

I, ANDREW ALEXANDER GEORGE YOUNG, *CHIEF EXECUTIVE OFFICER OF BRISBANE MARKETS LIMITED (BML)*, [REDACTED] solemnly and sincerely affirm and declare:

Background / History of the Brisbane Markets

1. The Brisbane Markets are Queensland's wholesale marketing and distribution hub for fresh fruit and vegetables. The Markets are established on a 77 hectare site and accommodate some 51 primary wholesaling business and another 100 ancillary tenant businesses.
2. The Markets were moved to the current site by the State Government in 1964, and were under State Government ownership and control until late 2002, some eight and a half years ago. Throughout the period of Government ownership, including after the 1974 floods, the State Government was responsible for overseeing the development of the site.
3. The wholesaling of fresh produce occurs through the Brisbane Produce Market which has an annual turnover in excess of 600,000 tonnes of produce valued at over \$1 billion.
4. The Brisbane Market businesses are responsible for the wholesale supply of some 65-70% of fresh produce consumed in Queensland.

Flood Events Overview

5. In the period after the 1974 floods to 2001, the level of development within the Brisbane Markets escalated dramatically. At the time of that flood, there were some 11 buildings within the Markets, all but two of which had been part of the original development that was opened in 1964.
6. The total site area either developed or available for development grew dramatically from an estimated 54 hectares in 1974 to approximately 72 hectares in 2002, when the Government sold the Brisbane Markets.
7. In the period from 1974 to the time of the sale in 2002, there had been a further 22 buildings constructed within the site as well as 10 major extensions to existing buildings.
8. Almost all warehouses were built after the 1974 floods, with most of the larger and more modern warehouses constructed in the 1990's. These buildings have some of the lowest levels of flood immunity across the site.
9. When the Brisbane Markets were sold by the State Government in 2001/02 by way of an open public tender, they were not so bold in their evaluation of the situation. In the Information Memorandum issued at that time (page 20), it was stated that "as a result of the 1974 floods, measures have been taken by all levels of government to minimise the threat of flood damage in the future".
10. The report went on to say that the "Wivenhoe Dam (completed in 1985) will have the effect of reducing a major flood event such as the 1974 Brisbane Flood from 10,150 to 5,000 cubic metres per second. This is equivalent to a reduction in flood height of some 2.5 metres in the City Business Centre and 2.9 metres in the vicinity of the Brisbane Markets".

Signed [REDACTED]

Witnessed by: [REDACTED]

11. This confirms the expectation within government of a very dramatic reduction in the level of flooding which would occur across the site as a result of the construction of the Wivenhoe Dam and the expectation that any incidence of such an event would be very rare.
12. For many, the construction of the Wivenhoe Dam promised to remove the further threat of any major flooding in Brisbane in their lifetime. The comments made by the Government at the time of its construction, as recently reported in a number of media articles, were that following the construction of the Wivenhoe Dam "a repeat of 1974 would be a one in 400 year event".
13. The Brisbane Markets were inundated in the 1974 floods to a level of approximately 11 metres AHD. At this level, the main selling floor buildings within the site were inundated by approximately 3 metres of water.
14. The January 2011 flood reached a level of approximately 9.17 metres AHD, approximately 1.83 metres below the 1974 flood level.
15. The January 2011 flood peaks occurred on Wednesday 12 and Thursday 13 January during which time the site was totally inundated. Access back into the site was not re-established until the morning of Friday 14 January.

Market Flood Warnings to Tenants

16. As the potential for flooding became evident, BML responded by issuing warnings to Market-based tenants. This included eight email alerts during the period from 8.00am to 5.00pm on Tuesday 11 January 2011, warning initially of moderate flooding, based on information being distributed by the Bureau of Meteorology.
17. This information was in addition to all the public information and warnings being issued by other parties.
18. When the projections changed to "severe" flooding with the Premier's announcement of a flood of a magnitude similar to 1974, businesses had limited time to react.
19. The final warnings issued by BML on Tuesday afternoon reiterated the position that the Market would be inundated.

