

BOARD BULLETIN

A report of matters associated with Southern Rural Water's board meeting held in Melbourne on 4 December 2019.



Excellence in rural water management, driving growth and customer productivity in southern Victoria.



Present:

Ms Diane James AM	Chairman
Ms Naomi Cleary	Director
Mr Angus Hume	Director
Ms Peta Maddy	Director
Ms Michelle Murray	Director
Ms Kylie Steel	Director
Mr Cameron FitzGerald	Managing Director



Management:

Mr Lincoln Eddy	Manager Strategy & Performance (for part)
Ms Isabel Fredericks	Chief Information Officer (for part)
Ms Joanna Giannini	Manager People & Culture (for part)
Ms Nicole Griffin	General Manager Technical & Environmental (for part)
Ms Kristine Mehlert	Governance & Strategy Specialist
Mr Craig Parker	General Manager Customer Service (for part)
Ms Bernadine Phelan	Communications & Engagement Manager (for part)
Mr Stuart Wrigglesworth	Chief Financial Officer & Corporation Secretary



Apologies:

Mr Michael Malouf	Deputy Chairman
Mr Christopher Edwards	Director



OUR OUTCOMES

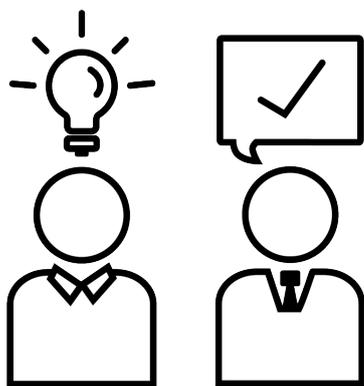
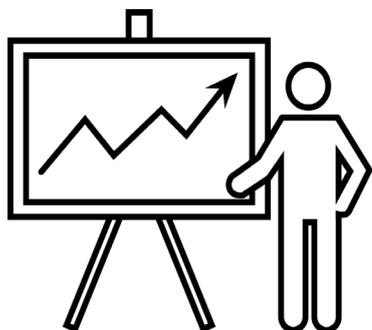
Strategy workshop

On 13 November 2019, the board and executive met to review the SRW corporate strategy.

The workshop considered new and emerging trends in SRW's operating environment, including customer expectations, policy drivers, technological advancements and climate change.

The board agreed that work would commence on revising SRW's corporate strategy, giving consideration to matters that include:

- Expansion of irrigation districts.
- Developing local supply and demand strategies that identify opportunities to optimise the use of the full suite of water resources available in key geographies across our service area.
- Enhancing SRW's understanding of the needs of the varying customers that it serves.
- Preparing for the impacts of climate on availability of water for consumptive and environmental uses.
- Streamlining our approach to internal policies and management of risk.
- Creating a culture of agility for our people.
- Enhancing stakeholder engagement, targeted towards those alliances and relationships where we can add value, lead debate or influence outcomes for the benefit of our customers and communities.



BUSINESS OBJECTIVES

Customer value

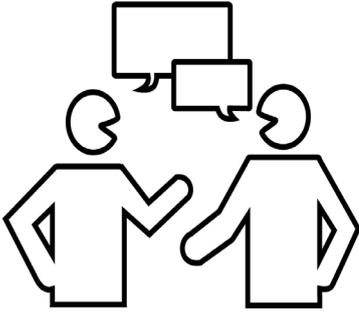
Enhanced customer experience

The board was pleased to hear that the Southern Groundwater and Rivers Forum members were recently engaged to provide firsthand customer insight to the Customer Portal design. The Managing Director confirmed that this feedback, as well as previous feedback provided by other customers, is being incorporated into the design. More generally, he commented that customer input has provided several insightful revisions to the portal.

