

BULLETIN

March 2014

A report of matters covered at Southern Rural Water's 6 March 2014 Board meeting and associated events

The meeting was held at SRW's Maffra office

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 Clinton Rodda, Managing Director
Mr Brian Carr, Corporation Secretary

In attendance:

For discussion of Risk Register Development:
Mr Paul Byrnes, General Manager Technical Services
Mr Terry Clapham, Manager Water Supply East
Mr Lincoln Eddy, Manager People & Performance
Mr Craig Parker, General Manager Groundwater & Rivers
Ms Judy Stewart, Accountant
Mr Stuart Wrigglesworth, Chief Financial Officer

For discussion of MID2030 Stage 2 Outlet Rationalisation Program
Business Case:

Mr Paul Byrnes, General Manager Technical Services
Mr Mike Budahazy, Manager Irrigation Modernisation

Apology:

Mr Terry Swingler, Director (Overseas; apology was accepted in advance at the 6 February 2014 Board meeting).

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

Meetings of the following committees were held on Wednesday 5 March 2014:

- Remuneration & Corporate Governance Committee.
 - Organisational Culture Committee.
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Also on Wednesday 5 March 2014 the Board and managers met at Newry with Mark Bell, General Manager, Hussey & Co Pty Ltd, where Mr Bell spoke about the Hussey company's selection of land at Newry, along with its water supply, for a further vegetable production property.

Discussion of such experiences with new farming developments and the changes in land use involved is most valuable to SRW.

L-R: Andrea Killeen (Deputy Chairperson), Mark Bell (General Manager, Hussey & Co), Terry Burgi (Chairman), Terry Clapham (Manager Water Supply East), Clinton Rodda (MD)



Strategic Planning

As mentioned in the February 2014 bulletin the Board held a strategic planning workshop on Wednesday 5 February 2014. Outcomes have been documented over the intervening month and, following discussion at this March 2014 Board meeting, the following were agreed:

- A new vision statement
- A revised set of goals
- A number of new strategic projects.

Full details will be communicated shortly to SRW staff, customers and stakeholders.

MID2030 Stage 2 Outlet Rationalisation Program

The outlet rationalisation program complements the MID2030 investments and provides the opportunity for customers' to gain a modern outlet and to access on-farm benefits of modernisation.

It allows better service levels from new modernised outlets and in the process, provides irrigators with an opportunity to improve on-farm practices for greater productivity and water savings.

The Board considered the business case for the Stage 2 outlet rationalisation program and following a presentation by the Manager Irrigation Modernisation it resolved to approve the program at a project cost of \$2.9m.

Managing Director Appointment

Following discussion over recent weeks the Board resolved to approve the continuation of Mr Clinton Rodda's appointment as SRW's Managing Director. The Board offered Mr Rodda a new five-year employment contract commencing 1 July 2014. Mr Rodda was pleased to accept; he signed the new contract shortly after the Board meeting.

Corporate Plan

The Board approved the timetable and proposed approach to preparing SRW's 2014/15 Corporate Plan, the final step in which is referral of the completed plan to the Minister for Water by Friday 30 May 2014.

Risk Register Development

SRW has been progressively reviewing its risk register, a process started in June 2013 when the Board accepted all risk management improvement recommendations made by SRW's consultant.

Senior managers attended the Board meeting for discussion of this agenda item. The meeting reviewed the now-condensed list of risks and agreed on the major risks that are to be reported to the Board at each of its meetings, and those that will be reviewed by management. Some additional risks identified at the March Board meeting will be considered for inclusion in the risk register

SRW's Risk Management Policy will now be updated and will set out the process for the review of risks. The updated policy will be referred to the 1 May 2014 Board meeting for approval.

Board Committee Charters

Charters for the Board's four committees, which have each been revised to a uniform format, were approved by the Board.

By-Law No 6 – Shandy Water Taking & Use, Werribee Irrigation District

By-Law No 6 was established by the Board in December 2004 and made provision for those customers without a supply agreement to access recycled water supply. All WID customers involved now have supply agreements with SRW and as such the by-law is no longer required. The Board resolved to revoke this by-law.

Management Report

Several points of the Management Report were discussed:

- Morwell open cut fire.
- EFT Payments.
- Port Campbell Limestone Local Management plan.
- Sustainable Water Strategy Implementation.

- National Framework for Compliance and Enforcement.
- OLV Integrated Water cycle strategy for the West.

Further Reports

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

- Performance Dashboard.
- Monthly financial statements.
- Board delegations.
- Lindenow Valley Water Security Project.
- Board committee reports.
- Customer consultative committee reports.
- Chairman's and directors' reports.
- Storage levels, allocations and restrictions.
- Compliance and VCAT 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 at South Gippsland on Thursday 1 May 2014.

Clinton Rodda
Managing Director

Brian Carr
Corporation Secretary
12 March 2014
Email: brianc@srw.com.au