Flood Warning System – Bureau of Meteorology / Brisbane City Council (BCC)

20. The flood warning system in place in January 2011 was far from satisfactory, and appears to have reflected the ongoing expectation that major flooding would not be an issue within the city of Brisbane.
21. BML monitored the readings and projections available on the Bureau of Meteorology website, and being issued by the BCC, with a focus on the flood monitoring stations which cover the city, being the Jindalee Bridge, Oxley Creek mouth, where it joins the Brisbane River and the city reach. This is clearly not enough stations and furthermore, there is not enough interpretative data available to allow people to make an informed decision as to what the reported levels mean.

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22. When projections can rapidly rise from an expected peak of 7 metres to 14 metres at the Jindalee Bridge and from 2.5 metres to 4.5 metres at the City gauge within a matter of hours, as they did on the morning of Tuesday 11 January 2011, it is easy to conclude that further information is required to provide a better explanation as to what the levels mean and that a far greater number of measuring stations are required along the river, to give a better indication of the impact on the built up areas both along the Brisbane River and its main tributaries, such as Oxley Creek.
23. In flood prone areas, it would be appropriate to have visible markers with indicative AHD heights providing guidance as to what levels will be and/or have AHD levels at say the street level in front of individual properties and/or listed on the rates notice of individual properties as an easy reference.

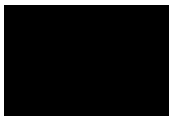
Contingency Planning – before/during flood event

24. BML's response in relation to the potential inundation of the site progressed immediately on Tuesday morning, 11 January 2011. This included:
- Removing BML owned vehicles, loose tools and maintenance equipment from the site;
 - Commencement of ordering components for electrical distribution boards;
 - Progressing the evaluation of alternative sites for use as a receivals and distribution facility; and
 - Locking in key contractors to assist with the clean-up and recovery operation including bulk earthworks, electrical, plumbing, cleaning and waste management.
25. All BML's appointed service contractors were ready to respond once access to the site was re-established – and they all did.
26. Market tenants responded to varying degrees to the flood warnings being issued. Some removed all stock and vehicles off-site where they had the opportunity and resources to do so, some moved stock and assets to higher locations within the site; others tried but ran out of time before Market access was cut at either end of Sherwood Road and surrounding arteries.
27. Many lacked the prophetic wisdom of those who, with the benefit of hindsight, claim to have foreseen the flood, and of course, the impact of the massive release of water from the Wivenhoe Dam.

Site Access and Inundation

28. While access to the Brisbane Markets site remained open throughout Tuesday 11 January, many other low-lying roads in surrounding areas were closed off throughout the day due to local flooding.
29. For most, the clear picture of the rapidly deteriorating position and the magnitude of the imminent flood were not known until late on the morning of Tuesday 11 January. Until this point, while there was an expectation that the lower parts of the site would flood, it was understood from the Bureau of Meteorology projections that higher parts of the site, such as the Covered Unloading Area and Selling Floors, would not be affected by floodwater.

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30. In responding to the impending flood, many tenants believed that the large covered unloading area in the Central Trading Area would not be flooded. Tenants who were still on site late Tuesday morning had moved vehicles and produce to this location.
31. The window of opportunity for the removal of product, vehicles and other assets, was a period ranging from Monday afternoon (for those who were able to pre-empt the deteriorating conditions) through to late Tuesday evening/early Wednesday morning depending on whether access was from the west or east.
32. Others found it difficult to gain access to tilt trays and transport vehicles to remove product and equipment from the site. This task became almost impossible with an obvious spike in demand for such vehicles with businesses in the flood prone areas right across Brisbane desperately trying to move assets to higher ground.
33. The site was progressively cut off from approximately 3.30am on Wednesday 12 January with the last heavy vehicle being removed from the site at approximately 8.30am on the morning of Wednesday 12 January 2011.

