COUNCIL MEETING

DATE:  10 NOVEMBER 2011

VENUE:  RENDEZVOUS HOTEL
328 FLINDERS STREET
MELBOURNE

TIME:  1:30 PM TO 4:30 PM (APPROXIMATELY)

AGENDA

1. Welcome and Apologies

2. Confirmation of Minutes of Council Meeting held on 23 June 2011

3. Action Items from Council Meeting held on 23 June

4. eWater – Direction and recent developments  
   Professor Gary Jones  
   Chief Executive, eWater CRC

5. DSE update  
   Dr Jane Doolan  
   Deputy Secretary Water Group, DSE

6. Victorian Water Industry Productivity  
   David Heeps  
   Chief Executive Officer, ESC

7. Sustainability Task Group (STG) update  
   Mark Lawlor  
   Chair, STG

General Business

Close

Next Meeting: Thursday, 23 February 2012
Venue: Torquay
2. Unconfirmed Minutes of the 23 June 2011 Meeting
Present:

John McDonald  Barwon Water
Alan Seale  City West Water
Gavin Hanlon  Coliban Water
Les Mathieson  East Gippsland Water
Richard McDowell  Gippsland Water
Peter Skeels  Gippsland Water
Shane McGrath  Goulburn-Murray Water
Mark Lawlor  Goulburn Valley Water
Peter Quinn  Goulburn Valley Water
Barry Clugston  GWMWater
Jeff Rigby  GWMWater
Ron Leamon  Lower Murray Water
Ben Fumage  Melbourne Water
Joanne Anderson  North East Water
Craig Heiner  North East Water
Kevin Hutchings  South East Water
Llew Vale  South Gippsland Water
Steve Evans  South Gippsland Water
Jan Greig  Southern Rural Water
Steve Bird  VicWater
Harry Peeters (Chair)  Wannon Water
Grant Green  Wannon Water
Terry Larkins  Western Water
John Wilkinson  Western Water
Tony Leonard  Westernport Water
Murray Jackson (part only)  Westernport Water

Apologies:

Roger Lowrey  Barwon Water
Michael Malouf  Barwon Water
Jeremy Johnson  Central Highlands Water
Neil Brennan  Central Highlands Water
Anne Barker  City West Water
John Brooke  Coliban Water
Gail Morley  East Gippsland Water
1. Welcome and Apologies

The VicWater Chair, Harry Peeters, opened the meeting at 1.30pm, welcomed members and acknowledged apologies. He also congratulated the newly appointed Managing Director of South East Water, Kevin Hutchings.

2. Confirmation of Minutes of Council Meeting held on 24 February 2011

Resolution: That the Minutes of the VicWater Council meeting held on 24 February 2011 be accepted as a true and accurate record of the meeting. Accepted

3. Action Items from Council Meeting held on 24 February 2011

Items were either completed or reported on as part of the meeting.

4. 2011/2012 VicWater Business Plan

Steve outlined the VicWater Business Plan for the coming financial year. He also highlighted the introduction of a new Associate member - Wimmera Catchment Management Authority, which further strengthens the Association.

The Council raised the following:

♦ Why is the 2010/11 forecast figure for “Office and Administration Expenses” significantly higher than the budget figure for the same period.

Note added after meeting: The high predicted result for expenditure under “Office and Administration Expenses” mainly refers to costs incurred on behalf of water businesses which are separately reimbursed.

♦ How the Association does or could better market itself to Victorian Catchment Management Authority’s to further strengthen the Association’s membership. Council members were
advised that the Chairman of the Victorian Catchment Management Council was presenting at this meeting to discuss that topic.

Recommendation: That, in accordance with the Rules of the Association (Section 8.2 ii), the Council endorses the Business Plan for the 2011/2012 financial year. **Endorsed**

5. **2011/2012 Membership Fees**

Recommendation: That, in accordance with the Rules of the Association (Section 4.1 and 8.2 iv), the Council approves that the 2011/2012 membership subscription fees be set at the same level as 2010/2011. **Endorsed**

6. **Chairman’s Honorarium**

Recommendation: That the 2011/2012 annual honorarium for the Association’s Chairman be increased by the GSERP guideline rate effective from 1 July 2011. **Accepted**

7. **Notification of VicWater Board Elections**

The Council noted the processes outlined in the Council paper - seeking to fill the three VicWater Board positions declared vacant at the end of the September 2011 in accordance with the Rules of the Association.