The Customer Portal is expected to launch in January 2020

Engagement strategy

Building on the outcomes of the strategy session in November, the board approved an Engagement Strategy which is designed to assist SRW to deliver its corporate strategic objectives by developing and maintaining strong relationships with customers, stakeholders and the communities where we operate. The strategy seeks to:



- raise our profile among customers, stakeholders and the wider community;
- ensure our people consider customer needs, stakeholder interests and broader community perspectives in our decision-making;
- deliver a significant uplift in our use of digital engagement and evaluation metrics; and
- enhance our capacity to be sought out as a trusted voice in advocating for the rural water sector.

Resource stewardship

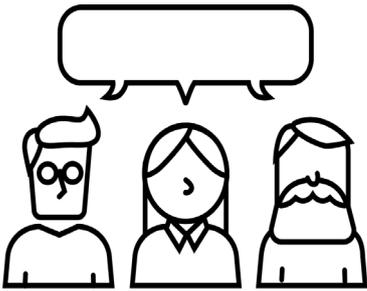
Climate resilience

The board received an update on drought conditions within southern Victoria.

Overall, southern Australia experienced its driest October on record.

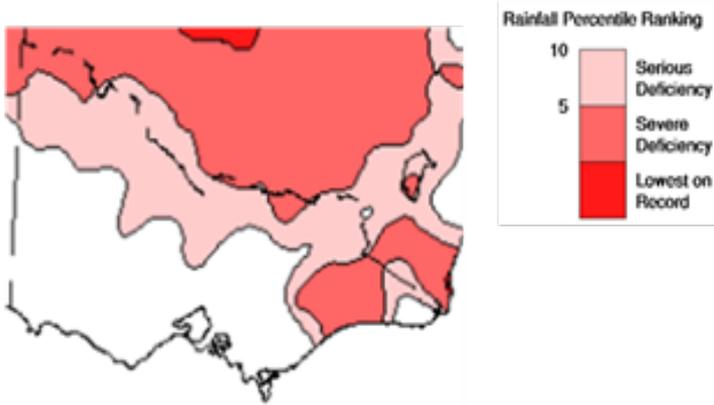
While some of our region has received welcome rain, overall rainfall deficiencies continued for the areas around Central and East Gippsland for the period ending October 2019.

These deficiencies are reflected in low soil moisture, most prominently in Central and East Gippsland, but also in areas of South Gippsland, the Surf Coast in the west and Nelson in the far west of the State.

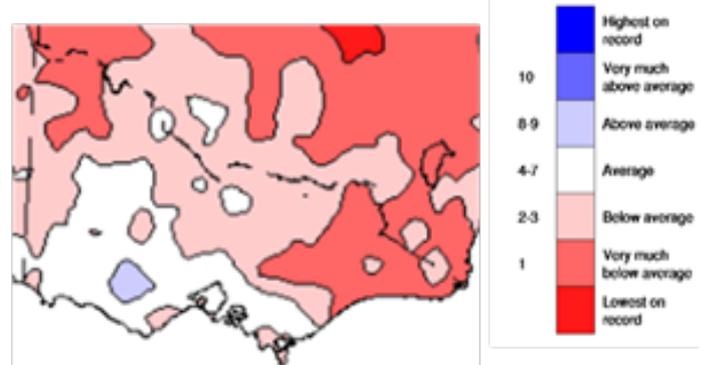


The board was advised that the rainfall outlook indicates lower than median rainfall in most, if not all of our region over the next three months, with some potential for improvement as we move into late-summer.

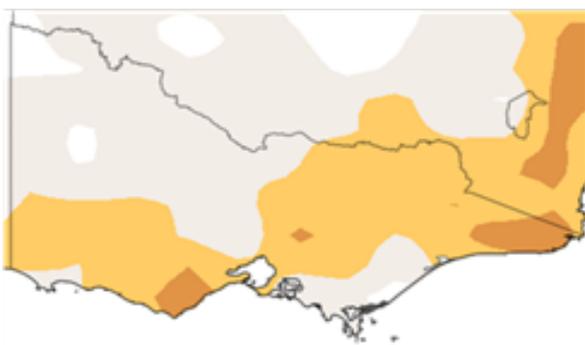
3 mth rainfall deficiencies October 2019



