



Summary Information Sheet

Board Meeting 162

Held at Wangaratta on Wednesday 9 July 2008

A summary of information and deliberations

PRESENT:

Stephen Mills
Chairman

Craig Cook
Deputy Chairman

John Brooke OAM
Director

Peter Fitzgerald
Director

Claire Penniceard
Director

Des Powell
Director

David Stewart
Managing Director

Peter Guy
Executive Manager
Business & Finance

Brian Carr
Corporate Secretary

APOLOGY:

Catherine Scott
Director

For queries regarding this information sheet, please contact Brian Carr on telephone No. 03 5833 5550 or email brianc@g-mwater.com.au

The next Board meeting will be held at Tatura on Wednesday 13 August 2008.

Board Inspection Tour and Board Meeting in North East

The Board and managers of G-MW visited the north east of the state on Tuesday 8 July, meeting with and being hosted by members of G-MW customer committees (Ovens Catchment Committee and King Catchment Committee and the Murray System Water Services Committee). The tour, which included visits to a range of locations including Lake William Hovell, a vineyard and sites which were previously tobacco farms, provided a valuable insight to the customer activities and their particular requirements in that



area. A number of issues were raised by the customer committees; the Board has committed to respond as

G-MW MD, David Stewart, G-MW Chairman, Stephen Mills and Murray System WSC Chairman, Lindsay Jarvis, at Lake William Hovell

soon as possible.

A dinner meeting that evening was attended by G-MW customer committee members and representatives of Local Government, North East Water, the North East Catchment Management Authority, Regional Development Victoria, Northern Victoria Irrigation Renewal Project, the Department of Sustainability and Environment and the Department of Primary Industries, and the Board and management representatives of G-MW.

The strategic focus of the inspection tour and evening dinner meeting was the potential for economic development, discussing this with catchment partners to gain a greater awareness of how barriers to development can be addressed and looking at those factors that present opportunities.

The Board held its July 2008 meeting at Wangaratta on Wednesday 9 July.

Water Resource Issues

The Board discussed the very poor outlook for the coming irrigation season, one where a 0% opening allocation was announced across all water systems in northern Victoria on 1 July.

The Board noted, with concern, the near record low resource conditions which, in the absence of good rainfalls in the coming months, will lead to a third consecutive year of below 100% allocations on both the Murray and Goulburn systems. The Board discussed the matter at length, addressing the opportunities available for essential needs and the alternatives available to customers, and also considering the social and environmental impacts of severe drought.

Water resource issues will form the major part of discussions at a WSC Leadership meeting and an industry bodies forum which are being arranged for Thursday 7 August.

FutureFlow Alliance

FutureFlow has been established by G-MW to deliver its major upgrade projects in a consortium which includes Transfield Services (Australia) Pty Ltd, Comdain Civil Constructions Pty Ltd, Sinclair Knight Merz, and G-MW.

A presentation was made to the Board on the various elements of stage two of the FutureFlow Alliance works, these being the next stages in each of the Shepparton Modernisation Project, the CG1-4 Project and early works of the Northern Victoria Irrigation Renewal Project. Following discussion and noting the report from the independent audit of the project costs and advice from the Project Review Group meeting of 4 July, the Board subsequently approved expenditure for FutureFlow Alliance stage two works.

2008/09 Corporate Plan

G-MW's 2008/09 corporate plan has been developed following a management workshop held in April, discussion at the May and June 2008 Board meetings and from inputs conveyed by directors in the interim. The Board provided further and final comment on the document which will be submitted to the Minister for Water and to the Treasurer by 31 July.

2008/09 Budget

The 2008/09 budget was approved at a revenue amount of \$154m, being \$0.54m more than the final forecast revenue budget for 2007/08.

Commonwealth Purchase of Water Entitlements

Issues and implications for G-MW of the Commonwealth's purchase of water entitlements for the environment were discussed. Interim advice on the matter was noted. The Board requested that management arrange for the preparation of a detailed paper on the issues identified and proposed responses.--

ACCC Review of Water Charge Rules

Under the Commonwealth Water Act 2007 the ACCC has responsibility for developing water charge rules for consideration by the Minister and for monitoring compliance with those rules. The Board noted G-MW's submission on the irrigation delivery charges issues paper, with the key issue being termination. G-MW has recommended that termination fees be no lower than the currently agreed multiple of 15 times the access fee.

WSC Appointments

The Board was pleased to make appointments and re-appointments to its WSCs, welcoming new members on the Central Goulburn and Murray Valley WSCs and the Regional Groundwater Services Committee. The Board thanks those members now retiring who have provided skilled and valuable advice on behalf of G-MW's customers.

2008 WSC Workshop Evaluation

The Board received and noted the report on the 2008 WSC Workshop held at Moama on 11-12 June. A number of improvements and possible variations have been highlighted and will be addressed at the WSC Leadership meeting to be held on Thursday 7 August.

REPORTS

The Board addressed further reports:

- Financial reports.
- Capital project reports.
- Coordination with NVIRP.
- R&D.
- Management reports.
- Wakiti Irrigators Co-Operative Society – Buy back of entitlement.
- Lake Moodemere water savings project.
- Ovens operating agreement.
- Crushed rock products.
- Administrative authorisations.
- Laanecoorie Dam Safety upgrade project.
- Dartmouth Dam Safety project.
- Register of interests.
- Corporate governance manual.
- Planning for 2008 Board performance review.
- ICOLD executive meeting 2008.

Brian Carr
CORPORATE SECRETARY

David Stewart
MANAGING DIRECTOR

17 July 2008