Damage or Loss

34. All Market tenant businesses were inundated and all suffered losses.
35. BML alone, as the Market landlord, is facing total losses of between \$17-\$20 million.
36. Tenants have also faced substantial losses in terms of produce (in excess of 10,000 tonnes), vehicles (over 300 vehicles inundated including some 200 forklifts) and infrastructure (offices, coldrooms, equipment etc).
37. In the Brisbane Markets Commercial Centre, all tenants were totally devastated with equipment and stock losses (chemist, bank, bottleshop, cafes, packaging supplies business, seafood supplies, fish shop etc).
38. The total losses across the Markets are difficult to quantify, but are estimated at in excess of \$100 million.

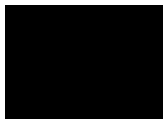
The performance of Insurers

39. BML had full flood cover and in this instance, and to date, our insurers (our lead insurer and other co-insurers) have been very reasonable to deal with. Having said this, we are aware of numerous tenants who have had their claim denied by their insurers. The issue of interpretation of the terms of insurance policies has already been noted as requiring greater clarification.

Dam Release Strategies

40. It is difficult to imagine the operation of a dam when it has conflicting roles, water storage where the focus is to keep the dam "full" and flood mitigation where the focus is on keeping the dam "empty". This obviously does lead to decisions being made which may compromise the role of the dam and create conflict in relation to the competing objectives which exist.

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41. There is no doubt that with the predictions of a very wet summer as early as October/November 2010, there were strong arguments that the Wivenhoe Dam storage level should have been reduced in November and December. In reality, from a "flood mitigation" perspective (and with the benefit of hindsight), it is easy to argue that the dam should have been reduced to say 40-50% capacity. This would have provided significant additional storage capacity for flood mitigation.
42. Furthermore, the timing of releases needs to be assessed once weather forecasts are issued. If the forecast outlook is for deteriorating weather conditions, from a flood risk management perspective, the easy decision would be to release water early so as to provide flood mitigation capacity.
43. These issues are however, complicated by the fact that the dam has conflicting roles in both providing flood mitigation and longer term water storage. One only has to read the newspapers to see the criticism of the water releases (from 20 February 2011) as being a waste of water, to identify the competing interests which exist, particularly for those people largely untouched by the flood disaster.
44. Having said this, with the significant investment which the State has made in water purification and desalination plants, there is surely a strong argument for the dam to have an increased emphasis on flood mitigation, being one of the government's stated primary objectives when the dam was constructed in 1985.

Response to the Flood Event – 11 January 2011 – 14 January 2011

45. The warnings issued by the State Government from Tuesday 11 January put the disaster into a real context and through the comparisons with 1974, gave a clear message as to the extent of the looming disaster.
46. The situation deteriorated very quickly on the morning of Tuesday 11 January and there is a question as to whether the forecasts as to the extent of the rain event/dam releases which resulted in the floods could have been more accurate, and whether more time could have been given to enable people to try and remove assets, stock etc.
47. The response by government agencies to the disaster was, in this company's view, exceptional. BML gave an immediate priority to re-establishing the site so as to facilitate the distribution of fresh produce to communities across Queensland.
48. The assistance we received from the Minister for Primary Industries, the Hon Tim Mulherin, the Brisbane City Council and various government agencies including the Disaster Management Team, Queensland Police Service, Queensland Fire and Rescue Service, Queensland Rural Fire Brigade, Australian Army Reserves and Disaster Response Team, NSW Fire & Rescue (Northern NSW), QFRS Aviation Brisbane Airport and Volunteering Queensland, together with contractors, volunteers, Market tenants and staff, was outstanding.
49. Their efforts assisted greatly in re-establishing functionality within part of the site within 60 hours of the flood waters receding and cleaning the site so that reinstatement works could progress.

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The Community Response

50. The response of the community in providing assistance and support was incredible. The "mud army" turned out in droves to assist the clean-up effort. In addition, people arrived at the site wanting to support those doing the clean up. Individuals assisted in setting up BBQ's and providing water and food, while larger corporates donated food and drink.
51. What we experienced was a community wanting to help. They responded to the positive examples of the determination being shown and the very visible effort being made to clear the site of the debris and waste.

