

EAST GIPPSLAND WATER

**MINUTES OF THE MEETING OF THE BOARD OF THE EAST GIPPSLAND WATER CORPORATION
HELD AT BAIRNSDALE ON 19 DECEMBER 2017**

PRESENT:

Directors:

Joanne Booth (Chairperson), Michelle Dowsett, Angela Hutson, Steve Bird, Tim Weight, Susan Taylor, Ross Passalacqua, Bill Deveney, Bruce Hammond (Managing Director).

In Attendance:

Item 2.1 onwards: Louise Holden (Executive and Board Operations Officer)

Item 4.1 onwards: Mathew Scott (Executive Manager Business), Lara Caplygin (Executive Manager Strategy), Dean Boyd (Executive Manager Infrastructure), Elaine Mowat (Acting Executive Manager Operations).

Apologies: Nil

1. CHAIRPERSON'S OPENING

The Chairperson opened the meeting at 9:00 am, acknowledged the traditional owners of country and reported on:

- The excellent outcome of the fast track draft decision by the Essential Services Commission for the Price Submission.
- The Memorandum of Understanding with East Gippsland Shire Council being signed on 8 December 2017
- Recent correspondence from DELWP Secretary, John Bradley thanking water corporations for their response to the rainfall event in early December.

The Managing Director reported on:

- VicWater advising that the revised draft Diversity and Inclusion Plan should be distributed for review in January/February 2018
- The successful annual emergency exercise conducted on 12 December 2017, which tested the Business Resilience Plan
- The Acting Executive Manager, Elaine Mowat graduated from the Peter Cullen Trust Women in Water Leadership Program
- Mark McNeil being appointed to the Executive Manager Operations position, with a commencement date in early February 2018
- The visit by Andrew Cooney originally planned for December being postponed to a date to be advised.

The Board resolved to formally recognise the efforts and congratulate the management team in preparing the Price Submission, culminating in the fast track draft price decision by the Essential Services Commission.

Chairpersons initials

2. BOARD OPERATIONS

2.1 DECLARATION OF PECUNIARY AND CONFLICT OF INTERESTS & GIFTS REGISTER

Angela Hutson declared a conflict of interest at item 3.3 in regards to the external independent member appointment and also item 4.1 in regards to her relationship with Gunaikurnai and Federation Training. No gifts have been offered to or received by Directors.

The Board's Register of Interests record was noted.

2.2 CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING

The Board resolved that the Minutes of the meeting of the Board held on 21 November 2017 be confirmed.

2.3 ACTION LIST

The Board resolved to note the action list

2.4 BOARD CALENDAR & BOARD ANNUAL AGENDA

The Board calendar and annual agenda were noted.

2.5 BOARD EXCEPTION REPORT

The Board Exception Report was noted.

2.6 BOARD PERFORMANCE REVIEW UPDATE

The Chairperson addressed the report noting that Ivana Gillard accepted the proposed modified process and the agreed cost is within budget. The Board discussed the proposed timelines for reports, surveys and meetings to be completed with a workshop on the outcomes to occur at the February 2018 Strategy Committee meeting.

The Board resolved to note the report.

3. MATTERS FOR DECISION

3.1 PEOPLE AND REMUNERATION COMMITTEE

The Chairperson addressed the report and unconfirmed minutes of the meeting held 27 November 2017 with particular reference to the Diversity and Inclusion plan and the development of Organisational cultural measures.

The Board resolved to:

- **note the report and unconfirmed minutes of the meeting held 27 November 2017**
- **note the Diversity and Inclusion plan**
- **adopt the organisational cultural measures with minor amendments as at attachment one.**

3.2 STRATEGY COMMITTEE

The Chairperson addressed the report and unconfirmed minutes of the meeting held 20 and 21 November 2017 with particular reference to the Committee's annual agenda, noting that further planning is required to identify and schedule strategic issues for consideration. The Executive Manager Strategy presented the outcomes from the Committee's workshop noting the alignment of outcomes against the 2018/19 corporate plan. The Board noted a job well done on the workshop outcomes paper.

The Board resolved to:

- **note the report and unconfirmed minutes of the meeting held 20 and 21 November 2017**
- **note the Strategy Committee workshop outcomes**
- **reaffirm the current objectives for the 2018/19 corporate plan**
- **note that further additions to the Committee's annual agenda are still to be considered by the Chairperson and Managing Director.**

3.3 AUDIT AND RISK COMMITTEE

The Audit and Risk Committee Chairperson addressed the report and unconfirmed minutes of the meeting held on 5 December 2017. Items discussed were:

- the applications received for the external independent member. Two shortlisted applicants were interviewed on 13 December 2017 resulting in the recommendation to appoint Therese Tierney to the position
- the outcome of the DELWP compliance audit results, noting the high level of compliance across all areas covered
- POL 014, Audit and Risk Committee charter and the minor amendments suggested
- POL 013, Procurement. Discussion ensued in relation to regional procurement opportunities, noting related reporting processes included in the Board's annual agenda.
- POL 037, Community Support and the significant changes being suggested. Further amendments were suggested. The Board noted that the policy will be reviewed again once the price submission is finalised.

