



Corporate Governance

The 2005/2006 Corporate Plan set three goals for Corporate Governance. These goals were:

- Conduct the business affairs of the Board in a manner consistent with best-practice principles of corporate governance.
- Apply a risk-based approach to planning, budgeting and decision-making processes.

- Maintain performance management and reporting procedures that ensure accountability to the Board, Government and other stakeholders.

In order to implement and achieve these goals the Authority identified strategic initiatives and targets. These are outlined below including the status as at 30 June 2006.



South East District team meeting

Strategic Initiatives and Targets	Status @ 30 June 2006
Implement a development plan for Board Members which identifies the specific development/ learning needs of Board Members; and provides an action plan which responds to the identified needs.	Individual Board member appraisals were undertaken during May and June 2006. Development plans for Board members are compiled as part of this assessment process in accordance with the Board Charter.
In 2005 provide all Members with the opportunity to complete the Company Directors' Course, provided by the Australian Institute of Company Directors.	AICD Company Directors Course delivered at GVW office during October 2005. Five Board members participated.
Conduct annually a strategic planning workshop.	Management workshop held in October 2005 and Board strategic planning workshop held in Woodend in November 2005. The outcomes were integrated into the corporate plan for 2006/2007.
Undertake, at least quarterly, strategic discussions at Board level about topics which influence the future direction of GVW and/or the water industry.	<p>August 2005 - Operating in a regulatory environment - consideration of the new ESC environment and potential impacts on GVW and wider water industry (Jeff Washusen)</p> <p>September 2005 - Presentation on water reuse study tour to Singapore, USA and Mexico.</p> <p>November 2005 - Board member only discussion session on agenda</p> <p>December 2005 - CEO performance plan and assessment criteria (Des Bethke)</p> <p>February 2006 - On line information statements and Netbill (Aquarete)</p> <p>March 2006 - Information Systems Strategic Plan Review. Consideration of the Authority's 10 year Capital Works Program</p> <p>April 2006 - Future Direction of Victoria's Fluoridation Program (DHS)</p> <p>May 2006 - Elaine Carbines - Parliamentary Secretary for the Environment</p> <p>June 2006 - Shire of Strathbogie Presentation. Joint Discussion CEO & Chair of North East Water</p>
Undertake a Board Member education program incorporating a schedule of two or three field visits to key assets, facilities and customers.	<p>Visits during 2005/06 to date</p> <ul style="list-style-type: none"> • December 2005 - Visit to south-east District by Chair and Margaret Rae • January 2006 - Wallan handover to YVW • February 2006 - Open day Kilmore reuse facility • April 2006 - Euroa, Violet Town and Longwood Water Supply Systems
Undertake an annual review of the Board's performance.	Review process undertaken in May and June 2006.
<p>Undertake triennial reviews of Board sub-committees including:</p> <ul style="list-style-type: none"> - effectiveness and relevance of the sub-committee; and - membership and meeting structure/arrangements. 	Membership of committees considered and resolved at the Board's December 2005 meeting.
Develop an annual Board Calendar of reporting aligned with the strategic and business planning cycles.	Annual calendar of Board reporting and activities updated by CEO and approved by the Board at the December 2005 meeting.

Board

The Board of Goulburn Valley Water operates under the provisions of the Water Act 1989 and has responsibility for the corporate governance of the Authority. The Board is responsible for setting strategic direction, establishing goals and objectives for executive management and monitoring the business on behalf of its customers and the Victorian Government. Key corporate governance responsibilities of the Board include:

- The adoption and monitoring of Goulburn Valley Water's Corporate Plan, Water Plan and Statement of Obligations;
- Monitoring operational and financial performance on a regular basis;
- Ensuring that risk management systems are in place to cover environmental, operational and financial risks;
- Appointing, establishing objectives and reviewing the performance of the Chief Executive Officer;
- Ensuring that Goulburn Valley Water has policies and procedures to satisfy its legal and ethical responsibilities; and
- Reporting to and communicating with the Victorian Government and other stakeholders on the financial and operational performance of the Authority.

Board Composition

The Board comprises of seven members appointed by the Minister for Water. On 31 October 2005 Goulburn Valley Water's inaugural Chairman Mijo Darveniza retired after 12 years as Chairman and with over 32 years involvement on various Boards of the Authority's predecessors. Mijo's retirement created a vacancy on the Board. Jenny Houghton was appointed to the position of Chair and Denis Flett joined the Board for a two year term. The current members of the Board are Jenny Houghton (Chair), Catherine Scott (Deputy Chair), Bruce Chamberlain, Denis Flett, Michael Hall, Allan Layton and Margaret Rae.

