

BULLETIN

December 2014

A report of matters covered at Southern Rural Water's 12 December 2014 Board meeting and associated events

The meeting was held in Melbourne

Present: Mr Terry Burgi, Chairman
Ms Andrea Killeen, Deputy Chairperson
Ms Gabrielle Bell, Director
Mr Matthew Coleman, Director
Mr Russell Napper, Director
Ms Naomi Pye, Director
Mr Terry Swingler, Director
Mr Clinton Rodda, Managing Director
Mr Brian Carr, Corporation Secretary

By Telephone: Mr Craig Smith, Manager Sustainability (for part)
Mr Neil Gibbs, Marchmont Hill (for part)
Ms Suzy Goldsmith, Marchmont Hill (for part)

Apology: Nil

Events held in association with SRW's December 2014 Board meeting

- Two Board committee meetings:
 - Remuneration & Corporate Governance Committee
 - Organisational Culture Committee
- An afternoon tea with SRW's Mr Frank Crameri and colleagues to mark Frank's success in receiving the VFF Cardinia Branch 2014 Agricultural Achievement Award, which recognises Frank's service to the district over many years in relation to rural water management.



L-R: Frank Crameri, Terry Burgi
(Chairman), Clinton Rodda (MD)

- A workshop, facilitated by Marchmont Hill, on the development of SRW's new revenue strategy.
- A meeting with members of the Southern Groundwater & Rivers Form.

L-R: SRW Chairman Terry Burgi with SGW&R Forum members:

- Pat Toohey
- Ross Ingram (Forum Chair)
- Tom Wallace
- Damien Moore

and General Manager
Groundwater & Rivers, Craig
Parker



Voluntary Irrigation Supply Rationalisation Policy

The Board approved the Voluntary Irrigation Supply Rationalisation Policy.

The new policy is a broadened and refined update of the Irrigation Outlet Modernisation and Rationalisation Policy of December 2011 which it replaces. Amendments include expansion to include all irrigation assets rather than just outlets, making the policy more flexible and opening up more opportunities for customers and for SRW to reduce its asset base.

The policy applies only to voluntary negotiations.

The principles of the now-replaced Irrigation Outlet Modernisation and Rationalisation Policy align with the replacement policy. A copy of the policy will be available on SRW's website.

MID2030 Phase 1A – Reserve Projects

SRW is in a position to consider additional projects as a result of savings achieved with MID2030 Phase 1A. The savings have been achieved by lower than expected project costs and reduced contingencies for remaining works.

SRW's Irrigation Modernisation team is listing a portfolio of projects to consider for funding via these savings, an arrangement permitted under the funding agreement with the State Government.

The Board noted the report and approved the method and governance arrangements to assess and approve additional projects.

Asset Management System

The Board approved a variation to the Asset Management System project to increase the approved project value to complete the agreed scope of works.

Revenue Strategy Workshop

This workshop generated wide discussion and prompted a range of new revenue ideas, each of which was recorded for further assessment along with ideas similarly gained from a management meeting held earlier in the week.

The next steps in the project:

- On site group discussions over the coming fortnight.
- Research for parallels and ideas in other water businesses (December 2014 – January 2015).
- A review and assessment of potential ideas.
- A draft revenue strategy is to be provided in February 2015, and subsequently presented to the Board at its March 2015 meeting.

Strategic Alliance with Gippsland Urban Water Businesses

SRW has joined with the four Gippsland urban water businesses in seeking to identify and deliver productivity opportunities across the businesses. The Board noted management's report and gave encouragement to this initiative.

Occupational Health & Safety Policy

The Board reviewed the draft update of SRW's Occupational Health & Safety Policy; feedback from the Board meeting will be incorporated in the draft, which will now be finalised and referred to the next Board meeting for approval.

Sale of Properties

The Board approved the sale of properties at Cowwarr Weir and at Blue Rock dam, each of which is now surplus to SRW's requirements. Sales will conform to the Victorian Government Land Monitor requirements.

Management Report

Several points of the Management Report were addressed:

- Southern Cowwarr balancing storage.
- Werribee 4/1 pipeline project.
- Lindenow Valley water security project.

- Dam safety emergency exercise.

Further Reports

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

- Monthly financial statements.
- Business performance dashboard.
- Strategy scorecard.
- Customer consultative committee reports.
- Board committee reports.
- Chairman's and directors' reports.
- Leave approval – Director, Russell Napper
- Audit & Risk Policy Committee – External member appointment.
- Board delegations.
- Naigos IT conference.
- 2015 Board calendar.
- Compliance, VCAT and major planning matters.
- High profile licence applications.
- Major projects.
- Board administration, FOI, documents sealed and Board correspondence.

Next Meeting

The next meeting of the Board will be held in Melbourne on Friday 6 February 2015.

Clinton Rodda
Managing Director

Brian Carr
Corporation Secretary
16 December 2014
Email: brianc@srw.com.au