



**BOARD MEETING SUMMARY  
July 2016**

A summary report of matters covered at  
Gippsland Water's 29th July 2016 Board Meeting.  
The meeting was held at Gippsland Water's Traralgon Office

<b>Present:</b>	Therese Ryan	Chair
	Greg Hade	Director
	Malcolm Eccles	Director
	Jane Oakley	Director
	Margaret Supplitt	Director
	Sarah Cumming	Director
	Jo Benvenuti	Director
	David Mawer	Managing Director
<b>In attendance:</b>	Ann McCurley	Executive Assistant
	Tony Staley	Corporation Secretary
	Peter Skeels	General Manager Operations
	Paul Clark	General Manager Customer Service and Communications
	Nicole Griffin	General Manager, Assets and Agribusiness
	Chris Wood	Manager, Water Treatment & Quality to conduct a water taste test
	Sirimith Dep	Senior Engineer, Bulk Water Systems presented on Dam Safety
<b>Apologies</b>	Nil	
<b>Conflicts of Interest:</b>	Standing declarations by all Directors noted and updated as advised	
	Director Supplitt disclosed a potential conflict regarding the tender for the Panel of Providers	
	Director Oakley disclosed a potential conflict regarding the update for the Sunny Creek Water Main Update	

## Agenda Items

### ■ Safety Moment

The Board discussed on the value of being able to have open discussions on matters of health and safety. Discussions included reference to a local major employer who conduct employee training on how to have open discussions of health and safety which help foster identification and rectification of health and safety matters in a constructive, non-threatening way. Employees from outside workgroups were also

encouraged to participate in health and safety inspections for other workgroups being an independent set of eyes to the inspections.

## ■ Presentations

- The Board participated in a water taste test, where Board members were required to rate the taste of water produced from unidentified treatment plants across the Gippsland Water region; and
- Dam safety management including Gippsland Water's obligations processes, monitoring and reporting on dam safety.

## ■ Occupational Health and Safety Update

The Board received and discussed an update of occupational health and safety performance for the month.

## ■ Managing Directors Update

The Board received an update on:

- Key staffing matters for the month;
- Progress on preparing the 2015/16 Annual Report;
- The report prepared by KPMG which is Phase 1 of the Asset Management Strategy;
- Sunny Creek Water Main;
- Quarterly Reporting to Government;
- Appointment of Acting Managing Director; and
- Public Affairs Key Issues.

## ■ Signing and Sealing

The Board received and approved documents for signing and sealing.

## ■ Workforce and People

The Board received an update on key workforce indicators for the quarter and current people matters.

## ■ Vic Water Procurement of Water and Wastewater Chemicals

The Board received a report advising that:

- Gippsland Water has committed to the Victorian Water Industry joint procurement for Water and Wastewater Chemicals project;
- VicWater's procurement contract for Water and Wastewater Chemicals commencement date is yet to be determined; and
- Seeking approval to extend the current Supply & Delivery of Treatment Chemicals Contract for up to a further 6 months whilst VicWater procurement contract is finalised.

The Board approved the extension of the current contract.

## ■ Panel of Providers

The Board received a report advising that:

- The current Panel of Providers for technical and drafting services expires on 31 December 2016;
- A review of the Panel of Providers has identified improvements that could be made to the Panel contracts, including service level improvements by establishing performance monitoring via KPIs with each consultant and enhanced contract conditions;
- Gippsland Water is conducting a two stage procurement process to establish a new Panel of Technical Consulting Service Providers. The first stage included a call for Expressions of Interest which closed on 14 July 2016. There were 83 submissions; and
- Stage two is a Request for Tender, which will close in September and the expected recommendations to the Board will happen in October.

The Board noted the report.

## ■ Treasury Management Attestation

The Board approved the Chair and Managing Director to sign the Annual Certificate of Compliance for the organisation's 2015/16 treasury management activities for submission to the Department of Treasury and Finance.

## ■ Approval of 2016/17 Financial Budget

The Board received a paper advising that:

- The 2016/17 Corporate Plan was approved by the Board in April 2016 and submitted to the Minister and Treasurer;
- The Minister has acknowledged receipt of the Plan and that it meets the requirements of the *Water Act 1989*; and
- The Plan contains the financial budgets for 2016/17.

The Board approved the 2016/17 financial budgets.

## ■ Finance

The Board reviewed the Corporation's unaudited financial performance for 2015/16 noting:

- The operating result is favourable to our Corporate Plan;
- Capital expenditure was under spent to our Corporate Plan;
- Borrowings are favourable to our Corporate Plan; and
- Cash holdings are favourable to the Corporate Plan.

#### ■ Key Performance Indicators

The Board reviewed the organisation's KPIs, noting 6 KPIs did not meet their target for 2015/16.

#### ■ GWF – Industrial Membrane Reactor Upgrade

The Board received a report advising of the major outage which was conducted on GWF Industrial Membrane Reactor No 3 in May 2016, focusing on concrete remediation and aeration manifold replacement.

#### ■ Regional Outfall System – Maintenance Strategy/Commercial Exposure

The Board received a report outlining the maintenance strategy following the recent break in the regional outfall system and Gippsland Water's commercial exposure if it is unable to accept wastewater.

#### ■ Inward Correspondence – DELWP – Standing Directions of the Minister for Finance - Effective 1st July 2016

The Board received a report noting that:

- Over the last nine months management has been keeping the Audit and Risk Committee informed on the revision process;
- The draft Four Year Strategic Internal Audit plan includes a more comprehensive review of Gippsland Water's compliance with the 2016 Directions in March 2017;
- The 2016 Directions commence on 1 July 2016;
- The Standing Directions and the Instructions are mandatory for all agencies, with limited exceptions; and
- A small number of Directions are subject to transitional arrangements, whereby they commence on 1 July 2017 or later.

#### ■ Annual Insurance Renewals Update

The Board received a report advising that:

- Premiums for the 2016/17 financial year will only be a small increase on 2015/16;
- Two new insurance lines to cover Environmental Impairment Liability and Cyber Insurance have been purchased; and

- The insurers believe that Gippsland Water's current cover is appropriate for the activities being undertaken and Gippsland Water is not considering modifying any of the limits of liability.

The Board approved the insurance program.

#### ■ Asset Revaluation Update

The Board received a briefing paper advising that:

- Management has been working with the Valuer-General Victoria (VGV) and its agents to finalise the revaluation of Gippsland Water's assets in line with the Australian accounting standards and the Victorian Government's Financial Reporting Directions.
- Draft reports have been received, Gippsland Water has raised some queries with the Valuer General's Office which have been followed up and we are awaiting the final reports.

#### ■ MOU Update

The Board received a report providing an update on the activities being undertaken as part of the Memorandum of Understanding (MOU).

- A new sub-group has been formed to focus on customer solutions and engagement. The group will have a particular focus on hardship and collaboration opportunities with the pricing submission.
- Discussions have commenced regarding the potential sharing of corporate IT systems across MOU businesses.
- MOU partners have been working collaboratively as part of the VicWater joint chemicals procurement program.

**Next meeting:  
26th August 2016 at  
Gippsland Water offices  
at Traralgon. ■**