

BULLETIN

December 2015

A report of matters covered at Southern Rural Water's 3 December 2015 Board meeting

The meeting was held at the Australian Institute of Company Directors office, Melbourne

Present:	Mr Terry Burgi	Chairman
	Ms Diane James AM	Director
	Ms Kate Calvert	Director
	Ms Naomi Pye	Director
	Ms Naomi Benjamin	Director
	Mr Michael Malouf	Director
	Mr Terry Swingler	Director
	Mr Clinton Rodda	Managing Director
	Mr Stuart Wrigglesworth	Chief Financial Officer and Corporation Secretary

Apologies: Nil

Management Report

The Managing Director provided an overview of several important matters discussed in the management report:

- Announcement of \$20m funding from the State Government towards further modernisation of the Macalister Irrigation District.
- Further detail has been provided by the Federal Government so that SRW can apply for funding consistent with the Agricultural Competitiveness White Paper.

Ongoing dry conditions in Werribee and Bacchus Marsh

A number of topics within the agenda were associated with the difficult seasonal conditions being experienced within the Werribee and Bacchus Marsh Irrigation Districts. The current situation, and short and longer term options available to growers, were discussed at a number of points within the meeting. These matters are summarised below:

Current conditions

High reliability water allocation is currently 15%, and growers have access to water carried over from last season. While availability varies from grower to grower, together this is equivalent to a 35% allocation in Werribee and Bacchus Marsh. Unless there is a major storm in the catchment, this low allocation is likely to remain for the rest of the 2015-16 irrigation season.

Access to Werribee groundwater is likely to remain at 50% for the season.

Werribee growers can access their full recycled water allocation, and can obtain further, uncontracted recycled water at a significant financial premium.

Both recycled and river water in Werribee has high salinity (greater than 1900EC).

Production in both Werribee and Bacchus Marsh is being impacted by these difficult conditions, and there is widespread concern throughout the irrigation community for the remainder of the 2015-16 season.

Short term options

The Board were updated by management on the options available to growers in the current season.

Trading

- SRW are directly contacting those customers who we believe have water to sell, and those who need more water; and
- SRW are planning to introduce an on line auction system to help facilitate trade.

Recycled water

SRW has opened discussions with Melbourne Water to allow customers to:

- increase contracted volumes of recycled water; and
- access more water at the contracted price.

Additional water volume

SRW are working with DELWP to increase water availability and reduce salinity:

- Merrimu unallocated to both districts; and
- Temporary allocation from the Parwan aquifer to Bacchus Marsh

Engagement with growers

To help understand the situation, and discuss options, SRW have met with grower representatives on a number of occasions.

Management are also working closely with DELWP, and the Managing Director advised that DELWP is currently arranging a meeting with SRW, growers and the Minister for Water.

Longer term options - Modernisation

The Board were updated on the status of the business case work for both the Werribee and Bacchus Marsh modernisation proposals.

The Board agreed that the current situation in Werribee and Bacchus Marsh reinforced the case for irrigation modernisation. Significant water savings will result from the proposed work, and in future dry periods, these savings will improve the districts resilience to dry conditions.

Recognising that State Government have recently announced that business case submissions are required by 31 December 2015, the Board instructed the Managing Director to submit a suitable business case for each modernisation project by the end of 2015.

Further reports

A number of additional reports were noted or approved by the Board:

- Business Performance Dashboard
- Disposal of Surplus Land
- Scheduling future OCC and RCG meetings
- Chairman's Report
- Directors' Reports
- Risk Presentations – Proposed Schedule
- Board Committee Reports
- Customer Committee Matters
- Risk Presentation – Terrorism
- Internal Audit Schedule
- Groundwater Conference Report
- Southern Victoria Irrigation Modernisation Flyer
- VCAT and Court Matters
- Significant Groundwater and Surfacewater Applications

Next meeting

The next meeting for the Board will be held on 2 February 2016 in Melbourne.