



Summary Information Sheet

Board Meeting 168

Held in Flowerdale on Monday 2 February 2009

A summary of information and deliberations

Present:

Stephen Mills
Chairman

John Brooke OAM
Deputy Chairman

Catherine Scott
Director

Peter Fitzgerald
Director

Claire Penniceard
Director

Des Powell
Director

David Stewart
Managing Director

Russell Barnier
General Counsel

Brian Carr
Corporate Secretary

For queries regarding this information sheet, please contact Russell Barnier, General Counsel, on telephone 5833 5769 or email russellb@g-mwater.com.au

Water Resources

The Board discussed water resources issues in the absence of the customer Director of G-MW, who declared an interest and left the meeting. The General Manager Operations reported on current allocations for each major system and confirmed that no changes had been made to the allocation announcement made on the day of the meeting. This was mainly due to the lack of any recent productive rainfall combined with extremely high temperatures across the State. Although system losses were high due to weather extremes, management was adopting approaches to maximise supply to customers even though use to date of available allocations by irrigators has been relatively low. Next season's build up of water resources will be heavily dependent on 2009 winter and spring rainfall and G-MW is working with DSE and regional urban water corporations to assist with the water planning process.

Water Price Plan – 2009/10

The Board considered various pricing models for the period 2009/10 to 2012/13 that were created following significant feedback from the Board during the formulation phase. Forefront in Directors' minds were the current climate situation and its impact on customers, the price of milk and the global financial downturn. After lengthy discussions, the Board approved a pricing model to be put to the ESC and discussed with Customer Water Services Committees.

System Modernisation

Through the FutureFlow alliance, a significant price advantage has been obtained through contracting with Tyco for the production and supply of an alternate irrigation meter which can be integrated into the Rubicon system.

The Board noted that FutureFlow was planning to commence pipeline construction in Katandra in February and that positive feedback had been received at both of the two public information sessions held at Katandra prior to Christmas.

Darren Nabbs, General Manager Business Modernisation and G-MW's representative on the (FutureFlow) Alliance Leadership Team also reported to the Board that FutureFlow, recommencing work after the Christmas break, would be back installing approximately 220 new metres per month.

G-MW is continuing to work with DSE on finalising the guidelines for water savings, which form an integral part of the relationship agreement between G-MW and NVIRP. The guidelines are expected to be finalised by DSE shortly.

Campaspe Irrigators

A request to consider an additional rebate of fixed rates for Campaspe irrigators in addition to the recent Government funded rebate was considered. The Board was assisted by opinions offered by DSE and ESC and the knowledge of future funding being required for planned refurbishment of the Campaspe Weir. Considering these and other issues, the Board declined the request for a rebate but instructed management to consider passing on cost savings through reduced water rates or through other means.

Billing System Error

The Board were advised of a billing system error that occurred through a combination of manual and systems errors. As a result of the errors, customers were incorrectly issued with overdue notices. The Board were advised of the steps taken to ensure that a similar occurrence is not repeated. The Board were appreciative of those frontline staff who responded to customer calls on the matter and regretted any inconvenience that customers may have experienced.

Yarrawonga-Bundalong Foreshore Master Plan

The Board noted the principles for development of the Yarrawonga-Bundalong foreshore that were formulated in consultation and partnership with Moira Shire. Representatives of the Board have been invited to attend a mid February briefing and meeting with Moira Shire.

Unauthorised structures along the Goulburn River

The Board was advised of the discovery of some unauthorised structures that had been constructed on public land adjacent to the Goulburn River. G-MW will be working with the Goulburn Broken Catchment Management Authority to appropriately address the issue.

Discussions with the Minister

In his report to the Board, the Chairman recounted his recent meeting with the Minister for Water (attended by the Chairman, the Deputy Chairman and the Managing Director). Continuing and close dialogue between Government and the Board is seen as a priority. This assists the G-MW Board with its understanding of Government policy and issues relating to the modernisation of water delivery to the large number of irrigators in Northern Victoria.

NVIRP Cooperation Committee

The Board formalised into a Board Committee the liaison and coordination role of Directors of both G-MW and NVIRP (Northern Victorian Irrigation Renewal Project). The purpose of the meetings, which have been held between representatives of the two Boards since February 2008, is to provide an important information flow between the two boards and facilitate

cooperation of the two entity functions in carrying out the Government's irrigation modernisation program. The G-MW Directors on the Committee are Catherine Scott and Craig Cook.

G-MW Risk and Compliance Committee

The Board established a Risk and Compliance Committee as a Committee of the Board. The role of the Committee had formerly been performed by the Financial Management and Audit Committee. A formal Charter was approved for the Committee, with its essential role being to assist the Board in ensuring the corporation manages risk in accordance with its risk management policy and procedures, to maintain effective compliance programs and to advise the Board in relation to the corporation's risk compliance responsibilities.

18 February, 2009

David Stewart
Managing Director

Russell Barnier
General Counsel