Board Members



Jennifer Houghton

Jennifer Houghton, Chair. Resides at Longwood and has been a member of Goulburn Valley Water Board since November 1997. Jennifer was appointed as Chair in November 2005. She has an extensive background as an educator, is a commercial pilot and a Director of the Aerospace, Defence and Maritime Foundation. Jenny is a former Board Member of the Kangan Batman Institute of TAFE. She follows her passion for aviation and education and has been recognised for her contribution both nationally and internationally. She established and operates an award winning vineyard in the foothills of the Strathbogie Ranges. She has a Bachelor of Education and is a member of the Australian Institute of Company Directors. She is vitally interested in the health and prosperity of communities in regional Victoria.



Catherine Scott

Catherine Scott, Deputy Chair, lives at Bylands near Kilmore and operates a beef cattle stud. She is an experienced board member and senior executive with over 15 years experience in the finance/investment banking industry with a strong focus on infrastructure and agribusiness funding. Catherine has a unique combination of investment banking and corporate experience in aviation, infrastructure and agriculture sectors. Catherine is a Non-Executive Director of V-Line Passenger Pty Ltd and VicForests. She recently completed a term as Deputy Chair of Goulburn Broken Catchment Management Authority (GBCMA) including being Chair of GBCMA Audit Committee, and is also Chair of the VicForests Audit Committee. She holds a Bachelor of Science (Honours) degree, a Bachelor of Commerce Degree and is a graduate of the Australian Institute of Company Directors.



Bruce Chamberlain

Bruce Chamberlain is a Certified Practising Accountant living and practising in Kilmore and has a Bachelor of Business majoring in Accounting. He has been Chairman of The Kilmore & District Hospital and Kilmore Agricultural & Pastoral Society and is presently Chairman of the Board of The Kilmore International School. He is also Treasurer and a Board Member of the Equestrian Federation of Australia (Victorian Branch) and a Trustee (and past Chairman of Trustees) of Kilmore Racecourse & Recreation Reserve as well as a Director of the Victorian Indigenous Nurseries Co-Operative Ltd.



Denis Flett

Denis Flett, lives in Tatura and was appointed to the Goulburn Valley Water Board in November 2005. Denis is the Manager Rural Water with Sinclair Knight Merz, a Board Member of the Cooperative Research Centre for Irrigation Futures, Chair of the National Program for Sustainable Irrigation, an Executive Member of the Australian National Committee on Irrigation and Drainage and President of the Tatura Football Netball Club. He was previously the foundation Chief Executive and a Board Director of Goulburn-Murray Water and a Victorian Commissioner of the Murray-Darling Basin Commission. He holds a Bachelor of Civil Engineering degree from Monash University, is a Fellow of the Institution of Engineers, Australia and a Fellow of the Australian Institute of Company Directors.



Michael Hall

Michael Hall, lives in Shepparton and has a Bachelor of Arts majoring in Economics and Accountancy. Michael is a member of the Institute of Chartered Accountants of Scotland and Australia, a Registered Tax Agent and a Registered Company Auditor. Michael is currently Partner in charge of Audits and Practice Administration at Maxwell Brown and Mountjoy. Michael is active in a range of community roles including Shepparton Golf Club, Goulburn Valley Health, Fairley Leadership Program and the Goulburn Valley Grammar School.



Allan Layton

Allan Layton retired as General Manager Operations, Southern Hydro after more than 30 years in the Victorian electricity industry. With a technical background, Allan is also experienced in training and development, industrial relations, electricity trading, and business and financial management. Allan is an active volunteer with the Country Fire Authority and with Red Cross, Board Member and past President of the Alexandra District Hospital, Treasurer of the Darlingford Upper Goulburn Nursing Home, and Honorary Life Member and past Vice-President of the Alexandra District Ambulance Service.



Margaret Rae

Margaret Rae has a background in both the public and private sectors and a well established professional career in the university sector particularly in the areas of policy analysis, development and application, strategic planning, financial management and legislative matters. Through extensive experience on a range of Boards and Committees, including two terms as Deputy Chair of the Lake Mountain Alpine Resort Management Board and current appointments as President of the Alexandra District Hospital Board, Treasurer/Secretary for the Buxton Rural Fire Brigade and Secretary to the Marysville & District Country Club Inc., Margaret brings a range of skills to bear on the complex issues managed by the Board in conducting its core business and in future planning and development initiatives. Since moving to Buxton, Margaret has also become an active member of the Goulburn Broken Waterwatch Monitoring Group and has developed a keen interest in the health of our rivers.

