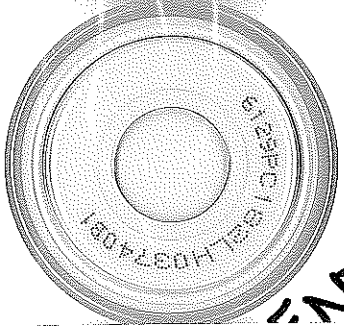


PRUSS

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Date: 19/05/11 Jms

Exhibit Number: 427

IN THE MATTER OF
THE QUEENSLAND FLOODS COMMISSION OF INQUIRY

A COMMISSION OF INQUIRY UNDER THE
COMMISSIONS OF INQUIRY ACT 1950

AND PURSUANT TO
COMMISSIONS OF INQUIRY ORDER (No. 1) 2011

STATEMENT OF JAMES ANDREW PRUSS

On the 4th day of April 2011, I, James Andrew Pruss of c/- 240 Margaret St, Brisbane state on oath:

Introduction

Current Role

1. I am currently employed by Queensland Bulk Water Supply Authority (*Seqwater*) as Executive General Manager – Water Delivery. I have held this position since October 2009.
2. In this role, I am responsible for the overall management of the operational aspects of Seqwater's assets including dams, water treatment plants, water quality services, mechanical and electrical and civil maintenance services, and recreational and catchment services.
3. I have just been reconfirmed in this role as a result of the planned merger of Seqwater and WaterSecure scheduled to occur on 1 July 2011.
4. I am also a member of the Executive Leadership Team.
5. Six managers report to me. Of these:
 - (a) two are responsible for water treatment plants (their responsibilities are divided on a geographical basis);
 - (b) one is responsible for dam operations;
 - (c) the other three are responsible for:
 - (i) mechanical, electrical and civil maintenance services;
 - (ii) water quality; and
 - (iii) recreation, catchment and overall group support services.

Previous Roles

6. From about January 2008 until October 2009, I was employed by Seqwater as a General Manager responsible for Asset Planning and Asset Delivery.

Filed on behalf of: Queensland Bulk Water Supply Authority trading as Seqwater

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7. From about June 2005 until January 2008, I was employed by Redland City Council as the General Manager - Redland Water. In that role, I was responsible for the overall management of the Council's water assets that included a dam with a gated spillway, borefields, treatment plants, distribution and reticulation assets and the delivery of water and wastewater services to residents.
8. From about September 1990 until June 2005, I was employed by Sydney Water in various operational, technical and management roles.

Qualifications

9. I hold a Bachelor of Science from Macquarie University (1984).
10. I also hold a Master of Commerce with Distinction from University of Western Sydney (1995).
11. I also graduated from the Australian Institute of Company Directors in 2008 and am a member of that institution.
12. I have also commenced the application process for entry to a Ph.D. program at the University of Queensland.
13. I have completed numerous water industry technical courses, and management and leadership short courses.
14. I am a current member of the Australian Water Association and current National Co-convenor of the Operations Network of the Association.
15. I am also a Board member of the Hinze Dam Alliance that is raising Hinze Dam.
16. I am also a Board member of the SmartWater Research Centre.

Nature of this statement

17. This statement is provided to the Queensland Floods Commission of Inquiry pursuant to a "Requirement to Provide Statement" issued by the Commission dated 28 March 2011 (the *Requirement*).
18. Given the short amount of time available to me since the Requirement was issued, I have directed this statement to seeking to address the substantial matters which I understand to be relevant to the topics set out in the Requirement. I have not had time to retrieve and collate every email I may have received or sent in respect of the topics in the Requirement, but I understand a number of my emails have already been provided to the Commission. I have also not had time to recount every discussion (both internally and externally) which I may have had in respect of the topics referred to in the Requirement.

My role in relation to dam operations

19. The operation of Wivenhoe, Somerset and North Pine dams falls within my overall management responsibility as Executive General Manager – Water Delivery.
20. Dam Operations Manager, Mr Rob Drury, is directly responsible for dam operations. This includes oversight of the operational releases from the dams (that is, for supplying downstream demand) and flood releases. Flood releases are made from the dams at the direction of the Duty Flood Engineers

under the manuals which have been approved for flood operations. I do not and cannot direct the Duty Flood Engineers during flood events.

21. I did not have any role in determining the Full Supply Levels for Wivenhoe, Somerset and North Pine dams which are contained in the Moreton Resource Operations Plan.

