



Ref: 2770818

Mr Andrew Broad  
President  
Victorian Farmers Federation  
Farrer House  
Level 5 / 24 Collins Street  
MELBOURNE VIC 3000

16 December 2009

Dear Mr Broad

**An open letter to the customers and community of Pyramid-Boort Irrigation Area  
[To be read in full to the VFF community meeting]**

In announcing the decision of the Board of G-MW to the Pyramid-Boort Water Services Committee (WSC) and to the broader community last week, we made it clear that we expected individuals may not agree with our decision and may be surprised by our action.

We anticipated this because the Pyramid Boort WSC has a long history of setting the benchmark for robust and forthright debate with G-MW. We also recognise that this committee has also set the benchmark for team work and community leadership through their progressive thinking and commitment to finding solutions to the challenges that lies ahead. This is a committee that in its various forms over the years and in partnership with G-MW has advocated for and helped achieve the Prime Development Zones, Waranga Western Channel upgrade, Normanville Pipeline, and the visionary Future Management Strategy. This record is not in doubt.

G-MW has no intention of publicly disclosing any specific examples of conduct or behaviours that have lead to our decision - it is not a path that brings any credit to the individuals involved. But while G-MW will not discuss these matters in public, we cannot overlook them and their impact on the committee and other individuals.

**Members of the community are asking why didn't G-MW warn the Committee and allow the Committee to address the matters?**

The fact is on numerous occasions over the past few years the G-MW Board, Directors and management and other meeting guests directly communicated with the Committee to advise of their concerns. Late last year G-MW commissioned an independent

review of the Committee and every single member of the Pyramid-Boort WSC was interviewed and given opportunity to discuss the issues impacting on the performance of the committee.

This review resulted in a range of governance and process reforms that the Board of G-MW put in place in July 2009. We subsequently appointed the members of the Pyramid-Boort WSC along with all other WSC members on the basis that they would comply with these improved governance processes. As at last Friday some members of the Pyramid-Boort WSC had refused to acknowledge that they will abide by the rules of committee operation when nearly all other customer committee members within G-MW have agreed.

Since the review and implementation of the reforms we have seen no improvement in the conduct of the Pyramid-Boort Committee. We have also been made aware of a number of incidents between committee members and between the Committee and other bodies that are clearly unacceptable and have therefore forced G-MW to take steps.

**The community has also asked why G-MW didn't single out individuals on the committee and take action against them? Why have we taken a course of action that potentially blackens the name of all the members?**

We expect diversity of views and robust interaction between committee members, but to be effective the committee must also be able to unite to deliver team work and community leadership – just like past Pyramid-Boort WSCs. For this reason we have no intention of pointing to any individual members of the Committee as being at fault or taking separate action against them. The Committee as a whole is accountable for its actions.

The key point here is that we have 25 customer committees with more than 150 members and each and everyone comprises a diverse range of views and interests. Twenty-four of these committees are managing to harness the differences to achieve meaningful and productive outcomes. The Pyramid Boort Committee has a history of doing the same but has fallen short in recent times.

**In closing I would like to state for the record the steps G-MW has and intends to take to resolve this matter.**

**First.** We have not dismissed or dissolved the Pyramid-Boort WSC. The committee has been suspended and this is very important because we would like to see resumption as early as possible of normal WSC operations – and with it, a resumption of the team work and community leadership that the Pyramid-Boort WSC has demonstrated in the past.

**Second.** We are calling for nominations for a Community Reference Committee to act in the interim to provide time for G-MW to consider our next steps. The process leading to the Board's final decision will involve further engagement with the local community and will also involve further discussions with members of the committee.

**Third.** We have said the interim community reference committee will operate until at least June 2010. Clearly we are indicating we would like to see a resumption of normal WSC operations at that stage to coincide with the annual appointment processes. This is our goal and intended timeframes.

**Fourth.** Each and every member of the Pyramid-Boort WSC can seek to continue their participation on the interim community reference committee or indeed a future Pyramid-Boort WSC. The key factor impacting on their appointment will be their ability to contribute to the effective operations of the committee and to respect the agreed governance processes for conduct between members and for behaviors in and out of the meetings.

**Finally**, the decision of the Board is unprecedented and one that we did not make lightly. Having now made and communicated the decision we are determined to work with the local community to confirm the best way to rapidly achieve a resumption of a well functioning WSC.

We respect the right of the local community to come together to discuss these matters and welcome the involvement of the VFF to oversee this process. To this end I would be happy to meet with the VFF to discuss the feedback from the meeting and to hear suggestions on an effective way forward.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stephen Mills', written in a cursive style.

Stephen Mills  
Chairman  
Goulburn-Murray Water