Board Member Attendance					
Name	Board Meetings	Special Board Meetings	Audit & Compliance Committee	Remuneration Committee	Operations Environment & Safety Committee
Mijo Darveniza	4/4		1/1	2/2	1/1
Jenny Houghton	11/11	1/1	3/3	2/2	1/1
Catherine Scott	10/11	1/1	4/4	2/2	
Bruce Chamberlain	9/11	1/1			4/4
Denis Flett	6/7	1/1			2/2
Michael Hall	10/11	1/1	4/4	2/2	
Allan Layton	11/11	1/1			4/4
Margaret Rae	11/11	1/1	2/2		2/2

Board Meetings and Committees

Board meetings are scheduled for the first Wednesday of each month except January. Additional meetings are convened from time to time as circumstances arise and periodic infrastructure inspections and consultation meetings are undertaken throughout the year. The Chief Executive and senior executives attend all Board Meetings. The Director - Corporate Services Peter Quinn is the nominated Board Secretary and provides advice to the Board on governance matters.

The Board has established three Committees to assist in carrying out its functions and responsibilities. The Chair convenes the Remuneration and Performance Committee and is an ex-officio member of all other Committees. The Chief Executive attends meetings together with senior executives as required. Minutes of Committee meetings are presented to the full Board.

The Audit and Compliance Committee is delegated the task of overseeing all financial matters including review of audit programs, adequacy of internal financial controls, operating and accounting policies and controls. The Victorian Auditor-General is responsible for the audit of the Authority's financial records. Johnsons MME (Chartered Accountants) have been appointed by the Auditor-General as his Agent for the year ended 30 June 2006. Pitcher Partners are engaged as the Authority's internal auditors.

The Audit Committee members are Michael Hall (Chair), Catherine Scott and Jenny Houghton until November 2005 and then Margaret Rae joined the Committee. All members are independent in character and judgement and there are no relationships or circumstances which could affect, or appear to affect, their judgement. The Board Chairman, Mijo Darveniza was an ex-officio member of the Committee until October 2005, then new Board Chair Jenny Houghton,

became an ex-officio member of the committee. The Committee Secretary is the Director - Finance, Graeme Jolly.

The Remuneration and Performance Committee reviews the performance and remuneration of senior executives within the policy parameters issued by the Government Sector Executive Remuneration Panel (GSERP). The Committee, on behalf of the Board, strives to attract, retain and motivate senior executives of the quality required to provide sound performance and leadership of the Authority.

The Remuneration and Performance Committee members are Mijo Darveniza (Chair) until October 2005, Jenny Houghton, Michael Hall and Catherine Scott. In November 2005 Jenny Houghton became Chair and Denis Flett joined the Committee.

The Operations, Environment and Safety Committee is responsible for ensuring the effective management of operational risks; reviewing operational/environmental performance and compliance with water quality guidelines and the Environmental Management System; ensuring the fulfilment of obligations and responsibilities relating to Occupational Health and Safety.

The Operations, Environment and Safety Committee members are Allan Layton (Chair), Bruce Chamberlain and Margaret Rae until November 2005 and then Denis Flett joined the Committee. The Board Chairman, Mijo Darveniza was an ex-officio member of the Committee until October 2005, then new Board Chair Jenny Houghton, became an ex-officio member of the committee. The Committee Secretary is Director - Technical Services, Allen Gale.



Mijo Darveniza being presented with a Certificate of Appreciation by the Premier the Hon. Steve Bracks

Inaugural Chairman Retires

After 12 years as Chairman of Goulburn Valley Water and more than 32 years service to the water industry in Victoria Mijo Darveniza retired from the Authority's Board.

In his 32 years Mijo has seen 20 plus years of water reform in Victoria. In 1985, there was the bringing together of water and sewerage in Shepparton. This was strongly opposed by the Council of the day. However Mijo, in his role as Chairman, convinced the then Minister for Water, David White, that an autonomous Water Board, independent of Local Government was the way of the future - and Shepparton Water Board was created. In 1993/1994 there were further amalgamations and Mijo was appointed Chairman of

Goulburn Valley Water on its formation in March 1994, where he remained at the helm until 31 October 2005.

Mijo's many years of community service extends well beyond the water industry. For more than 20 years, Mijo was heavily involved in the Victorian Ambulance Service and he also played an active role in the development of the hospital and aged care facilities in Shepparton. In 1990, Mijo was awarded the Medal of the Order of Australia for service to the community - a well deserved recognition.

On Friday 4 November 2005 the Premier of Victoria the Hon. Steve Bracks presented Mijo with a Certificate of Appreciation from the Victorian Government for his service to the Water Industry.