



Summary Information Sheet

Board Meeting 163

Held at Tatura on Wednesday 13 August 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

Catherine Scott
Director

David Stewart
Managing Director

Brian Carr
Corporate Secretary

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 10 September 2008.

Water Resource Issues

A presentation was made to the Board, providing an update on key water resource issues:

- July rainfall across G-MW's region was close to average, however inflows to storages was well below, for example, only 1% of the July average at Cairn Curran and 53% of the July average at Eildon.
- The process for allocation of losses has been refined, drawing from the experiences from the low delivery 2007/08 season and providing a basis for reducing the volume of forward commitment to operating requirements, thereby lowering the threshold for water share allocations.

Proposals in relation to the Murray system have been developed in consultation with other rural water corporations and DSE; a similar process has been applied for the Goulburn system, however no external involvement was required. The result of these changes means that required volumes to achieve opening allocations have been reduced by 162 GL in the Murray system and 105 GL in the Goulburn.

These changes were reflected in the seasonal outlooks released on 1 August.

- The River Murray Water end of July assessment provided Victoria with an additional 45 GL, net of adjustments to interstate water accounts. South Australia has at least a further 58 GL to repay Victoria from its share of future MDBC resource improvements.
- Operating plans reflecting local demand patterns are currently being developed in consultation with customers across 17 separate irrigation areas and systems.

Modernisation Projects

The Board noted a report and recognised the significant effort in successful achievement of targets on the safe delivery of each of the CG1-4, Shepparton and Northern Victoria Irrigation Renewal Project (NVIRP) projects over the winter shut-down period. It recorded its appreciation in the effort of all G-MW and FutureFlow staff, customers, contractors and partner organisations in making this possible.

G-MW is continuing to liaise with NVIRP on future works and will assist as required in the planning for those works.

Mokoan – Return to Wetland – Lake Diverters Pipeline Project

The Board approved the process, and delegation of authority to the Managing Director to award a contract for the supply of pipe materials, this to allow for the early commencement of critical works for the Lake Mokoan Diverters Pipeline.

The works have been brought forward with the aim of supplying customers around the lake this season which, in the light of continuing low inflows and the planning for release of all remaining water in the storage, is unlikely to be met from Lake Mokoan.

2007/08 Financial Reports

The Financial and Management Audit Committee reported on G-MW's 2007/08 financial statements and the accompanying Auditor-General's report; the Board noted the report and agreed the process for finalising and incorporating the financial statements in G-MW's 2007/08 annual report.

Labour Hire Contract

The Board approved the appointment of a panel of nominated suppliers to provide labour hire services for a period of three years commencing 1 September 2008.

Board Performance Review

Arrangements for the 2008 Board performance review, including the completion of questionnaires by each director, were finalised at this Board meeting. A Board performance review workshop, to be conducted with external facilitator Ken Northwood, is to be held immediately following the 10 September Board meeting.

Remuneration Committee

The Board received, and resolved to accept, a Remuneration Committee report on the Managing Director's 2008/09 performance plan, the Managing Director's 2007/08 performance appraisal, and executive managers' 2007/08 performance appraisals.

The Board has taken a reviewed approach to management performance plans and appraisals, adding further KPIs and seeking to gain an increased rigour to the process. This approach has been adopted for the Managing Director's 2008/09 performance plan and is to be extended to 2008/09 performance plans for executive managers and other contracted managers.

Voting by Directors

The Board resolved in accordance with section 120 of the *Water Act* 1989 to set a procedure in relation to voting by directors at Board meetings.

In this regard it resolved to reactivate the obligation of the previous Schedule 2 of the *Water Act* 1989 whereby directors were required to vote on a question unless prohibited from doing so due to a pecuniary interest. G-MW's Corporate Governance Manual will be amended accordingly.

Summary Information Sheet
Board Meeting 163 – 13 August 2008

REPORTS

The Board addressed further reports:

- Financial reports.
- Capital project reports.
- West Loddon Water District – change to District boundaries.
- Diversions metering plan.
- Diversions Customer Committee review.
- Plastic lining of channels.
- 2008/09 insurance renewal.
- Commonwealth purchase of water entitlements.
- ACCC review – water market rules.
- ACCC review – bulk water charges.
- Basin pricing and review at September Board meeting.
- Northern Region Sustainable Water Strategy.
- CRC for Irrigation Futures.
- William Hovell Dam Safety Upgrade.
- Review of 2007/08 irrigation season.
- Quarterly water trading.
- Summary of alleged water thefts.

Brian Carr
CORPORATE SECRETARY

David Stewart
MANAGING DIRECTOR

22 August 2008