting, we each explained the advice that we were intending to provide in relation to the water security impacts of temporarily drawing Wivenhoe Dam down to 75% of its Full Supply Level.

133 I also had two other discussions with Ms Waldman that I can now recollect, namely:

- (a) First, a discussion on 10 January 2011. In that discussion (which was by telephone), I sought her agreement for specific officers of the QWC to assist Seqwater in the preparation of TSRs. Ms Waldman made Mr Rolf Rose available. I subsequently offered this assistance to Seqwater (Mr Drury), who advised that this assistance was not required.
- (b) Second, I had a discussion with Ms Waldman on 13 January 2011, again by telephone. Ms Waldman called me and offered to participate in the Emergency Manager rotation (discussed in topics 9 and 10 in my first statement) and to

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provide any other assistance required. I asked her for advice regarding demand management options, which she subsequently provided by email.

TOPIC 12: THE DISCONTINUANCE OF A STUDY IN RELATION TO POTENTIALLY INCREASING THE FULL SUPPLY LEVEL OF WIVENHOE DAM UNDERTAKEN BY THE QUEENSLAND WATER COMMISSION IN 2010 AND 2011 (ANY COMMUNICATIONS, INCLUDING EMAILS, SENT OR RECEIVED BY ME IN RELATION TO THIS TOPIC ARE ANNEXED TO THIS STATEMENT)

134 The Water Grid Manager was aware of the study in relation to potentially increasing the Full Supply Level of Wivenhoe Dam being undertaken by the QWC in 2010 and 2011, but was not involved in it, or advised that it had been discontinued.

135 The Water Grid Manager has not been invited to be represented on any working group.

136 In late 2010, the Water Grid Manager was provided updates on the project status for the purposes of communications. This included background briefing for media interviews in October 2010.

137 As is discussed above, I was employed by the QWC from approximately October 2006 until June 2010. I was a principal author of the South East Queensland Water Strategy.

138 During my employment with the QWC, the then SEQWater produced a study in relation to potentially increasing the Full Supply Level of Wivenhoe Dam. A copy of the report is annexed to this statement at **Annexure M**.

139 This report informed the draft South East Queensland Water Strategy, released in March 2008. The draft Strategy identified raised operating levels in Wivenhoe Dam

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as a potential future water source. It included an action to 'review the operation of the Brisbane River system to optimise the water supply yield and balance flood storage and water supply storage volumes.'

140 While an option, further investigation into increasing the Full Supply Level of Wivenhoe Dam was not a priority for the QWC at that time. This reflects that:

- (a) it would not have increased security during the then current drought; and
- (b) beyond committed projects, additional supplies were not required until at least 2028, based on water balance modelling contained in the draft Water Strategy.

141 The revised draft South East Queensland Water Strategy, released in November 2009, includes more detail regarding the investigations. It states that investigations would include consideration of:

- (a) the impact on the frequency, severity and duration of flooding both upstream and downstream of the dam;
- (b) any effect on the structural integrity of the dam and its components or any required spillway upgrades; and
- (c) environmental and social impacts including adverse effects on any roads and crossings caused by flooding.

142 The revised draft Strategy clarified that this was considered to be a medium-term priority.

143 The final South East Queensland Water Strategy, released in July 2010, includes no material changes in relation to this option.

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TOPIC 13: THE DISCONTINUANCE OF OTHER STUDIES BEING UNDERTAKEN BY THE QUEENSLAND WATER COMMISSION IN 2010 AND 2011 IN RELATION TO POSSIBLE OPTIONS TO INCREASE THE YIELD FROM THE SOMERSET / WIVENHOE SYSTEM

144 I assume that the reference to the 'Wivenhoe and Somerset system' is a reference to the Dams themselves. I do not otherwise know what the 'Wivenhoe and Somerset system' is. That said, so far as I am aware, there were never any studies being undertaken by the QWC in 2010 and 2011 in relation to possible options to increase the yield from the Somerset / Wivenhoe Dams. It may be that some such were carried out after I left the QWC but I have no knowledge of them.

