



# Summary Information Sheet

Board Meeting 164

Held at Tatura on Wednesday 10 September 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

**Peter Guy**  
Acting Corporate Secretary

**Ian Moorhouse**  
Executive Manager Water  
Delivery Services

*For queries regarding this information sheet, please contact Brian Carr on telephone (03) 5833 5550 or email [brianc@g-mwater.com.au](mailto:brianc@g-mwater.com.au)*

*The next Board meeting will be held at Tatura on Wednesday 8 October 2008.*

---

### **Water Resources Issues**

A presentation was made to the Board on resource issues, the report indicating below average rainfalls for August as well as to that point in September (10<sup>th</sup>). Analysis up to 1 September also shows monthly inflows remaining well below average.

As at 1 September there was insufficient water in the Goulburn and Murray systems to meet full distribution system operating requirements; however, operating plans for each of the regulated G-MW delivery systems have been further progressed and a service providing D&S and limited carryover delivery has been made possible for both the Goulburn and Murray systems.

Customer cooperation in accepting reduced volumes for operating requirements in both systems has contributed enormously. With that cooperation, along with recent isolated rainfall events, allocations of 6% and 4% were subsequently announced on 15 September for the Murray and Goulburn systems respectively.

The Board is closely monitoring the resource position and the outlook for the remainder of the season; the Board will also monitor the management of operating plans to ensure that customers gain maximum availability of water resources in what is shaping as an extremely difficult 2008/09 irrigation season.

### **G-MW / NVIRP**

The Board noted a report of coordination with NVIRP in the delivery of NVIRP projects, including the integration of G-MW reconfiguration projects.

### **Strategic Directions**

The Board spent considerable time in addressing the strategic direction of the organisation, addressing, and assessing the risk aspects of, the immediate operational demands of drought, taking a long term view of modernisation and reconfiguration and how the organisation can best assist with these responsibilities, and considering staff resourcing, capability development and succession planning, this particularly in the light of a number of senior management positions which are about to become vacant.

### **Basin Pricing**

The Board met with members of the Murray WSC, Ovens Catchment Committee and the King Catchment on 5 September as well as on the afternoon prior to the September Board meeting to discuss basin pricing. In the light of those discussions and considering the customer perspectives conveyed, together with further information provided by management, the Board agreed that the implementation of basin pricing be deferred to allow a review process which would include consideration of:

- Environmental entitlement issues;
- Trading issues;
- Consultation on cost models and cost apportionment arrangements; and
- ACCC directions and developments that may impact on pricing paths.

### **Board's July 2008 Visit to North-East**

The Board visited the Ovens and King River catchments on 8 July 2008, accompanied by members of the respective Catchment Committees, the Murray System WSC and G-MW management. The objective of the visit was to gain a better understanding of the farming businesses and water access arrangements for Ovens and King River customers.

Responses on issues raised on the 8 July visit have since been prepared by management. The Board noted and approved the nature of the responses and requested that management communicates the information to the committees concerned, ensuring that appropriate timeframes are adopted for implementation of the action items involved.

### **Mokoan – Return to Wetland – Lake Diverters Pipeline Project**

Further to the project preliminaries approved by the Board at its 13 August 2008 meeting the Board approved the overall Mokoan Lake Diverters Pipeline at this 10 September meeting. With the August 2008 approval, initial works are now underway; the Lake Diverters Pipeline is due to be completed by January 2009.

### **Commonwealth Purchase of Water Entitlements**

The Board noted an interim report on environmental water purchases by the Commonwealth Government. The Board's position has been to adopt a pro-active influencing strategy comprising information gathering, the setting of criteria to guide water purchase, engagement, and stakeholder consultation. The overall objective is to maximise benefits to G-MW's region, to protect the investment in modernisation and to seek to influence purchases from within G-MW to locations that minimise impacts and/or maximise benefits.

### **FutureFlow Alliance**

A report on the successful 2008 winter works program carried out by the FutureFlow Alliance was noted. An update on the Shepparton East service was also provided, the Board noting the issues currently being discussed with the Shepparton WSC and Shepparton East customer representatives.

**Watermove**

A presentation was made to the Board on the Watermove 2008/09 business plan, providing an overview of financial performance, 2007/08 trading, 2008/09 strategies and planning, governance arrangements, and specific improvements in trading processes. The Board noted the report and approved the 2008/09 Watermove business plan.

**Stock Damage and Fencing Policy**

The Board noted that management is developing a more proactive policy on stock control with the aim of minimising damage to G-MW modernised assets.

**Finance Report**

G-MW's financial operating position as at 31 July 2008 is \$2.5m better than budget.

**WSC Appointments**

A further WSC appointment, completing the majority of appointments through to 30 June 2011, was confirmed.

**Fairley Leadership Program**

The Board noted, and supported, G-MW's ongoing commitment to the Fairley Leadership Program.

**Reports**

The Board addressed further reports:

- Financial Reports.
- Capital Projects Report.
- Stakeholder Relationships.
- National Water Initiative – Planning Assistance Funding.
- *Safe Drinking Water Act* 2003 Regulatory Audit Outcomes.
- VCAT Appeal re Off Stream Storage.
- Terrorism Risk Management and Business Continuity
- G-MW 2007/08 Annual Report.
- ACCC Review – Water Charge Rules for Termination Fees.

**Board Performance Review**

A workshop to review the Board's performance and to establish a Board Performance Improvement Plan for the coming year was undertaken immediately following the Board meeting. The workshop was conducted with an external facilitator and, as required under the Statement of Obligations, a report of the outcomes will now be provided to the Minister for Water and to the Treasurer.

Peter Guy  
Acting CORPORATE SECRETARY

Ian Moorhouse  
Acting MANAGING DIRECTOR

25 September 2008