

# AUSTRALIAN WATER REFORM ROADSHOW

**TRANCHE 1: REFORM & GOVERNANCE**  
**MODULE 3: GOVERNANCE**



- Please note **this session will be recorded**
- The recording and slide pack from this webinar will be made available to you following this webinar
- For the Panel Discussion please send your questions through the **Q&A** function
- Select to **“All Panellists”** when you are posing your questions
- SPICAE will provide written responses for unanswered questions
- SPICAE are happy for participants to contact us directly for clarifications or further information
- SPICAE have done individual sessions for councils in the past when they have asked us to
- Please provide SPICAE with feedback – this is important for us to continually improve future webinar sessions



## Mayor Doug Chipman

### Clarence City Council

- First elected Mayor 2011
- TasWater Chief Owner Representative since 2018
- Re-elected Deputy Mayor 2009
- First elected Deputy Mayor 2007
- First elected to Clarence City Council in 2000



## Paul West

- Former GM (equivalent to NZ CEO) at Devonport, Kingborough & Waratah Wynyard Councils.
- Was on Board & Executive Committee of LGP, LGMA (National),
- Former National President of LGMA
- Former member of Local Government Board of Tasmania



## Michael Watson

- Board & Governance Advisor
- Former GM Business Chief Financial Officer & Corporate Secretary of Barwon Water



## Russell Cooper

- Founding MD of South-East Water
- Former MD of Goulburn Murray
- Former MD of SUEZ/Degremont for Australia & NZ
- Member of Ministerial Advisory Panel on Water

# Rules of Engagement / Code of Conduct

- SPIACE & our panel are cognizant of the NZ Reforms.
- These sessions are on the Australian Reforms & aimed at enabling a reference point for attendees to draw comparisons to the current reforms in New Zealand.
- SPICAE & our panel will endeavour to provide an **Unbiased View** of the Victorian and Tasmanian Water Reforms.
- **Please align questions to the Module Topic.**
- Please do not ask us questions that are for the DIA.

TRANCHE	TRANCHE THEME	MODULE TOPIC
1	REFORM & GOVERNANCE	WATER REFORM JOURNEY (VIC)
		WATER REFORM JOURNEY (TAS)
		<b>GOVERNANCE (BOARDS, OWNERSHIP &amp; LEGISLATION)</b>
2	CURRENT STATE	CURRENT STATE OF WATER SERVICES - REGIONAL & IRRIGATION (VIC)
		CURRENT STATE OF WATER SERVICES - METRO VICTORIA
		CURRENT STATE OF WATER SERVICES - TASWATER
3	STORMWATER, ENGAGEMENT & THE FUTURE OF WATER	STORMWATER MANAGEMENT (VIC & TAS)
		THE FUTURE ROADMAP FOR WATER (VIC & TAS)
		COMMUNITY ENGAGEMENT & CUSTOMER EXPERIENCE
		INDIGENEOUS ENGAGEMENT (WA and VIC)
4	COUNCILS	THE COUNCIL REFORMS (VIC)
		THE CURRENT STATE OF LOCAL GOVERNMENT
		THE FUTURE ROADMAP FOR COUNCILS

# CORPORATE GOVERNANCE

## **A board member must ensure that:**

- the agency's functions are fulfilled effectively, consistent with its governance framework
- their own conduct is consistent with the required standards of conduct