Essential Services

52. The restoration of essential services was given a priority by BML. In relation to power, Energex did an excellent job in progressing with rectification works in a timely manner.
53. Telecommunications throughout the site were addressed by BML and while rectification works were required, the early efforts to clean our telecommunication hubs paid dividends in providing operating capacity, while ongoing faults could be identified and repaired.
54. BML's sanitary network did take longer to reinstate and initially was supported by portaloos spread across the site.
55. Water supply to the Markets was unaffected by the floods.
56. Reinstatement works were effective in bringing the site back to its standard capacity.

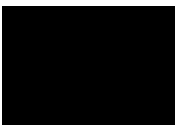
Response

In preparing and planning for future flood threats and risks, the following points are made:

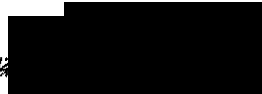
Location of the Brisbane Markets

57. A number of calls have been made through the media for the relocation of the Brisbane Markets. In an ideal world, this position would have significant merit. The fact is that the current location has certain significant benefits, and with its size and the existing investment in infrastructure, it would be very difficult to move. The benefits of the current location include:
 - a. Size – 77 ha, close to the city but with significant natural buffers to the surrounding residential areas.
 - b. Access – the site is very accessible by road to all major freight routes, as well as major arterial roads for the distribution of produce throughout Brisbane and South East Queensland. The Markets are also very accessible for Market Buyers and Employees.
 - c. Location – the current location is well suited in respect of access for the receipt and distribution of large volumes of produce. It is close to customers but does not impinge on surrounding residential areas. In many respects, the site is unique in providing a large area which is used for 24/7 access and operations with very little impact on any residential area.

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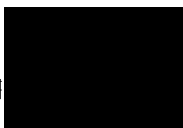
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58. Land Use – The use of the site for warehousing, distribution and marketing has been regarded as ideal given that the land was lower and potentially unsuitable for residential use. While the site was inundated in 1974, the construction of the Wivenhoe Dam and the expectation that the Dam would provide a very significant level of flood mitigation resulted in a view that the use of the land as a Market was close to ideal.
59. In terms of infrastructure, the site now comprises in excess of 150,000 m² of building floor area. The replacement value of the infrastructure within the site is conservatively estimated at between \$300-\$350 million, including the need to find a suitable location within the south-east corner of Queensland.
60. Similarly, with 150 businesses operating within the site, a combined workforce of some 3,500 people, and with around 1,000 retailers, exporters, processors, secondary wholesalers and food service businesses attending the site on a daily/weekly basis to source their supplies of fresh produce, there would be significant upheaval if the operation of the Markets was moved to a location much further away from the city.
61. BML's position is that while the issue of relocation needs to be considered, it is not presently realistic when the associated total cost would be in the vicinity of \$300-\$350 million, unless the State Government sees moving as a priority and is prepared to be a substantial contributor to facilitate the process.

Mitigation Strategies

62. Given the potential total costs of relocating, BML is therefore focussed more on the practical strategies of mitigating the impact of flooding on the Brisbane Markets site and giving tenants options in terms of reducing their risk and exposure to the impact of flooding.
63. In reality, moving the Brisbane Markets is not seen as a realistic option, at least in the short to medium term (ie not within the next 10 years) and not without significant State Government assistance.
64. From BML's perspective, if the flood level was as a minimum, 2.9 metres lower than the 1974 level, which had been an assessed outcome following the construction of the Wivenhoe Dam, the ultimate level of damage and destruction in the Brisbane Markets site would have been significantly lower.
65. While the flood level was around 1.8 metres lower than had occurred in 1974, there would have been a massive difference had it been 2.9 metres lower, as advised by a Government assessment in 2002. This would have meant that the site would not have been fully inundated, with plant, equipment and product losses dramatically reduced.
66. BML's priorities therefore, and those for which we will be seeking the support of both the State Government and the BCC, are as follows:
67. **Flood Study** – Completion of a flood assessment and mitigation study relevant to the Brisbane Markets site to assess the potential for the ongoing impact of flood events and mitigation strategies/options including relocation, building levee banks, raising the installation heights of key infrastructure (eg putting electrical distribution boards/refrigeration plant on raised platforms).