TOPIC 14: MY ROLE IN RELATION TO THE DECISION TO DRAW DOWN WIVENHOE DAM TO 75% OF FULL SUPPLY LEVEL IN FEBRUARY 2011, AND ANY COMMUNICATIONS SENT OR RECEIVED BY ME IN RELATION TO IT (ANY COMMUNICATIONS, INCLUDING EMAILS, SENT OR RECEIVED BY ME ON THIS TOPIC DURING THIS PERIOD ARE ANNEXED TO THIS STATEMENT)

145 I did not have a direct role in relation to the decision to draw down Wivenhoe Dam to 75% of Full Supply Level in February 2011.

146 However, I was involved in assessing the impact of draw downs on water security in the following ways.

147 Memoranda and emails relevant to this topic are annexed to this statement as **Annexure N.**

148 On 18 January 2011, Mr Reilly forwarded to me for information an email by which he advised Mr Borrows that he had approved a variation to the flood release regime prescribed in the Flood Mitigation Manual. The variation was sought in order to maintain the current releases for a further 12 hours. Doing so ensured a constant flow

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at the off-take to the Lowood Water Treatment Plant, enabling supply to continue while rectification work was underway. I am uncertain whether this is directly related to the draw down but refer to it for completeness sake. It was, insofar as I was concerned, a 'stand alone' event.

149 My indirect role in the decision commenced when I was copied in to an email from the Minister's office to the Water Grid Manager. The letter requested that the Water Grid Manager assist Seqwater in connection with a request the Minister had made of it (which was whether the drawdown could occur).

150 I subsequently received an email from Mr Dennien on 21 January 2011. Mr Dennien requested that I organise for modelling to be conducted to assess the impact on water security of a drawdown of Wivenhoe Dam to 80 and 90% (respectively). I subsequently arranged for that to occur, principally by emails with Gilbert and Sutherland (the external consultants who carried out the modelling).

151 Mr Dennien and I also exchanged other emails about further modelling on different scenarios. I organised for that modelling to be conducted by Gilbert and Sutherland (by email) and received the relevant modelling back from them.

152 Having received the requisite modelling, on 1 February 2011, I emailed Mr Bradley and Ms Best of DERM to advise that modelling indicated that drawing down Wivenhoe Dam to 75% of its Full Supply Level until the end of the wet season would have negligible water security impacts. I suggested that a staged release strategy be considered.

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153 At around the same date, I had a telephone conversation with Mr Foster from Seqwater in which I indicated that preliminary modelling confirmed that drawing down Wivenhoe Dam to 75% of its Full Supply Level until the end of the wet season would have negligible water security impacts. I suggested that a staged release strategy be considered.

154 I did also receive some emails, largely as a copied recipient, in connection with that process. The Water Grid Manager was provided with a copy of the Minister's letter to Seqwater in connection with the proposed drawdown. The Minister requested that the Water Grid Manager assist Seqwater. I have received some emails about that.

155 There was also some further modelling done at my request by Gilbert and Sutherland.

156 In addition, to the best of my recollection, I attended one meeting with Mr Dennien where the draw down was discussed. I do not recall the exact words that we used in meeting, or who said them. The only recollection I have of this meeting is that Seqwater presented its initial findings to DERM and said that dropping the dam to 75% would have resulted in a 0.2 to 0.4 metre reduction in the flood height. To the best of my recollection, although I cannot be sure, this meeting occurred on 10 February 2011.

157 At 10:00am on 10 February 2011, I participated in a teleconference regarding the regulatory framework for the implementation of a temporary drawdown. The teleconference was called following the meeting with the Minister that morning. It was chaired by Mr Greg Claydon, and involved officers DERM (including Lyall Henrichson, Bernadette Hogan and Peter Allan) and the QWC (Tad Bagdon). My

Signed:.....
Daniel Thomas Spiller

Taken by:.....
[Justice of the Peace/Solicitor]

email records show that officers from Seqwater were invited to participate. I have a passing recollection that the representatives were Mr Foster and Ms Claire Thorensten.

158 During the teleconference, the officers from DERM stated that the releases could be made from the Water Grid Manager's water entitlement without regulatory amendments. I advised that the Water Grid Manager would not object to the use of some of its entitlement for the purposes of the drawdown and that it would not use its full entitlement during the current water year. However, I noted that the amount that could be made available would be insufficient for a 25% drawdown to be made and maintained, especially in the event of further inflows.

159 Alternative options were discussed at a high level, including amendments to the Manual and Resources Operations Plan. A preferred option was not agreed. DERM was to review options and seek advice. I had no further involvement in this process, prior to being advised of the outcomes by Mr Dennien around 11 February 2011.

