



**Summary of
Board meeting 176
Wednesday 14 October, 2009
Tatura Office**

Present:

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| 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 |

In Attendance: Russell Barnier General Counsel & Corporate Secretary

Welcome

The Chairman welcomed all in attendance to the meeting and reflected on the previous day's funeral of Ken Sampson, noting his significant contribution to both the local community and to irrigation services in the northern Victoria region.

The Chairman also commented on the Engineering Excellence Award recently bestowed on FutureFlow and how good it was to receive recognition of involvement with significant engineering projects. The Managing Director also commented on the Young Engineer of the Year award recently presented to Comdain's FutureFlow Alliance employee Alesha Printz, who was project leader for the Katandra Pipeline.

Chairman's Report

The report of the Chairman was discussed with the following noted –

- The recent tour by directors of Melbourne water corporations was very successful. G-MW was represented at the dinner as guests of City West Water, with directors Fitzgerald, Mills and Stewart in attendance.

Managing Director's Report

The Managing Director's report was discussed, with the following noted –

- DSE's Dairy Washdown Program was causing some concern amongst dairy customers

- A number of issues have arisen with customers who have offered water to the Commonwealth Government as part of its entitlement purchase program, but have been subject to water trading and ballot requirements
- The US Consul General will be visiting the area and has invited local industry for a meeting at which G-MW will also be represented.

Governance Report

In discussing governance issues, the following was addressed –

- The appointment of John Kendall as Acting Corporate Secretary from Monday 19 October to Tuesday 3 November 2009 was noted
- The alternative method for appointment of WSC Chairs proposed in a meeting of WSC Chairs with the G-MW Chairman and Managing Director was considered. The recommended procedure is –
 - Each WSC to nominate a Chairman and a Deputy and also provide a succession plan for the committee
 - Corporate Secretary advised of nominations
 - The established panel (currently Board Chairman, Managing Director and Corporate Secretary) interviews both nominees as the current procedure requires and, subject to any issues, recommend the WSC nominated chairs for appointment by the Board;
 - WSC Chairs each meet with the panel at least twice a year (once at appointment process and once mid-term).

The Board agreed to this process and to incorporate this change into the WSC Charter prior to the next appointment process.

The Board also expressed concerns that WSC members may be unaware that in representing a WSC on another Committee, the WSC Charter and Code of Conduct continued to govern their behaviour.

In noting issues raised at WSC meetings, the Board

- considered that the issue of allocation of water savings to individual irrigators (or by water share or otherwise) is a matter to be raised with DSE
- was sympathetic to the views of customers on dairy shed washdown and requested management to ensure DSE was aware of them.

The Board was keen to establish a communication methodology between WSC's and the Board which captured the mood of WSC meetings, the type of issues discussed and a formal way in which recommendations of WSC's can come to the Board for consideration. A recommendation was made that resolutions passed at WSC's for the purpose of advising the Board should be communicated by internal memo from the WSC to the Board, which would be presented to the Board with suggested actions from management.

Water Services Committee Chair Appointments

The Board made the following appointments –

Ross Crawford – chair of Central Goulburn
Heather DuVallon – chair of Murray Valley
Richard Anderson – chair of Rochester-Campaspe.

Watermove Pty Ltd

The Board agreed that an interim Board would be appointed in order to get the company up and running with its new governance structure which satisfies competitive neutrality requirements and that the two independent directors be appointed within three to six months and that, in that time, the Board of Watermove consider and adopt appropriate governance documentation.

People & Development Report

The Board noted the initiatives underway which are designed to promote a change in workforce culture which will position G-MW to deliver the agreed future business model. These include the areas of –

- Learning and development
- Enterprise bargaining
- A revised recruitment process
- Balanced scorecard implementation
- Workcover changes, and
- Community initiatives

Northern Victorian Irrigation Renewal Project

The Board received a briefing on the current status of the NVIRP from its Chief Executive Officer.

William Hovell Dam Safety Upgrade

The Board approved the proposed safety upgrade to William Hovell Dam which comprises raising of the dam crest, reconstructing the filters in the upper embankment and strengthening the spillway structure at a cost of \$7.7m. Management was requested to consider a capital cost share arrangement with North East Water under the current BE.

Presentation

The Board also received a presentation from Murray Dairy regarding future issues confronting the dairy industry in Northern Victoria.

David Stewart
Managing Director
16 October, 2009

Russell Barnier
Corporate Secretary

File: 2009/1/11
Doc ref: #2736305