Relevant Events Between October 2010 and December 2010

Weather forecasts

22. I did not receive any briefings from the Bureau of Meteorology (*BoM*) in respect of seasonal outlooks or long range weather forecasts between 1 September 2010 and 31 March 2011.
23. From time to time, I look at seasonal forecasts as they are published on BoM's website.
24. At or about the start of the 2010/2011 wet season, I was also generally aware from media reports that BoM was predicting a greater than even chance that South East Queensland would receive above median rainfall during the 2010/2011 wet season.
25. Although I did not take any action specifically in response to:
 - (a) the seasonal forecasts I saw on BoM's website;
 - (b) my awareness that BoM was predicting a greater than even chance of South East Queensland to receive above median rainfall during the 2010/2011 wet season,

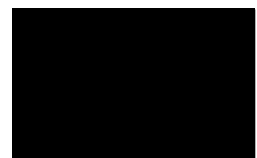
Seqwater undertakes standard wet season preparedness measures across the broad range of services provided by Seqwater. In my area of responsibility, this includes checking the preparedness of a range of assets including the dams and water treatment plants and staff availability during the wet season especially over the Christmas break. I am also aware the Duty Flood Engineers specifically undertake flood preparedness as part of the requirements of the Dam Safety Regulator and the Flood Engineers and hydrologists consider the BoM advice frequently.

Study into raising the FSL for Wivenhoe dam

26. Late last year Seqwater was assisting the Queensland Water Commission (*QWC*) to conduct a study to determine whether the FSL in Wivenhoe dam could be raised without raising the dam walls.
27. This was a project related to the last drought where further options were being considered to augment Brisbane's water supply.
28. I was not directly involved in this study, but was generally aware of it because some members of the Water Delivery team were assigned tasks to assist the QWC. The main interface for the work was through Seqwater's Asset Delivery Team.

Possible reduction in Wivenhoe lake level

29. Although I cannot now remember the specific detail of the discussions, I recall having several discussions with Mr Dan Spiller of the Water Grid Manager in about October last year about the options which might be available to reduce the inconvenience to local communities in the Brisbane Valley resulting from flood releases from Wivenhoe dam and potentially the other gated dams. There was no suggestion in any of these discussions it was other than a minor release initiative



designed to prevent the 'inconvenience factor' or 'keep the bridges open' for the residents affected by bridge inundation.

30. Under the operating rules for the dam (which are contained in the flood manual for the dam), Seqwater can release flood waters when the dam exceeds EL67.25. With the dam at or near Full Supply Level, the number of days on which releases are required increases.
31. These releases cause inconvenience to residents in the Brisbane Valley because it is often necessary to close bridges, some times for several days, while water is released from Wivenhoe dam.
32. My recollection of my discussions with Mr Spiller is that we talked about whether releasing a small amount of water from Wivenhoe dam below FSL, and potentially other dams, would reduce the frequency and duration of releases and therefore reduce the inconvenience to the residents.
33. I do not recall discussing with Mr Spiller a significant reduction in the lake levels of Wivenhoe and Somerset dam ahead of the 2010/2011 wet season.
34. At about the same time, I recall that discussions were also being held between officers of Seqwater, the Grid Manager, the Department of Environment and Resources Management (*DERM*) and the local councils about a protocol for communicating with the public in respect of the timing of releases of water from Wivenhoe dam.
35. Exhibited to this statement and marked:
 - (a) JP-1 is a copy of a letter of 25 October 2010 from the Minister for Natural Resources, Mines and Energy and Minister for Trade (the *Minister*) to the Water Grid Manager;
 - (b) JP-2 is a copy of a letter dated 2 November 2010 from Mr Barry Dennien, Chief Executive Officer of the Water Grid Manager to Mr Peter Borrows, Chief Executive Officer of Seqwater.

I have a recollection of these letters but cannot recall when I first saw them. It is likely that I saw them close to the time of writing as I commissioned Rob Drury to engage the relevant expertise from his team and to lead the discussion with the Grid Manager.

36. Exhibited to this statement and marked JP-3 is a bundle of true copies of emails which I either sent, received or was copied on in respect of the modelling work undertaken and the advice given by Seqwater in response to the Water Grid Manager's letter of 2 November 2010. Although the advice provided by Seqwater was not submitted in a formal way, it is common for Seqwater's employees to work collaboratively with employees from the Water Grid Manager and other entities within the grid without exchanging formal correspondence on every issue.

January 2011 Flood Event

37. I went on annual leave on 24 December 2010. I was due to be on leave until 7 February 2011.
38. Whilst I was on leave, Mr Stan Stevenson acted in my role.
39. I was in North Queensland at the time the Flood Operations Centre was mobilised on Thursday, 6 January 2011.