The Board resolved to:

- **note the report and unconfirmed minutes of the meeting held 5 December 2017**
- **appoint Therese Tierney to the External Independent member position for a three year term**
- **adopt POL 014, Audit and Risk Committee charter as at attachment two**
- **adopt POL 013, Procurement as at attachment three**
- **note POL 037, Community Support will be reviewed once the price submission is finalised**
- **adopt POL 031, Protected Disclosures as at attachment four.**

3.4 APPROVE ESC ANNUAL REGULATORY ACCOUNTS

The Executive Manager Business addressed the report regarding the approval of 2016/17 regulatory accounts for submission to the Essential Service Commission. The Board discussed the process for approving the accounts with significant questions raised around the requirement to do so. Further discussion evolved around the wording of the proforma directors' responsibility statement, noting that directors have some concerns with the wording and signing of the document.

The Board resolved to:

- **request the Managing Director discuss possible amendments to the proforma directors' responsibility statement with VicWater**
- **approve the regulatory accounting statements for the 2016/17 financial year as being true and fair statements for submission to the Essential Services Commission subject to a minor change to the proforma.**

4. MATTERS FOR DISCUSSION

4.1 MANAGING DIRECTOR'S STRATEGIC UPDATE

The Managing Director addressed the report with particular reference to the regional CEO/MD forum and the projects they are progressing. The Board noted the significant work and collaborative effort in establishing the Forum and developing the Project East Gippsland Discussion Paper.

The Board resolved to note the report.

4.2 COMMERCIAL IN CONFIDENCE

4.3 CUSTOMER SATISFACTION SURVEY

The Executive Manager Customers addressed the report and the Board noted the positive results of the 2017 customer satisfaction survey.

The Board resolved to note the report.

4.4 INDUSTRIAL PRIVATE PROPERTY FIRE PROTECTION

The Executive Manager Infrastructure addressed the report concerning the requirements for fire protection at private properties. The Board discussed EGW's responsibilities in providing relevant services noting that all statutory regulations have been adhered to by EGW.

The Board resolved to note the report.

4.5 INFRASTRUCTURE, OPERATIONS AND ENVIRONMENT COMMITTEE

The Infrastructure Operations and Environment Committee Chairperson provided a verbal update on the meeting held on 18 December 2017. Reference was made to the tender assessment process, amendments to cost in the Wy Yung storage project and the consideration of changes to a number of key projects.

The Board resolved to note the verbal report.

5. MATTERS FOR NOTING

5.1 FINANCIAL REPORTS- Period to 30 November 2017

The report was taken as read.

The Board resolved to note the report.

5.2 ACTS, REGULATIONS AND MINISTERIAL DIRECTIONS

The report was taken as read.

The Board resolved to note the report.

5.3 HEALTH, SAFETY & ENVIRONMENT REPORT

The report was taken as read.

The Board resolved to note the report.

5.4 OPERATIONS REPORT

The report was taken as read.

The Board resolved to note the report.

5.5 INFRASTRUCTURE REPORT

The report was taken as read.

The Board resolved to note the report.

5.6 CUSTOMER COMMITTEE

The report was taken as read.

The Board resolved to note the report.

5.7 IWN LARGE SCALE RENEWABLES PROJECT

The Managing Director briefed the Board on the Intelligent Water Networks Large Scale Renewables Project.

The Board resolved to note the report.

5.8 CARBON PLEDGE PRESENTATION

The Executive Manager Strategy provided an informative presentation on EGW's progress against the carbon pledge made in June 2017.

The Board resolved to note the presentation.

6. MEETING CLOSE

6.1 BOARD MEETING EVALUATION

Director Hutson led the evaluation of the December Board meeting observing a number of key themes, including the Board's interest in the development of people within the organisation, recruitment and diversity and the alignment of conversations to Water for Victoria priorities and the thoroughness of the papers. Items of note for improvement were director's literacy development in terms of the carbon pledge, noting the mostly respectful discussions by recognising the need to adhere to working through the Chairperson.

7. NEXT MEETING

The Board confirmed that the next meeting will be held on Tuesday 20 February 2018 in Bairnsdale.

The meeting closed at 12:06pm.

Confirmed: _____ Joanne Booth, Chairperson

Chairpersons initials
