



Tariff and Pricing Review

Working Groups

Terms of Reference and Appointment Process

October 2017

Terms of reference

1. Purpose

GMW has established working groups with the objective of providing customer input to GMW's consideration of a revised Tariff and Pricing Strategy. A Tariff and Pricing Strategy sets the method and manner by which GMW's revenue is collected from customers through a pricing structure for services rendered.

2. Related policy and procedures

GMW's is committed to improving our engagement approach; this is reflected in the following principles;

- Fit for purpose
- Genuine and transparent
- Inclusive and accessible
- Continual improvement

3. Context

GMW's role is to efficiently manage, store and deliver water within northern Victoria.

We are currently in a challenging and changing environment with changing climate and international markets impacting both our customers and GMW. We must plan to deliver a confident future to ensure our customers and GMW remains sustainable now and into the foreseeable future.

In order to achieve this GMW has developed a Strategic Plan which identifies the development of a Tariff and Pricing Strategy as one element in delivering an effective plan for the future.

4. Working Groups by service

Separate working groups will be convened for the period of the review by the following services;

- Gravity Irrigation & Drainage (Murray Valley, Shepparton, Central Goulburn, Rochester, Loddon Valley, Torrumbarry)
- Pumped Irrigation (Nyah, Tresco, Woorinen)
- Regulated Diverters
- Unregulated and Groundwater Diverters
- Domestic & Stock Water Works (Tungamah, Normanville, East Loddon (South), East Loddon (North), West Loddon)
- Bulkwater (Storages/Dams)

5. Role of the Working Groups

The objective of the working groups will be to work with GMW in developing;

- A Tariff and Pricing Strategy that may be for up to ten years into the future

- Customer communication and engagement plans in relation to the project.

Working groups will be provided information arising from other reviews occurring during the period, and due to be completed before the conclusion of the Tariff and Pricing Review include:

- The Delivery Share review conducted by the Department of Environment, Land and Water Planning
- GMW's 25-year GMID (Goulburn-Murray Irrigation District) Asset Review
- GMW's review of service priorities

The Working Groups will objectively provide input and advice to GMW about;

- The future service needs of customers as they relate to pricing options;
- Pricing considerations from separate reviews of innovative capital and/or maintenance activities on GMW assets that will assist in reducing the future cost of assets.
- Pricing considerations from the separate reviews of the opportunities to optimise the extent and utilisation of assets within GMW's area of operations
- The tools we use to enhance customer understanding about the revised Tariff and Pricing Strategy.

GMW is appointing a professional service firm as lead consultant to conduct the Tariff and Pricing Review. Financial modelling of various service priorities and consequential costs to serve customers (represented by price options) will be considered by working groups through the review period.

Information from the working group will be a key input into the GMW Steering Committee who will make recommendations to the GMW Board for a final decision on matters related to the Tariff and Pricing Strategy.

6. Membership of the Working Groups

Working group membership will consist of up to 15 members which may include:

- Current GMW customers and stakeholders within GMW's area of operations
- Community representatives within GMW's area of operations;
- Industry and Industry Association representatives relevant to GMW's area of operations; and
- Government departments and agencies.
- GMW staff

The Working Group will be chaired by a GMW representative. Additional GMW staff will attend meetings as required, to provide technical information and administrative support to the member group.

Shortlisting and final appointment will be made by the GMW Steering Committee.

7. Working Group Selection Criteria

Members will be appointed to the working group based on an expression of interest to an open selection process, including their response to the selection criteria. Applicants may be interviewed as part of the selection process.

The following general criteria will be used in selecting members:

- Involvement in a diverse network that enables a sound understanding of the needs of customers within GMW's area of operations and an ability to represent a range of views to the working group;
- A demonstrated understanding of GMW's service operations and how those operations relate to the sustainability of GMW and communities within our region.
- A knowledge, understanding and ability to objectively discuss the relationship between customer service levels, relevant asset infrastructure costs, and the rising costs to serve customers.

GMW is committed to an inclusive appointment process with the aim of encouraging representation consistent with the diversity of the communities in which we operate. GMW will be seeking to balance the mix of skills, experience, geographic location, membership diversity and GMW service types on the Working Group/s.

Applicants will also be required to satisfy the following eligibility criteria. Candidates must not;

- have been found guilty of an offence under the Water Act 1989; or
- have been convicted of any indictable offence within the last 5 years; or
- be more than 12 months in arrears in the payment of water charges to GMW unless the person:
 - has made an arrangement to pay the arrears which is acceptable to GMW; and
 - continuously complies with that arrangement.
- be a current employee of GMW or have been an employee of GMW within the 12 months prior to nomination.
- have an active dispute, complaint or claim with/or against GMW.