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68. **South Gate West** - This part of the Brisbane Markets site, which is yet to be developed, offers an option to establish higher land which would give buildings constructed on the site greater flood immunity. It could also serve as a "parking area" that could be used for vehicles (forklifts, trucks, cars etc) when flood warnings are issued. There are approximately 380 forklifts within the site, and around half were inundated in the recent floods. (Half were able to be moved from the site before Sherwood Road flooding isolated the site on the Tuesday evening.)
69. **Sourcing Fill** – BML will require approximately 53,000 cubic metres of fill to achieve the proposed fill level and has sought the BCC's assistance in making suitable fill material available from the likes of the Northern Link Tunnel. If this were achievable, the additional cost of seeking increased levels of flood immunity for the likes of the current South Gate West project would be minimised.
70. **Increased Flood Immunity** - Raising other parts of the site over time will also be explored as a strategy in seeking to improve the levels of flood immunity across the site. The progressive redevelopment of older parts of the site will create the opportunity to seek to raise the ground level of certain key areas (eg Selling Floors) so as to achieve greater flood immunity.
71. **Access** - one of the issues when floodwaters are rising is that the Markets get cut off at either end of Sherwood Road and Curzon Street, thereby preventing further efforts to remove assets and produce from the site. Having a better evacuation route, possibly through Curzon Street, will assist in giving more time to tenants to remove equipment and stock from the site. One of the lowest points in Curzon Street is at the Market's rear gate and BML has written to the BCC seeking assistance in looking at how this road could be re-engineered and raised.
72. **Flood Mitigation Channels** – the flood mitigation channel that was constructed following the 1974 floods and which cuts across BML's wetland area on the western side of the site needs to be cleaned out so as to reinstate the original level of the channel and remove excess reed growth. BML has requested the BCC to undertake this work.
73. **Critical Infrastructure** – BML will be looking at a program of raising the height of critical infrastructure within the site including:
- Telecommunication hubs;
 - Electrical Distribution boards;
 - Electrical Substations;
 - Fire indicator panels;
 - Refrigeration Plant and equipment; and
 - Air-conditioning Units
74. Much of this will need to be achieved through either moving the infrastructure to higher locations inside/outside buildings (eg on top of awnings), or the construction of elevated platforms on which to mount the equipment.

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75. This will significantly reduce the impact and cost of flooding in terms of not having to replace much of this critical infrastructure. This will also assist in reducing the recovery period as there will not be the same degree of delays due to the need to order and replace parts (eg the delays in getting parts for electrical switchboards can extend from one to six weeks). It will however, come at a substantial cost.
76. **Contingency Planning** – BML appreciated the support of the BCC and all relevant government agencies during the recent flood crisis and has asked that formalised communication channels are created so as to ensure the relevant contacts within the Queensland Police Service, Queensland Fire and Rescue Service and the BCC are maintained. Similarly, it is also important that priority access to alternate sites, chlorine, waste disposal areas etc is maintained should such an event re-occur.
77. As the Markets are recognised as performing a significant role in the supply of fresh produce to consumers right across Queensland, ensuring that priority is given to the site by the BCC and State government agencies is an important inclusion in emergency planning documentation.
78. BML's total losses are comprised mainly of
- the initial clean-up cost,
 - reinstating damage to buildings and offices across the site,
 - reinstating electrical infrastructure including distribution boards and damaged electrical mains,
 - reinstating telecommunications infrastructure, access control and security systems,
 - making good other site related infrastructure including roads, door locks, landscaping, environmental pollution control;
 - reinstating fire indicator panels across the site, and
 - The loss of revenue (rent, etc).

A list of the reinstatement works is attached.

79. BML is now seeking State Government support to assist the progression of a flood study and flood mitigation works to reduce the potential impact of any future flood.

