

1 1 FEB 2011

Department of Environment and Resource Management

Mr Peter Borrows
Chief Executive Officer
Queensland Bulk Water Supply Authority
PO Box 16146
CITY EAST QLD 4002

Dear Mr Borrows

Thank you for your letter of 10 February 2011, in which you provided further advice regarding Seqwater's consideration of potential reductions in the Full Supply Level of Wivenhoe Dam.

Since receiving this correspondence on Thursday evening, we have held a number of discussions directly and with our officers to facilitate the early implementation of Seqwater's recommendation to reduce the storage level of Wivenhoe Dam to 75% of its Full Supply Level in order to temporarily increase its flood mitigation capacity.

It was also useful to receive the briefing yesterday afternoon on the outlook for the current wet season, with particular reference to South East Queensland, by the Queensland Regional Director of the Bureau of Meteorology, Mr Jim Davidson. We have discussed the immediate and 3 month weather outlook further today.

In our discussions today, you have indicated that the earliest timeframe by which Seqwater would seek to implement the reduction in the storage level of the dam would be late in the coming week, recognising the need to consider rainfall conditions and notification timeframes before such a release. You have indicated Seqwater remains confident in its ability to operationally respond to rainfall in the Bureau's current 8-day forecast within the provisions of the current Flood Mitigation Manual.

We have agreed to implement the recommendations of Seqwater in the following manner -

- I intend to propose an amendment to the Moreton Resource Operating Plan (ROP)
 for the consideration of Governor in Council. I am currently investigating the earliest
 possible date for such consideration but anticipate it will be no later than Thursday 17
 February 2011.
- This ROP amendment would permit the subsequent submission by Seqwater to me
 of an Interim Program, for operations consistent with the recommendations of your
 letter of 10 February 2011. This Interim Program should be received immediately
 after the formal amendment of the ROP.
- I would then consider the interim program and respond directly.
- The State is currently considering the request for a Deed of Indemnity for the Corporation, its Board and officers, recognising that such releases below 100% Full Supply Level will occur outside the current provisions of the Flood Mitigation Manual

and the ROP. If granted, such an indemnity would be expected to be required for a limited duration until Seqwater arranges appropriate insurance relevant to the proposed new operating mode.

 Seqwater would then commence its recommended releases in accordance with the approved Interim Program.

Should you have any enquiries concerning the information in this letter, please do not hesitate to contact me on

Yours sincerely

John Bradley

Director General