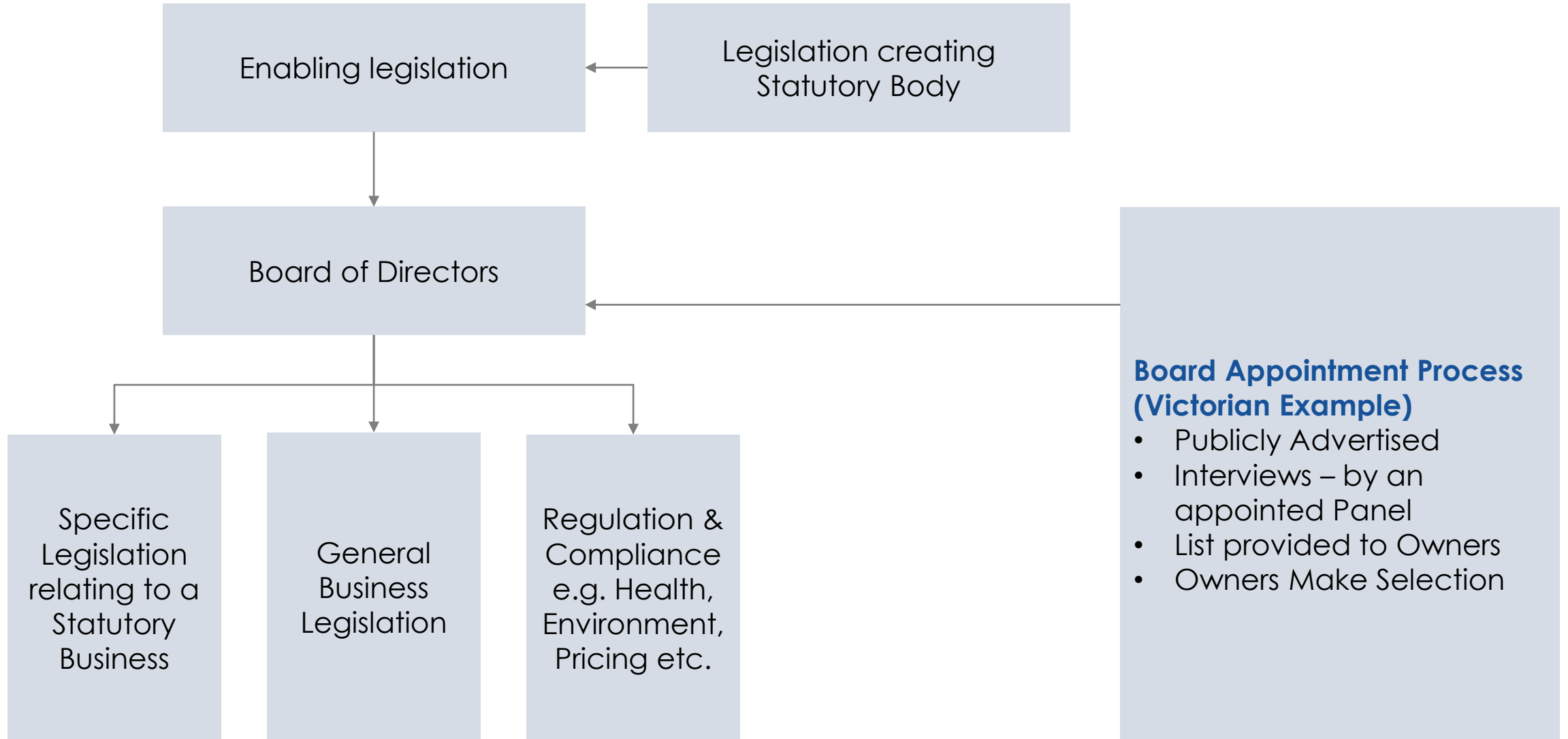
This includes acting in a:

- **Strategic** and **business planning** role
- **Performance mentoring** and **reporting** role (including **risk management**)
- **Stewardship** role

# ASX Corporate Governance Principles

- 1 Lay solid foundations for management and oversight:**  
A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.
- 2 Structure the board to be effective and add value:**  
The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.
- 3 Instill a culture of acting lawfully, ethically and responsibly:**  
A listed entity should instill and continually reinforce a culture across the organization of acting lawfully, ethically and responsibly.
- 4 Safeguard the integrity of corporate reports:**  
A listed entity should have appropriate processes to verify the integrity of its corporate reports.
- 5 Make timely and balanced disclosure:**  
A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.
- 6 Respect the rights of security holders:**  
A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.
- 7 Recognize and manage risk:**  
A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.
- 8 Remunerate fairly and responsibly:**  
A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

# Governance Model





TASWATER

## Governance Framework

TasWater adopted the **ASX's Corporate Governance Principles** as the framework

## Ownership

- TasWater **is owned by the 29 Local Councils & the State Government** (which has a 10% share)
- The **councils have varying levels of equity** based on the value of assets minus liabilities that transferred
- The 29 councils each have one representative on the **Owners Representative Group (ORG)**
- The councils receive a Dividend every year from TasWater – there is a cap on the total dividends