8. **Presentations**

- **Treasurer’s Indemnity – Update**
  
  Steve outlined the process that was followed and further outlined the proposed next steps:
  - DSE are seeking to ensure there is no difference between how regional and metropolitan water corporations are protected under the Indemnity.
  - DSE are seeking to identify the delegated person within DTF who can make the decision about Indemnities.
  - Assuming the above progresses as expected, DSE will approach the delegated person at DTF and provide advice on what should be changed to correct the Indemnity.
  - If DTF agree to DSEs advice the change should be made easily. If not, VicWater will approach the Treasurer.
  - Wannon Water has also asked that DSE advise the Board applicants of the situation that exists in relation to the Indemnity and Wannon Water.

- **Revaluation of Assets**
  
  VicWater is continuing to represent the regional water businesses on the issue of revaluing water corporation assets. Steve provided an update on the issue.
  - The ongoing discussions centre on the timing of the transition process as well as comments around the proposed changes to how depreciation is calculated, (from straight line to consumption curve). On the former, DSE will contact the Minister for Finance requesting a further ‘Transition Year’ to allow some time to properly review
the revaluations and ensure that the policy direction is appropriate. On the latter, discussions continue.

- In relation to this financial year, DSEs advice is that the Finance Manager for each business should follow their own professional judgement when advising their Boards. They should be comfortable with the numbers (both in terms of methodology and accuracy) if they are to advise their Board to accept them.

Action: VicWater to prepare a draft Note for the 2010/2011 Financial Statements outlining the issues with the revaluation.

- **Department of Health Update**  
  *Graeme Gillespie, Manager, Environmental Health*

Graeme provided Council members with an overview of the Environmental Health Unit as well as outlining the water related functions of the Unit. He also invited members to ask questions or provide him with comments.

- **EPA/Water Industry Projects**  
  *Ben Furmage*

Ben was seeking approval of the recommendations included in the five Water Industry/EPAV strategic projects. He provided background information and outlined the approach taken on the project; he reported on the findings and recommendations of the five projects; and concluded by going through the next steps.

Recommendation: That the Council approve the actions recommended by the 5 strategic projects; approve project reports be submitted to the Steering Committee for discussion; and that the water industry confirm EPAV/DSE commitment to the process and next steps via the Steering Committee.  

Approved

- **Vision Merger - Update**  
  *Rob Brooks*

Rob provided Council members with an overview of the staged process being used to merge Vision Super and Equip Super. He also provided members with further information on the report in the media earlier in June. He concluded by inviting questions or comments.

- **Victorian Catchment Management Council (VCMC)**  
  *Mick Murphy, Chairman*

Mick provided Council members with an overview of what the VCMC does. He outlined that the VCMC is the State’s independent peak advisory body on catchment management. Their advisory capacity is two-way; they are approached by government departments for advice as well as providing advice to government departments on issues. Under the Catchment and Land Protection Act 1994 (CaLP Act), the VCMC does not have a formal relationship with CMAs across the State. However, the VCMC recognises the value in having good working relationships with each of the CMAs and as such foster those relationships.

**Next Meeting -**

The next meeting will be on the 10 November at the RACV Club, Melbourne.

The Chair closed the meeting at 4.00pm.

Chairman

/   /
3. **Action items from the 23 June 2011 Meeting**
**Item:** Items from Previous Council Meeting

**Background**

The following table identifies the status of action items identified in the minutes of the 23 June 2011 Council meeting:

<table>
<thead>
<tr>
<th>Issue</th>
<th>Responsibility</th>
<th>Status</th>
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<tbody>
<tr>
<td>Prepare a draft Note for the 2010/2011 Financial Statements outlining the issues with the revaluation.</td>
<td>Steve Bird</td>
<td>Reviewed at the time and agreed separate notes for each business were more appropriate.</td>
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