

## BULLETIN

February 2016

**A report of matters covered at Southern Rural Water's 2 February 2016 board meeting**

**The meeting was held at Monash Conference Centre, 30 Collins Street, Melbourne**

<b>Present:</b>	Mr Terry Burgi	Chairman
	Ms Diane James AM	Deputy Chairman
	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

### More water for production

To help fulfil the SRW vision to boost Southern Victoria's food, fibre and regional productivity, the business has a strategic objective to enable 'more water for production'.

Significant progress to achieve this objective was reported to the board. –

#### Groundwater and Rivers

Area	Expected sale date	ML to sell
Merri river	March 2016	590ML
Boneo GMU (Mornington)	April 2016	1,300ML
Parwan GMU (Bacchus Marsh)	April 2016	600ML

The board approved both a policy and sales strategy to enable SRW to sell these water licences by auction. Management expect strong demand for these new water entitlements, as follows:

- Merri River farmers are seeking a winterfill supply to fill irrigation dams for a water supply during summer months;
- Geothermal spa businesses on the Mornington Peninsula have developed into a significant employer and tourist attraction. Additional water will provide security for existing operations, and an opportunity for business expansion; and
- Market gardens in Bacchus Marsh Irrigation District are seeking a new allocation of groundwater to supplement irrigation from the Werribee river system. As has occurred this season, these businesses are vulnerable to low irrigation allocations, and this additional water will help ensure their ongoing viability.

### Macalister irrigation

Management updated the board on the sale of new water entitlements for the current season –

Permanent water shares:

- Shelf price sales 80ML
- Auction 493ML

Temporary allocation for 2015-16 season:

- Waterbid sales 750ML
- To be sold in February 2016 250ML

### Western irrigation

Management were pleased to advise the board that SRW has been able to provide additional emergency supply water through the state government providing access to some of the unallocated water in Lake Merrimu. This will mean 550ML will be made available at a cost of \$350 per ML.

SRW is also negotiating additional recycled water deliveries to the Werribee Irrigation District. This additional water would be available to assist irrigators during both the current dry season, and to improve their drought security in future years.

### **Modernisation of Werribee and Bacchus Marsh irrigation districts**

In late December 2015, SRW submitted the following draft irrigation modernisation business cases to government:

- Bacchus Marsh Irrigation District: \$12m investment
- Werribee Irrigation District: \$31m investment

While both propositions had been previously endorsed by the board, the submissions were formally supported at this meeting.

### **Demonstration of Asset Management System**

The new Asset Management System has now been operating in the business for over 12 months. A demonstration of system function and reporting was provided to the board, and the directors were pleased to hear that the system is beginning to drive better asset management processes. Management is confident that most of the benefits envisaged from the investment are being realised, and believes that all benefits will occur over the life of the system.

### **Further reports**

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

- Business Performance Dashboard
- Strategy Scorecard
- Management report
- Risk Presentation – Climate
- Corporate Plan workshop
- Monthly Financial Statements
- Statement of Obligations
- Environmental policy

- Raw Water policy
- Disclosure of Water Market Information policy
- Fraud Prevention policy
- Dam Safety policy
- Declaration of Interests policy
- Sale of Suplus Land – Lake Merrimu Depot House
- Major Projects reports
- Seasonal Outlook: December 2015
- Chairman’s report
- Directors’ reports
- Board Committee reports
- Customer Committee matters
- Compliance, VCAT, Court and Planning matters
- Significant Groundwater and Surfacewater Applications

**Next meeting**

The next meeting for the Board will be held on 1 March 2016 in Geelong.