

## BULLETIN

September 2016

### A report of matters associated with Southern Rural Water's 30 August 2016 board meeting

The meeting was held at Southern Rural Water offices, 88 Johnson Street, Maffra

<b>Present:</b>	Mr Terry Burgi OAM	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 of Directors meeting

#### Boosting Southern Victoria's food, fibre and regional productivity

Consistent with our strategic vision to boost food, fibre and regional productivity in Southern Victoria, the board was pleased to consider new strategic projects, as well as the status of the MID2030 1B project.

#### *National Water Infrastructure Development Fund*

The board endorsed the Managing Director to sign deeds for the following projects funded by the Federal Government's National Water Infrastructure Development Fund.

Project	Description	Budget	End date
MID2030 Phase 2	Macalister Irrigation modernisation Assess the key infrastructure augmentation works to complete the MID 2030 strategy, and in doing so, optimise regional development opportunities and water availability. Inform a business case for investment.	\$750k	Dec 2018
Lindenow Valley Water Security	Complete a detailed feasibility study on three water storage options to secure the reliability, and expand the volume of water supplies for food production in the Lindenow Valley. Develop a business case on the preferred option.	\$665k	Mar 2018
Southern Victoria Irrigation expansion	Develop a pre-feasibility assessment on potential new irrigation developments and priority opportunities in the Latrobe, Thomson and Macalister catchments.	\$752k	Nov 2017
Dilwyn Infrastructure Feasibility	Investigate infrastructure options and ownership models for bores to access water from the deep Dilwyn aquifer to increase regional agricultural productivity in South West Victoria.	\$125k	Jun 2017

All projects represent a significant step by SRW to fulfil our strategic objectives of Great Service and More Water in Production.

### ***MID 2030 1B irrigation modernisation***

The board considered management's progress to commence the \$60m phase 1B works in the Macalister Irrigation District, and was pleased to hear from the project team that:

- Opportunities exist to reduce project costs given favourable changes to market conditions (price of plant and materials) and pipeline design options;
- Management are considering options to accelerate the project and complete works a year early; and
- Arrangements are underway to establish project resourcing and governance.

### **Office accommodation**

Office accommodation for SRW staff was considered in detail by the board. This review corresponds with plans to develop the Werribee office site, and a business case prepared for the refurbishment of the Maffra office.

The board and management considered those locations that are important places to meet and interact with customers, and acknowledged that a customer service presence is an essential function of the Maffra, Werribee, Warrnambool and Bairnsdale sites. With this continuing service in mind, the board noted that any review of office accommodation at these sites is made within a context of an ongoing SRW presence at these locations.

In respect of the smaller field office locations managed by SRW, the board accepted the ongoing practice that these locations are periodically reviewed based on suitable rental space, customer service and SRW staff convenience. Management explained SRW's history of taking action to change these office arrangements should circumstance change, like the expiry of a rental agreement, and the board agreed to maintain this flexible approach.

The board noted ongoing work to consider the redevelopment of the Werribee office site.

### ***Maffra office re-development business case***

The board approved the \$1.06m business case to refurbish the Maffra office. The decision recognised that it is more than 20 years since the last major works were undertaken at the Maffra office, and the style and nature of the office space is now inconsistent with our objective to be an employer of first choice and foster a high performance culture.

Both the board and management acknowledged that while expenditure of this scale is significant to SRW and its customers, the works themselves are not extravagant or inconsistent with similar office amenity available at other regional centres. An engagement strategy will be prepared by management to explain that the works are part of our routine office renewal program.

As the refurbishment enables more efficient use of floor space, works will increase the number of desks and meeting rooms within the building. As a result, management are pleased to confirm that the MID 2030 1B modernisation team will now be housed at the Maffra Office. This is an important outcome for irrigation modernisation as it will help enable ongoing integration and consistency of this team with the broader SRW business and staff.

## **Drug and alcohol policy**

The board approved the Drug and Alcohol policy. The policy introduces a new framework for SRW designed to help ensure a safe workplace for all staff.

Following approval of the policy, management advised the board that:

- A three month education period will occur where employees will be trained in the impairment procedure, educated about the effects of drugs and alcohol and provided with information relating to our employee assistance provider.
- On conclusion of training, post incident, reasonable belief and random drug and alcohol tests will occur at SRW.

The policy was developed with extensive staff and union consultation.

## **Further reports**

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

- Business performance dashboard
- Management report
- Annual financial statement approval
- Chairman's report
- Directors' reports
- Board committee reports
- Policy committee referrals
- 2017 board meeting schedule
- Annual risk attestation
- Presentation on corporate risks - Public safety
- Presentation on corporate risks - Unrealised economic value
- Asset governance charter
- Treasury certificate of compliance
- Governance handbook
- August 2016 board meeting feedback
- Management of action lists
- Board committees
- Customer Committees

## **Southern Rural Water Board of Directors tours the Macalister Irrigation District**

SRW staff escorted the board on a tour of the Macalister Irrigation District. The tour involved meeting customers and understanding what they are achieving from modernisation, as well as an opportunity to see some of the infrastructure and properties scheduled for MID 2030 1B upgrade.

Customers were able to describe to the board, using real examples on their properties, of how modernisation has and will increase production. One irrigator explained that a re-configuration opportunity on his property will reduce outlets from five to one, and by removing a channel, open up the property to more productive irrigation practices. Another customer explained how automation had enabled more efficient irrigation practices on the property – saving time and water.

The board also visited the Cowwarr Balancing Storage. The storage is now operational, and SRW staff explained the function and benefits resulting for the works.

Left: Cowwarr Balancing Storage ready for operation

Right: Water movements into and out of the Cowwarr Balancing Storage



### **Southern Rural Water Board of Directors host dinner meeting**

The board hosted a dinner with local stakeholders in Sale. Representatives from the Wellington Shire, Gippsland Water, Committee for Gippsland, East Gippsland Water, Regional Development Victoria and West Gippsland Catchment Management Authority were updated on the corporation's progress to modernise the Macalister Irrigation District.

### **Next meeting**

The next meeting for the board will be held on 25 October 2016 in Warrnambool.