

BOARD BULLETIN

Summary of meeting 295 held in Melbourne on 8 February 2018



Boosting Southern Victoria's food, fibre and regional productivity through outstanding rural water management.

Present:

Ms Diane James AM	Chairman
Mrs Kate Calvert	Deputy Chairman
Ms Naomi Cleary	Director
Mr Angus Hume	Director
Ms Peta Maddy	Director
Mr Michael Malouf	Director
Mrs Naomi Pye	Director
Mr Terry Swingler	Director
Mr Clinton Rodda	Managing Director



In attendance:

Mr Lincoln Eddy	Manager, Strategy and Performance
Ms Joanna Giannini	Manager People and Culture
Mr Michael Piko	Chief Information Officer
Mr Stuart Wrigglesworth	Chief Financial Officer and Corporation Secretary



The Chairman, Ms James AM welcomed directors and executives to the first meeting of the SRW Board of Directors for 2018, and identified a number of significant matters for focus during the upcoming year, including:

- upcoming strategic review
- opportunities for enhanced water security in the Lindenow Valley
- securing funding to complete irrigation modernisation works in Werribee and Bacchus Marsh
- continuing organisational cultural change to deliver consistent high performance.

OUR OUTCOMES

At this meeting the Managing Director and Manager Strategy and Performance presented the Performance Dashboard and Strategy Scorecard reports for the period to 31 December 2017.

As part of these discussions, the board considered a number of strategic matters, including:

Great Service

The Managing Director was pleased to advise the board that performance metrics demonstrate continuous customer service improvement and he is confident that SRW will exceed our ambitious service targets for the current five year regulatory period that ends on 30 June 2018.

As further support for the service benefits being delivered as part of SRW's strategy, the board welcomed the result of the recent customer survey and, in particular, that 90% of those customers surveyed were either very satisfied or satisfied with SRW's services.

More Water in Production

The strategy scorecard report identified to the board progress that had been made to reduce the amount of unused water entitlements across Southern Victoria. A major focus of this is awakening 'sleeper' licences (where water entitlements remain unused), which have reduced in number but remain a major opportunity for improvement. As this licence volume is already within the consumptive limits set to protect the long term sustainability of these rivers and aquifers, bringing this water into production supports our strategic vision to improve the productive capacity of our customers without compromising environmental health.

The board was updated on the implications to our unregulated water sales strategy following the Victorian Administrative Appeals Tribunal decision regarding groundwater resource management in the Mornington Peninsula. SRW is now reviewing this strategy and how best to regulate the popular hydro spa sector operating in the region without compromising other customers or the environment.

Financial Planning

The board considered the financial report for the six month period to 31 December 2018 and noted that these results are consistent with the 2017-18 budget. Management was pleased to report that no financial matters have emerged, or are foreseen, that represent a significant variation to financial planning assumptions for 2017-18.

The board approved the assumptions that will be used to underpin the financial projections in the 2018-19 Corporate Plan. These assumptions are consistent with the recent Price Submission, and designed to ensure that SRW remains financially sustainable.



OUR STRATEGIC FOCUS

Modernised service

The Managing Director informed the board that pipeline supply contracts have been finalised for Macalister and Werribee irrigation modernisation works for winter 2018. Management is in the process of finalising the civil works contracts to install the pipelines, and expects this to occur so that our works program continues to schedule. The Managing Director emphasised the significance of these contracts to the success of our \$100m irrigation modernisation works programs.



ENABLING OUR STRATEGY

High Performance Culture

Discussion with Executive – Manager People and Culture

Ms Joanna Giannini, Manager People and Culture presented to the board on those parts of the business that she manages as well as the broader cultural aspects of the work environment at SRW. Ms Giannini commented upon the timely nature of this discussion given the boards stated focus on improving staff culture towards excellence and high performance. Joanna outlined the scope of her portfolio, her work since commencing with SRW 12 months earlier and her current priorities:

- progress that her team has made to improve performance, and in particular the effective delivery of core human resource functions across SRW
- greater use of technology to improve the efficiency and effectiveness of the human resources team's compliance and service
- workforce planning to help transition staff to the roles that will exist once irrigation modernisation is complete
- implementation of the SRW Diversity and Inclusion plan
- implementation of the SRW Health and Wellbeing strategy.

As part of the discussion with the board, Ms Giannini commented upon her positive experience of the current SRW culture, whereby staff are already very engaged with the business, and willing to contribute to ideas and improvements to enable SRW's success.

Informed asset management

The Managing Director advised the board that consultants have completed an assessment of our asset management maturity against the Australian Standard and the Department of Treasury and Finance's Asset Management Accountability Framework. This assessment will be considered at the next meeting of the Asset Governance Committee and will be used to inform our improvement priorities. The board was pleased to understand this progress, and commented upon the value of the report as a benchmark to optimise asset management at SRW.

OTHER REPORTS CONSIDERED BY THE BOARD

Board Decisions

- The board approved a planning approach, including the formation of a coordinating committee, to enable an effective discussion of strategy at the upcoming strategic workshop in May 2018.
- The board approved recycled water rebates for Werribee customers.
- Updates were approved to the:
 - Instrument of delegation
 - Risk Management policy
 - Business Continuity Management policy.

The following reports were noted by the board:



- Management report
- Quarterly capex report
- Quarterly compliance report
- Werribee Bacchus Marsh Customer Consultative Committee
- Southern Groundwater and Rivers Forum
- Chairman's and Directors' activities
- Annual work plan.

NEXT MEETING

The next meeting of the board will be held on 6 March 2018 at Bairnsdale.