## Board Selection Process

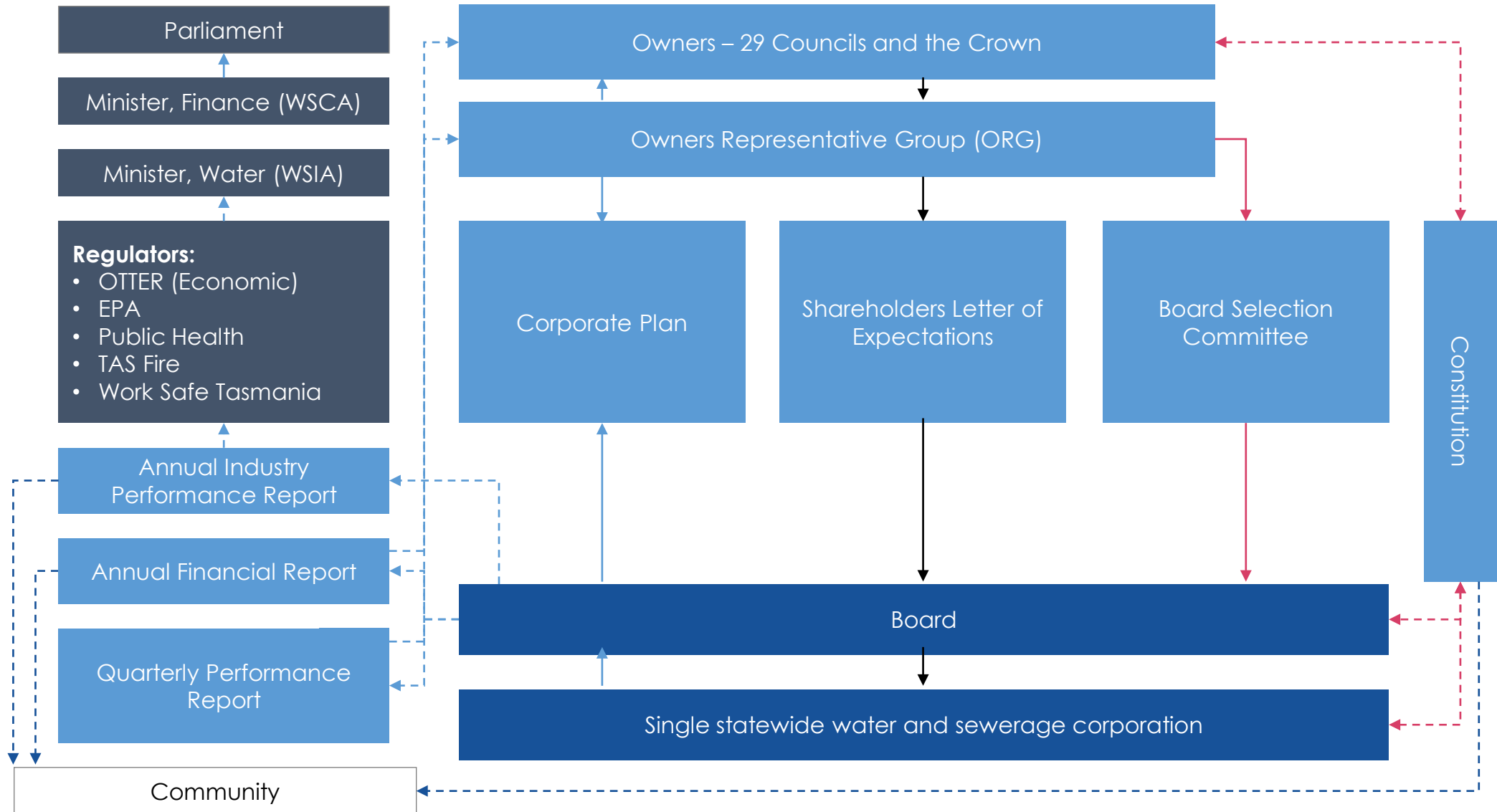
The Owners Representative Group will appoint members to the Board Selection Committee in accordance with the TasWater Constitution, namely:

- The Chief Owners Representative
- Four Members from the Regions (1 North West, 1 North & 2 South)
- The Board Chair
- The State Government Representative

## Board Composition

TasWater has **an independent, skill-based Board** that can have a maximum of Seven Independent Directors

