

BULLETIN

March 2016

A report of matters covered at Southern Rural Water's 1 March 2016 board meeting and associated events

The meeting was held at Barwon Water offices, 155 Mercer Street, Geelong

Present:	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



Southern Rural Water Board

Appointed 1 October 2015

(from left)

Ms Diane James AM (Deputy Chairman)
Ms Kate Calvert
Mr Terry Swingler
Mr Clinton Rodda (Managing Director)
Mr Terry Burgi (Chairman)
Ms Naomi Pye
Ms Naomi Benjamin
Mr Michael Malouf

Events held in association with SRW's March 2016 Board meeting:

Southern Rural Water Board of Directors tours Geelong region

The board took the chance for a first-hand look some of the wide variety of customers in the region during a recent tour of the Geelong area. The Geelong region has experienced an extremely dry spring and summer period, and the tour offered the board a chance to hear directly from customers about some of the issues they face.

Amongst the properties that the board visited were Austin's Wines at Sutherland Creek, where members inspected the winery's off-stream storage dam and discussed issues around harvesting water during winter.

The tour also visited the nearby Matthey's market garden property at Bannockburn, where board members chatted with Gene Matthey about the family's shift from growing broccoli to lucerne due to changing water availability.

The board visited the Batesford Limestone Quarry for a tour with Quarry Manager Mark Malone to view its rehabilitation works, and to see the environmental water it discharges into the Moorabool River to help sustain flows in the lower part of the river and the Barwon River through Geelong.

The tour finished with a visit to Rosemont Stud at Gnarwarre to discuss operations and water use for horse breeding with Farm Manager Mick Dyson and other staff.



Batesford Limestone Quarry



Gene Matthey explaining operations at the Matthey's market garden.

Southern Rural Water Board of Directors host dinner meeting

A dinner meeting with customers and stakeholders was held in Geelong. Presentations were provided by SRW Principal Hydrogeologist, Mr Terry Flynn and Barwon Water Managing Director, Mr Joe Adamski. Mr Flynn described the Werribee formation groundwater resource, and associated commercial opportunities and environmental considerations being assessed by SRW. Mr Adamski explained a number of matters of joint interest to Barwon Water and SRW. Both presentations triggered further discussion whereby SRW directors and their guests were able to explain, and learn from, their different perspectives.

Southern Rural Water Board of Directors meeting

Financial planning

As preparation for upcoming approval of the 2016-17 Corporate Plan and tariff submission, directors and management conducted a financial planning workshop. Directors discussed many aspects of the financial approach adopted by SRW. As a result of this discussion, the board agreed to revise the SRW strategy by replacing the 'Sound Finances' objective with 'Financial Sustainability'. Management will now consider suitable targets to measure the revised objective.

Salmonella in bagged lettuce

The Managing Director explained to the board that many of our customers are being impacted by the recent salmonella incident. Some customer's sales have suffered a significant decline since salmonella was discovered in bagged lettuce, and produce recalled by supermarkets. SRW has been in contact with customers, and will provide assistance wherever appropriate.

BMID modernisation

Subject to several financial and technical pre-conditions, the board approved the first phase of Bacchus

Marsh Irrigation District modernisation. This decision represents the first step to providing a modern irrigation service to Bacchus Marsh irrigators that will ultimately result in significant water savings and improved customer service. With the current dry seasonal conditions emphasising the rationale for district modernisation, the board was very pleased to authorise management to finalise matters with Moorabool Shire Council so that a permanent pump station is constructed on the Werribee River.

Governance framework

In conjunction with the Remuneration and Corporate Governance Committee, management and the board have revised the written documentation that underpins our governance framework:

- A board portal has been in operation since October 2015, and has since been progressively updated so that it now provides a one-stop place for directors to obtain SRW information;
- At this meeting, the board approved a comprehensive revision of the Governance Handbook. The handbook has been revised by:
 - removing background and contextual information (now contained within the portal); and
 - updating the handbook for all rules and directions that apply to directors.
- To help differentiate the rules that apply to directors from instructions provided by the board to staff, these documents are now referred to as policies (rather than board policies), and will be progressively revised to remove all references to directors.

Further reports

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

- Business Performance Dashboard
- Management report
- Risk presentation – Headworks supply failure
- Policy – Water savings from irrigation delivery systems
- Allocation trading strategy extension
- Managing Director succession planning and management development
- Recruitment process for customer consultative committees
- Werribee Office Redevelopment
- Review into operations of the Macalister salinity pump network
- Chairman's report
- Directors' reports
- Board Committee reports
- Werribee Bacchus Marsh Customer Consultative Committee
- Wellington Community Salinity Committee
- Compliance, VCAT, Court and Planning matters
- Significant Groundwater and Surfacewater Applications
- Board administration, FOI, documents sealed and correspondence
- Seasonal outlook: December 2015

Next meeting

The next meeting for the Board will be held on 3 May 2016 in Maffra.