160 As context, the Water Grid Manager holds entitlements for 278,725 megalitres from Wivenhoe Dam. About 60,000 megalitres of this entitlement was used over the seven months to end January 2011. At this rate, about 100,000 megalitres of the entitlement will be used over the water year. In comparison, the Full Supply Level of Wivenhoe Dam is 1,165,238 megalitres. A once-off drawdown to 75% of capacity would involve releases of about 291,000 megalitres.

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161 It is essential that sufficient entitlement be available in order to be able to increase
supply from Wivenhoe Dam in the event of increased demand or other water sources
becoming unavailable.

162 On 22 March 2011, Mr Borrows requested advice from the Water Grid Manager
about whether it would object to an extension of time to the temporary draw down
until 30 June 2011. Mr Dennien replied to that request on 25 March 2011 and clarified
that advice on 1 April 2011.

163 I arranged for my staff to undertake water security modelling for that purpose.

**TOPIC 15: ANY COSTINGS PRODUCED BY QUEENSLAND TREASURY, THE
SOUTH EAST QUEENSLAND WATER GRID MANAGER, QUEENSLAND WATER
COMMISSION, SEQWATER OR ANY OTHER BODY IN RELATION TO THE
COSTS ASSOCIATED WITH THE TEMPORARY REDUCTION TO 75% OF FULL
SUPPLY LEVEL OF WIVENHOE DAM IN FEBRUARY 2011**

164 I assume that by 'costings', I am being asked about any monetary costings in relation
to the temporary reductions. There could be other, non-monetary, costs of reducing
the dams such as a cost in the sense of an increased risk of water restrictions at an
earlier time (or at all) because of the reduction in the dam and the like. I have
confined my comments below to monetary costings assuming that was the intent.

165 I am not aware of any costings being produced by the Queensland Treasury, the Water
Grid Manager, the QWC, Seqwater or any other body specifically in relation to the
costs associated with the temporary reduction to 75% of Full Supply Level of
Wivenhoe Dam in February 2011. General work on costings associated with impacts
on the Water Grid are discussed above in topic 5.

Signed:.....
Daniel Thomas Spiller

Taken by:.....
[Justice of the Peace/Solicitor]

TOPIC 16: AN ACCOUNT OF ANY DISCUSSIONS, VERBATIM WHERE POSSIBLE, FOLLOWING THE JANUARY 2011 FLOOD EVENTS IN RELATION TO A REVIEW OF COMMUNICATIONS BETWEEN THE FLOOD OPERATION CENTRE, OFFICE OF THE WATER SUPPLY REGULATOR, SOUTH EAST QUEENSLAND WATER GRID MANAGER AND OTHERS WHEN THE FLOOD OPERATIONS CENTRE IS MOBILISED

166 To the best of my recollections, there were two meetings following the January 2011 flood events which have discussed the communications protocol and potential improvements to it.

167 I attended both those meetings, together with Mr Denner and Mr Lyons from the Water Grid Manager.

168 The two meetings occurred on 3 and 25 March 2011. There were memoranda and emails in relation to those meetings and copies of those are annexed to this statement as **Annexure O**. I cannot now recollect the exact words used at those meetings. Based on the discussions at the 3 March meeting, Emergency Management Queensland distributed its amended version of the protocol for comment on 24 March 2011.

169 My understanding of the effect of the discussions at those meetings was that the Communications Protocol that had been in place dealt largely with communications between technical entities and communications with the public. The Communications Protocol is, as I understand it, to be amended to deal with the interface for emergency management. By that I mean that the Communication Protocol needs to address how the emergency management groups, and those involved in the emergency management process, communicate with each other. As I understood it, no conclusions have been reached and there was (particularly at the last meeting)

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disagreement about who would be responsible for what parts of the communications plan.

All the facts and circumstances deposed to herein are within my own knowledge, save such as are deposed to from information only, and my means of knowledge and sources of knowledge appear in this my statement to the Commission.

Affirmed by Daniel Thomas Spiller on 17 May 2011 at Brisbane in the presence of:

Signed:.....
Daniel Thomas Spiller

Taken by:.....
[Justice of the Peace/Solicitor]

Statement of Daniel Thomas Spiller

Please note the annexures to this statement are too large to upload to the Queensland Floods Commission of Inquiry website.