Signed

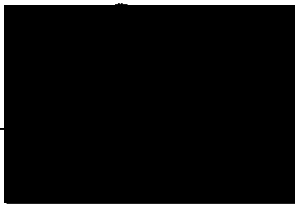
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I solemnly and sincerely affirm that the facts and circumstances stated in this statement are from my knowledge except those which are from information only.

Affirmed by *ANDREW ALEXANDER GEORGE YOUNG* on *14 APRIL 2011* at *BRISBANE* in the presence of:

Signed: 

Deborah Margaret Sherman

C.DEC 101940



Witness

Commissioner for Declarations / Solicitor / Justice of the Peace

Brisbane Markets – Site Reinstatement Works



SECTION A – RENTAL ABATEMENT

SECTION B – BUSINESS INTERRUPTION

SECTION C – SITE REINSTATEMENT WORKS

1) Site Reinstatement Works

- a) Summary
- b) By Building

2) Tenant Reinstatement Works

3) Site Clean Up

- a) Roadways
- b) Gardens
- c) Buildings
- d) Common Area, footpaths, stairwells
- e) Vacant buildings / sites
- f) Vehicle Removal

4) Fire Services

- a) Detection Systems
- b) Sprinkler Systems
- c) Hydrants
- d) Portable Equipment Hose Reels/Extinguishers/Blankets

5) Electrical Reinstatement Works

- a) Distribution Boards / Switchboards
- b) Cabling
- c) Meters
- d) Common Area Light (switches, GPOs etc)

6) Sanitary Reinstatement Works

- a) Pump Stations
- b) Toilets
- c) Other

7) BML

- a) Office Equipment
 - i) Furniture
 - ii) Whitegoods
 - iii) Printing Equipment
 - iv) Computers/Phones
- b) Floor Coverings
- c) Plant and Equipment
- d) Painting
 - i) Common areas
 - ii) Other
- e) Marketing Offices
 - i) Stationery/Printer
 - ii) Stock (brochures etc)
 - iii) Characters
 - iv) Merchandise
 - v) Office Alarm

8) Dock Levellers

- a) Hydraulic
- b) Mechanical

9) Landscaping / Drainage

- a) Brisbane MarketPlace
- b) Northern site
- c) SGE - Enviro Drain
- d) South Gate West
- e) Western Access Road – Landscaping
- f) Bio Retention basins (Western Access Road) – Cardno
- g) Gross Pollution Traps (GPT's)

10) Lighting – Common Areas

- a) Light Poles
- b) Lighting Controls
- c) Emergency Lighting
- d) Other

11) Telecommunications

- a) Wiring / Cabling – copper/fibre
- b) Krone Connectors
- c) Data Network Switches

12) Water Meters

- a) South Gate
- b) Markets

13) Access Control / Security

- a) Access Control System
- b) Boom Gates (Main Gate/Curzon Street / Tiger Gate / Western Access / BMP)
- c) Pedestrian Gates / Turnstiles
- d) CCTV (Cameras/Monitors)
- e) Door locks and keying systems
- f) Other

14) Roadways

15) SCADA

16) General

- a) Air-conditioning Units – BML Supplied
- b) Demountables
 - i) Rental
 - ii) Damage
- c) Elevator (South Gate East)
- d) Fences
- e) Flood Monitoring Unit x 1
- f) Flooring (see Tenant Reinstatement Report)
- g) Fuel Station – CP Systems
- h) Generators / Stationary
 - i) BML
 - ii) Hire
- i) LPG Facility
- j) Plumbing
 - i) Drainage
 - ii) Hot water Systems
 - iii) Rainwater controls
- k) Signage
 - i) Fence signs
 - ii) Entry signs
 - iii) Building signs
 - iv) Safety signage
 - v) Pylon Signs (Main/SGE/Western Access/BMP)
- l) Doors (See Tenant Reinstatement Report)
- m) Heater Tracing
- n) Shade Sails(South Gate)
- o) Equipment Hire – Other

17) Brisbane MarketPlace

- a) Cleaning
- b) Offices
- c) Furniture
- d) Trading Stock
- e) Turnstiles/Ticket box

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Date: 05 | 05 | 11 ^{JM}

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