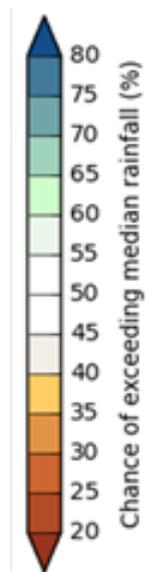
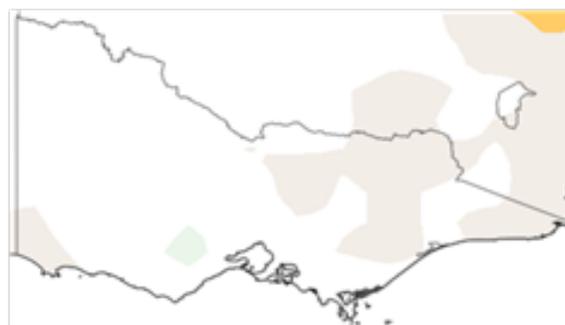
Soil deficiencies October 2019



December 2019 to February 2020



January 2020 to March 2020



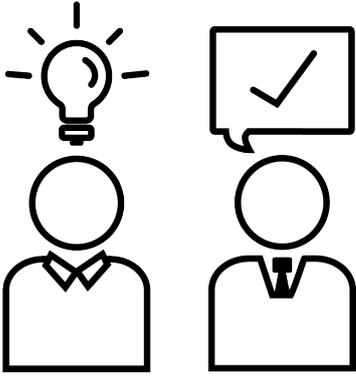
Management advised the board that:

- Customers in the Macalister Irrigation District are likely to receive no spill entitlement, as well as a relatively small allocation of low reliability water. Our staff will repeat processes from the 2018-19 season whereby frequent water supply information is provided to customers, and SRW will take all reasonable steps to prompt allocation trading. If existing dry conditions remain, MID customers are expected to 'empty' Lake Glenmaggie on a similar time scale as the 2018-19 season.
- Our field staff have well established practices in place that are designed to inform, as early as practical, our surface water customers of upcoming supply restrictions.
- Most of the groundwater supply areas, as well as the Werribee and Bacchus Marsh irrigation districts, are not expected to be impacted by restricted supplies. That said, our staff continue to be aware of the difficulties associated with low rainfall, and the reality for many customers, that irrigation provides a supplementary water supply.

The board encouraged management to prioritise this work, and continue to consider any opportunities to improve the way that SRW operates during periods of drought.

LEADERSHIP AND CULTURE

A culture of excellence



The board congratulated Ms Joanna Giannini, Manager People and Culture on her acceptance to the *Insight: Executive Leadership for Women in Water* program. Ms Giannini underwent a rigorous selection process to become one of only 13 participants in the program, which was announced by the Minister for Water in September 2019.

The Insight program is designed to support the Victorian Government's commitment in Water for Victoria to focus on gender equity and improve diversity at executive level roles in water corporations and catchment management authorities.

Water for Victoria

The board received a report on the Water for Victoria priority, Recognising and Managing for Aboriginal Values. SRW has a continued focus on:

- Working with Aboriginal groups across our whole region and seek to understand their priorities for participation in water and cultural and economic opportunities.
- Partnering with others to leverage knowledge and engagement outcomes.
- Incorporating supplier diversity, ensuring there are no barriers to procuring goods and services from Aboriginal businesses.
- Working with Traditional Owner groups to build cultural understanding and competency for staff, customers and stakeholders, and to incorporate cultural values into our processes.

After its meeting in Warrnambool in February 2020, the board will take a tour of the Budj Bim world heritage place, the traditional homelands of the Gunditjmarra people, in south west Victoria.

