

BOARD BULLETIN

A report of matters associated with Southern Rural Water's board meeting by video conference 2 pm Tuesday 5 May 2020



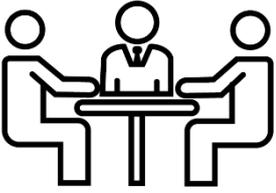
Excellence in rural water management, driving growth and customer productivity in southern Victoria.

Present:

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

Management:

Mr Stuart Wrigglesworth	Chief Financial Officer & Corporation Secretary
Ms Renae Cooke	Executive Assistant to the Managing Director
Ms Elisa Hunter	General Manager Strategy and Performance (For part)



OUR MEETING

The SRW board continued to meet virtually via videoconferencing for its May meeting. The meeting discussed a range of matters including SRW's finances, customer survey results and water security.

The board reiterated its appreciation for the leadership SRW had shown in responding to COVID-19, particularly management's prompt adaptation to deliver high quality service to our customers while working remotely.

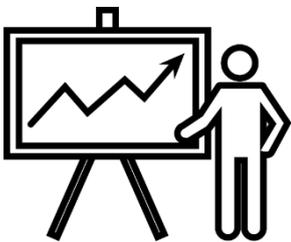


OUR OUTCOMES

The Managing Director was pleased to report that recent rains had improved storage levels at all major water storages. This has provided welcome relief for customers across the state, particularly those in Gippsland. The Macalister Irrigation District received a welcome boost, with both high and low reliability allocations at 100%. Pre-releases are now expected to be required to prepare for possible flood mitigation over winter and spring 2020.

The board noted progress of implementing the Drought Preparedness program. SRW is making significant in-roads with this work and remains committed to a secure water future for our customers despite a challenging year to date, including significant bushfires and COVID-19 response.

The board discussed financial matters with a particular focus on pricing, quarterly financial performance and capital program delivery. The board approved the submission of 2020-21 prices for SRW's services to the Essential Service Commission (ESC), noting that they are consistent with the ESC approved 2018 pricing submission, which involved extensive customer consultation.



Strategy and performance

The board took the opportunity to welcome Elisa Hunter, the new General Manager Strategy and Performance to SRW.

Ms Hunter discussed the status of the development of SRW's 2020-21 Corporate Plan, and the board approved the proposed timetable for submission to government by 31 May 2020.



BUSINESS OBJECTIVES

Customer value

Modern assets

The board noted that the capital expenditure program for winter 2020 will focus on delivery of MID Siphon number 1 and planned Macalister irrigation District modernisation works.

Staff are continuing planning works for further projects to ensure they are ready to be delivered in a manner consistent with COVID-19 response measures.



Enhanced customer experience

Research consultants CSBA were appointed in late 2019 to undertake SRW's biennial survey of the experience of our customers. The survey of 1,000 customers focused on three areas of customer experience - water supply and access, customer service and communication.

The board discussed the survey results, noting a marked improvement in average overall satisfaction from 7.1 in 2017 to 7.5 in 2019 (scored on a rating scale between 0 and 10).

The survey highlights the continued importance of the delivery of SRW's strategic focus areas. This includes continued investment in modernisation programs that increase water availability and reliability in irrigation districts and a sustained focus on affordable prices.

The board noted the poorer satisfaction reported by irrigation customers in Werribee and Bacchus Marsh and has requested that management develop a comprehensive approach to improve the way SRW delivers services in these areas. The Managing Director reported that an initial response to these results has included a change to SRW's operating structure, with all water supply operations now reporting under the same manager. This will ensure good practices are shared between irrigation districts.



LEADERSHIP AND CULTURE

Safe, healthy, diverse and caring workplace

Customer Consultative Committee appointment process

The Managing Director noted that half the members SRW's three customer consultative committees are subject to re-appointment in 2020. He discussed the application and appointment process which includes external advertising for applications. A selection panel consisting of management representatives, a board member and a customer committee member will be appointed to oversee each selection process.

The board expressed a desire to see higher rates of diversity within SRW's customer consultative committees and requested that the General Manager People, Safety and Culture provide input to the appointment process.