40. I became aware on 11 January 2011 as the events unfolded across South East Queensland that this event was larger than simply 'above average rainfall'. I subsequently decided to return to work to assist the team and flew back from Cairns late on 11 January 2011 and returned to work on 12 January 2011.
41. During the event, Mr Stevenson continued to act in my role. From 12 January 2011 I assisted at the incident centre which had been set up at LinkWater's offices at 200 Creek Street, Spring Hill. The incident centre comprised representatives from a number of agencies, including LinkWater, Seqwater, the Water Grid Manager, WaterSecure, DERM and, sometimes, Queensland Health and the Queensland Water Commission.
42. The main role of the incident team was to govern activities and assist in the management of the flood event, with a particular focus on the delivery of clean, safe drinking water and the provision of consistent communications with regard to the event. I cannot now remember the detail of the many discussions I had with internal Seqwater personnel and external parties during the event.
43. To the best of my recollection I had no communication with the Flood Operations Centre during the January 2011 Flood Event. I did not initiate any contact with the Flood Operations Centre as this was being handled by Peter Borrows and Rob Drury. I may have received copies of situation reports or technical situation reports issued at different times during the event.

Ministerial Briefing

44. Exhibited to this statement and marked JP-4 is a bundle of documents comprising a brief prepared by the Grid Manager and provided to the Minister on 16 January 2011 prior to a Cabinet meeting on 17 January 2011 which the Seqwater Chief Executive Officer sent to me on 16 January 2011. To the best of my recollection I had no input into the preparation of these documents as I was actively managing and co-ordinating the efforts to keep the treatment plants on line or get them back on line.

Reduction in FSL Following Flood Event

45. Exhibited to this statement and marked JP-5 is a copy of a letter from the Minister for Natural Resources, Mines and Energy to Seqwater's Chairman dated 20 January 2011.
46. I saw this letter shortly after it was received by Seqwater.
47. Following the receipt of this letter, I participated in many discussions (internally at Seqwater and also with external parties) and received and sent many emails in relation to the temporary lowering of the lake level in Wivenhoe dam. I am not now able to provide a verbatim account of those discussions. In the paragraphs which follow, I have identified the more significant meetings I attended at which the issue of the temporary lowering of the lake level in Wivenhoe dam was discussed.
48. Exhibited to this statement and marked JP-6 is a copy of a letter from Seqwater's Chairman to the Minister for Natural Resources, Mines and Energy dated 27 January 2011. I saw this letter at the time.
49. The letter refers to, amongst other things, modelling of Wivenhoe dam flows. Seqwater was to undertake preliminary modelling to identify the impact of reducing the storage level of Wivenhoe

dam on discharges for major flood events. I asked Mr Barton Maher, Seqwater's Principal dam planning engineer, to lead the modelling work for Seqwater. Mr Maher undertook the work and arranged for a review of his work to be carried out by Dr Rory Nathan and Peter Hill of Sinclair Knight Merz. I was not involved in the detail of the modelling, but I was aware of the outcome of the modelling and I understood the conclusions reached. I discuss the modelling further below. This modelling was restricted to outflows from Wivenhoe Dam and did not include subsequent changes to river levels or inundation impacts.

50. On 31 January 2011, I attended a meeting with the Minister, representatives of DERM, the Water Grid Manager, the Queensland Water Commission and others. I am not now able to provide a verbatim account of the discussions that took place at the meeting. I took notes during the meeting and had those notes typed up almost immediately afterwards. Exhibited to this statement and marked JP-7 is a true copy of the handwritten notes and the typed notes. I believe the notes are a fair reflection of the discussion that occurred at the meeting.
51. On 1 February 2011, I attended a meeting with representatives of DERM, the Water Grid Manager and the Queensland Water Commission. I am not now able to provide a verbatim account of the discussions that took place at the meeting. I took notes during the meeting and had those notes typed up almost immediately afterwards. Exhibited to this statement and marked JP-8 is a true copy of the handwritten notes and the typed notes. I believe the notes are a fair reflection of the discussion that occurred at the meeting.
52. My understanding of these discussions was that:
- (a) there was a feeling of no tolerance within the community for another flood event where urban damage was suffered in Brisbane;
 - (b) whatever could collectively be done to provide further flood mitigation for the remainder of the wet season to protect the public should be done;
 - (c) Seqwater committed to help the State in formulating these plans.
53. Exhibited to this statement and marked JP-9 is a copy of a letter sent by the Chairman of Seqwater to the Minister on 4 February 2011. I saw the letter at the time. I note the letter (on page 2) discusses a potential reduction in the Wivenhoe dam lake level to 75% of FSL. The letter noted that in respect of certain flood events, a reduction in the water flows from Wivenhoe dam would be achieved as a result of a reduction in lake level to 75% of FSL. The letter also noted that it was also necessary for further modelling to be carried out in conjunction with the Brisbane City Council and BoM to calculate the resultant changes to river levels and the extent of inundation based on those changed river levels.
54. The letter in JP-9 referred to the modelling work being carried out by Seqwater. Exhibited to this statement and marked JP-10 is a copy of an email I received from Mr Maher on 7 February 2011 attaching the report he had prepared.
55. The report was summarised and sent as an attachment to the Chief Executive of DERM on 7 February 2011. Exhibited to this statement and marked JP-11 is a copy of Seqwater's letter and the attached summary report.