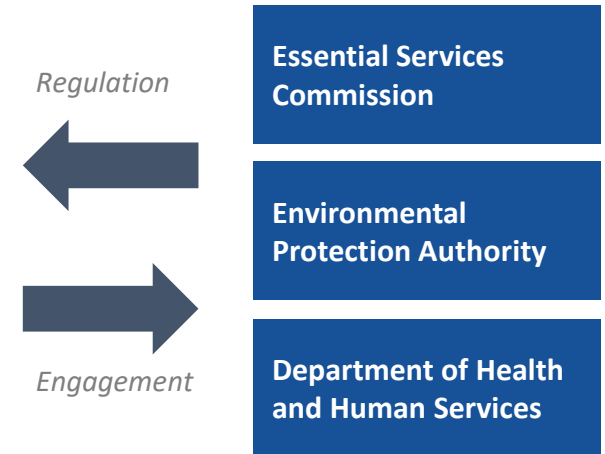
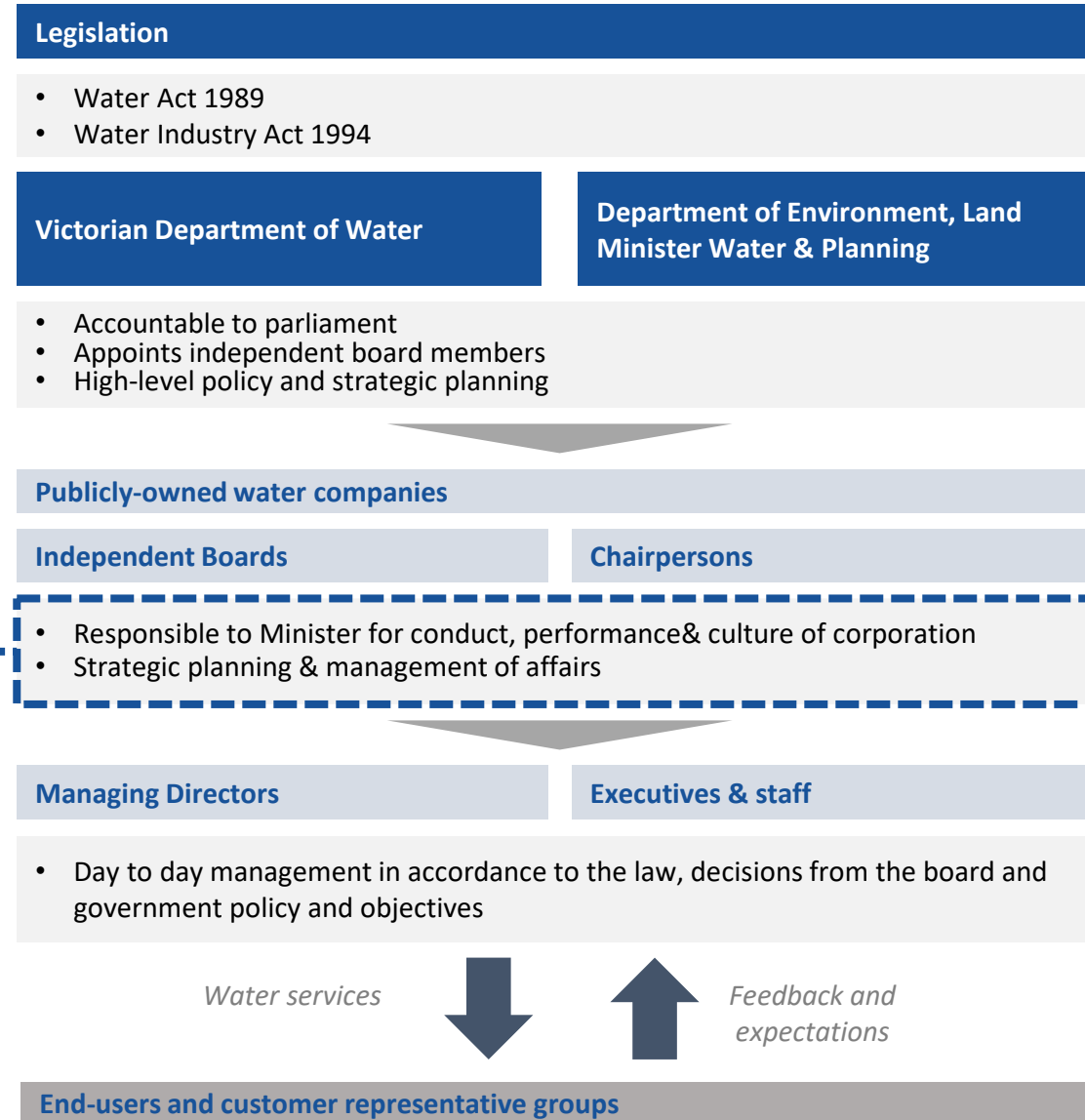
# TasWater Corporate Governance Model