Safe, healthy, diverse and caring workplace

Diversity and inclusion policy:

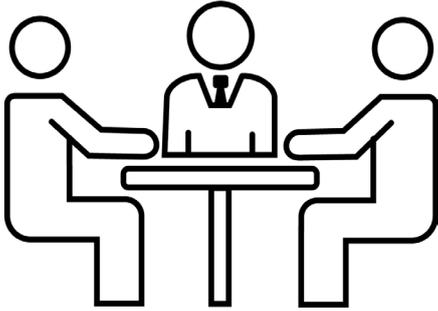


The board approved a significant update to SRW's Diversity and Inclusion policy. The policy provides a guide to:

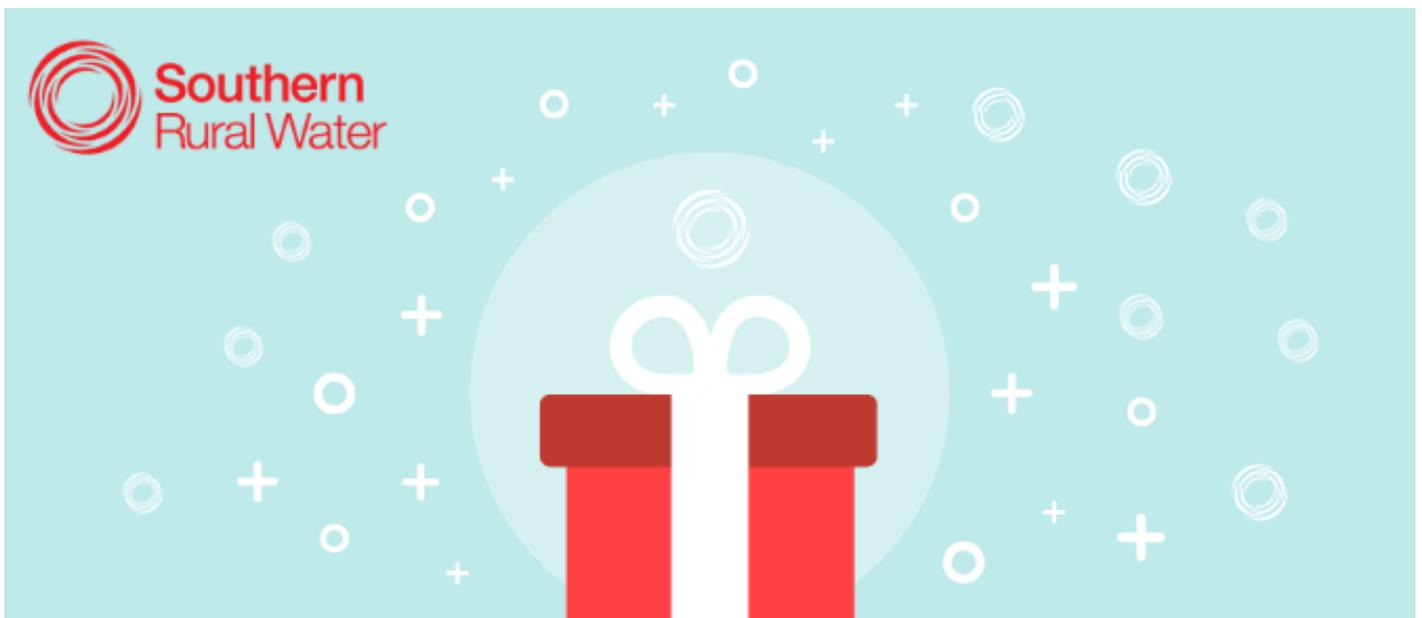
- effectively embed and support a diverse workforce and inclusive workplace for all SRW employees.
- the approach the board will take and guide our commitment to diversity targets and objectives.
- our recruitment process, the development of our Diversity Action Plan and other activities around diversity and inclusion

The policy is available on the SRW website.

OTHER **REPORTS** CONSIDERED BY THE BOARD



- Performance Dashboard
- Capital Forecasting Improvement Plan
- Vehicle policy
- Dam Safety policy
- Macalister Customer Consultative Committee
- Werribee and Bacchus Marsh Customer Consultative Committee



SEASON'S GREETINGS!

FROM THE CHAIRMAN, BOARD AND STAFF AT SOUTHERN RURAL WATER.