56. By way of summary, the preliminary modelling work Seqwater had carried out showed that for "Option 3" (which was a reduction in the lake level to 75% of FSL and no other changes to the operational manuals), then for a range of design storms, the estimated maximum flow would be reduced by between 6% and 39% depending upon the design storm. This is shown on page 5 of the report shown in exhibit JP-11.
57. On 8 February 2011, I participated in telephone conference with the Director-General of DBRM and others. I am not now able to provide a verbatim account of the discussions that took place at the meeting. I took notes during the meeting and had those notes typed up almost immediately afterwards. Exhibited to this statement and marked JP-12 is a true copy of the handwritten notes and the typed notes. I believe the notes are a fair reflection of the discussion that occurred at the meeting.
58. My impression of the discussion was that the State wanted to achieve an outcome by which the lake level in Wivenhoe dam was reduced, on a temporary basis, to whatever Seqwater would recommend as providing a substantial benefit (75% of FSL was always touted as the figure). It is fair to say that there was disagreement about the mechanics and responsibilities of how this was to be achieved, whether as a change under the manual of flood procedures or as a change to Moreton Resources Operations Plan.
59. My impression was the level of disagreement was driven around the process not having been done before, there being no clear regulatory instrument or path to make it happen and the many related pieces of work that use the FSL of Wivenhoe such as the Water Supply Strategy, the Resource Operations Plan, the flood operations manual and shorter term water balance calculations. While there was a difference of opinion on the mechanism, my impression was that the parties were committed to meeting the policy objective.
60. On 9 February 2011, the Water Grid Manager confirmed it had no objection from a water security perspective to a temporary reduction in the lake level in Wivenhoe dam to 75 per cent of its FSL. Exhibited to this statement and marked JP-13 is a true copy of that letter.
61. On 10 February 2011, Seqwater sent a letter to the Chief Executive of DERM stating that in light of:
- (a) the Grid Manager's confirmation that it had no objection from a water security perspective to a temporary reduction in FSL;
 - (b) the extreme nature of the January 2011 flood event; and
 - (c) the appreciable flood mitigation benefits revealed by modelling undertaken by Seqwater,
- Seqwater recommended that Wivenhoe dam's storage level be temporarily reduced to 75 per cent of its FSL. Exhibited to this statement and marked JP-14 is a true copy of that letter.
62. Following this, there were further discussions, the detail of which I cannot now remember (and I was not directly involved in some of the discussions), about how the reduction was to be put in place. Ultimately, it was agreed that the reduction would occur by way of amendment to the Moreton Resource Operations Plan and a revision of Seqwater's interim program (under the Resource Operations Plan) pursuant to which Seqwater was authorised to release water from Wivenhoe dam down to 75% of FSL.

63. Releases of water from Wivenhoe dam under the revised interim program commenced on 21 February 2011 and continued for several days until the dam was reduced to 75% of FSL. These releases were not made under the direction of the Duty Flood Engineers – they were operational releases directed by Rob Drury and carried out by the dam operators.
64. The operational release regime continued until 31 March when the approval under the interim program expired.

SWORN by JAMES ANDREW PRUSS on 4 April 2011 at Brisbane in the presence of:



Deponent



Solicitor

**IN THE MATTER OF
THE QUEENSLAND FLOODS COMMISSION OF INQUIRY**

**A COMMISSION OF INQUIRY UNDER THE
COMMISSIONS OF INQUIRY ACT 1950**

**AND PURSUANT TO
COMMISSIONS OF INQUIRY ORDER (No. 1) 2011**

STATEMENT OF JAMES ANDREW PRUSS

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