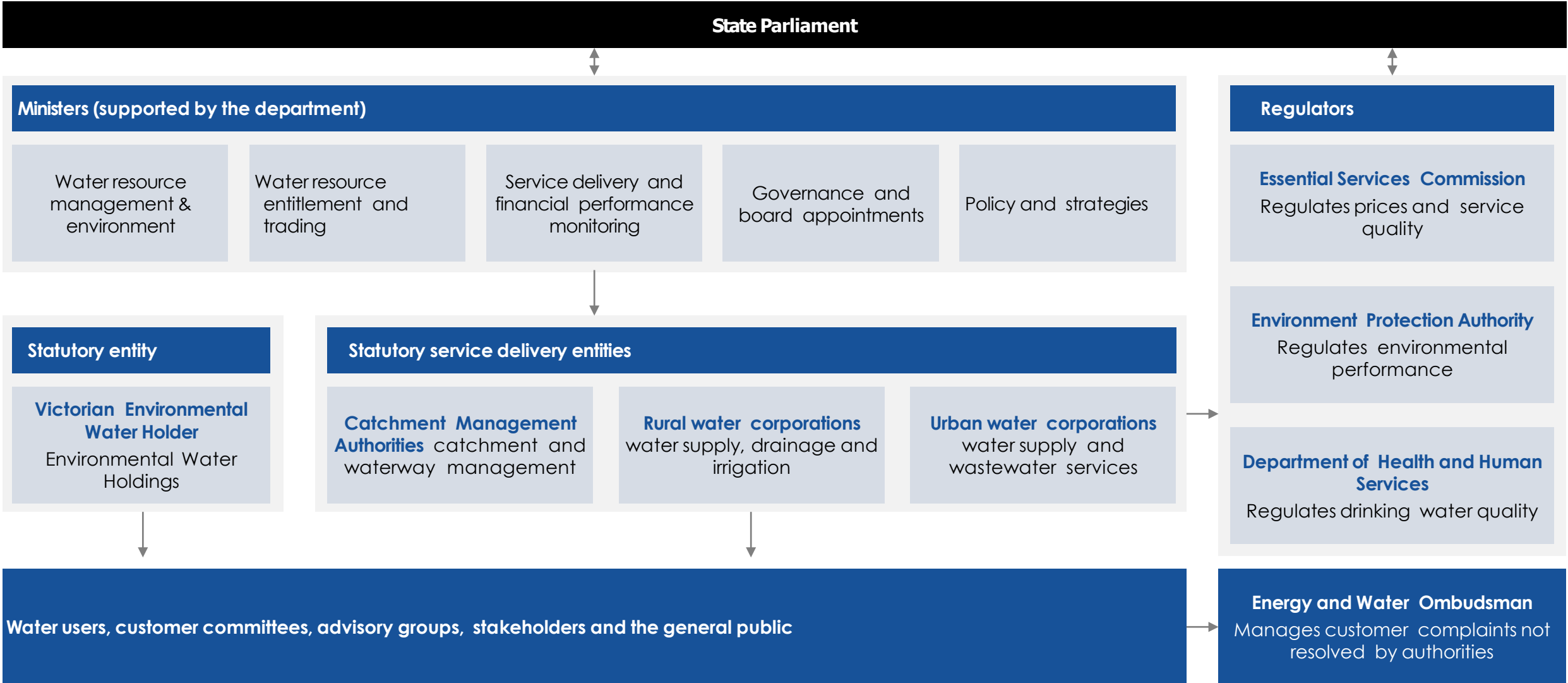
# VICTORIA

# The role of the Board - Victorian Water Industry

- The Board will adopt appropriate structures and procedures to ensure it retains its independence and functions independently of management.
- The Board is responsible for the strategic planning and the management of the affairs of the corporation.
- Subject to the formal delegations of authority, the Board delegates responsibility for the day-to-day operation to the Managing Director.
- The Chairperson takes the primary role in leading the Board. The Managing Director takes the primary role in managing the day-to-day operations of the organisation.



# Victorian Water Governance Model



## **Owned by the government**

- Act as stand-alone entities and are responsible for their own management and performance

## **Chair and a Board of Directors responsibilities:**

- Legislative Responsibilities
- Strategic Planning
- People and Culture
- Corporate Governance
- Financial Management
- Risk Management

## **Managing Director appointed by the Board, responsible for:**

- The day to day operation and management of the business
- Communicating Board priorities and policies to the staff
- Presenting reports, submissions and budgets to the Board

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