GMW may seek nominations from relevant Government agencies and/or Industry groups for direct appointment to the Working Group.

8. Term & Sitting Fee

The Working Group will be operational until the completion of the Tariff and Pricing Strategy, currently scheduled for December 2018 or until otherwise determined by GMW.

Working Group members will be appointed initially until December 2018. If the term of the working group extends beyond this time, a review (undertaken by the GMW Steering Committee) of the group's activities and membership will determine the need for reappointment, or re-advertising of positions.

Fees and expenses will be determined as per the Department of Premier and Cabinet's Appointment and Remuneration Guidelines. These guidelines currently allow for advisory committee members to receive a daily fee of \$221 plus reasonable out of pocket expenses.

9. Vacancies

Positions will become vacant if a member:

- Resigns in writing to the Chair of the Working Group;
- Becomes a Director or an employee of GMW;
- Behaves in a manner GMW determines is not in keeping with the principles of engagement, or is not conducive to achieving the objectives and/or role of the Working Group;
- Fails to continue to meet the selection criteria; or
- Does not attend three consecutive meetings without due notification or prior arrangements.

The Working Group Chair will advise the Steering Committee Chair of a potential vacancy meeting one of the above criteria and the Steering Committee by vote will make a final and binding decision on whether the position has become vacant. Each Steering Committee member has one vote. The Chair will have a casting vote where required.

10. Operating procedures

Nature of representation

As the working group provides advice to GMW, it is not necessary that members reach a consensus on issues of discussion. Working group members are expected to reflect their own views at meetings, however they may choose to informally canvas views from others on relevant non-confidential matters. Final decisions regarding implementation will be made by GMW, after consideration and assessment of the working group's input.

Meetings

GMW will arrange meetings at a mutually convenient location and time for members of the working group. A meeting calendar will be developed with the working group to coincide with key project stages. It is expected that meetings will be held quarterly as a minimum however may be more frequently as required.

Values, behaviours, confidentiality and conflict of interest

The working group commits to the Terms of Reference and agrees to behave in a manner consistent with the principles of the engagement process. Working group members will be discussing non-confidential elements of the project with members of the public. During these communications a Working Group member agrees to;

- indicate, in an open and transparent manner, which views are representative of GMW and which are representative of other members of the Working Group when conflicting views are presented; and
- in the event that the Working Group has a view which is contrary to a decision by GMW, in any communications the member shall fairly present GMW's decision and the basis of that decision
- not disclose confidential information

Working Group members shall not communicate externally including with journalists, the media or Members of Parliament on matters related to the Working Group unless approved by GMW.

If a member believes they may have a conflict of interest about an agenda item or general business item, that member must notify the Chair prior to the start of the meeting. This may preclude the member from joining in discussion on the subject.

Minutes and agenda

The agenda for the working group meetings will be compiled by GMW officers and distributed to members at least five business days before each meeting. Members are encouraged to raise general business items in advance for discussion at each meeting. Minutes will be taken by GMW officers at each meeting of the working group. A copy of the minutes will be reviewed by the Chair and forwarded to all members as soon as practicable after the meeting.

The Project Steering Committee receives all minutes.

Management support

GMW will coordinate and provide support to the working group.

Appendix 1: Declaration

I have read and understand the Goulburn-Murray Water Terms of Reference for the 25 Year GMID Asset Management Strategy Working Group.

I hereby undertake to comply with the Terms of Reference.

Signed: _____

Print name: _____

Date: _____

Appendix 2: Declaration of interests

Surname: _____

First name: _____

Working group member	
Registrable Interests	Details of Interests
1. The name of any company or other body, association, institute, organisation or group (corporate or unincorporated) in which you are a member and any office held, whether as director, councillor, committee member, staff, volunteer or otherwise (and indicate if the positions are voluntary or paid).	
2. The name or description of any company, partnership, association or other body in which you hold a beneficial and material interest which exceeds \$2000 in value.	
3. The address or description of any land in the district of the water corporation or in a district which adjoins the water corporation's district in which you hold any beneficial interest (other than by way of security for any debt).	
4. A concise description of any trust in which you hold a beneficial interest or of which you are a trustee and in which a person related to you by blood or marriage holds a beneficial interest.	
5. Any other interests (whether of a pecuniary nature or not) of yours or of a person related to you by blood or marriage, of which you are aware and which you ought reasonably to consider might appear to raise a material conflict between your private interest and your duty as a member of a GMW Working Group. This includes any interest in water entitlements, regardless of size, and should include information on volume, type of entitlement and location.	

I declare this information is complete, true and correct at the date of signing:

Signature of declarer.....Date.....

Signature of witness:Name of witness