



Water Committee Charter

Fairbairn Irrigation Network Ltd

December 2020

1 Authority

This Water Committee Charter is established by the Board of Fairbairn Irrigation Network Ltd (FIN) as a standing committee of the Board.

The Standing Committee is to provide recommendations to the FIN Board who retain the authority for any final decisions.

The Board authorizes the Water Committee, to:

- a. exercise the responsibilities set out in this charter and under any separate resolutions of the Board granted to it from time to time;
- b. where pre-approved, retain independent consultants to advise the Water Committee in undertaking its role; and
- c. request information it requires in accordance with this Charter.

2 Objectives of this Committee

The aim of this committee is to:

- a. ensure, as a minimum, that Board determined revenue requirements are realised through temporary trading of surplus distribution water entitlements, utilising available volumes as determined by FIN's General Manager based on forecasts of the seasonal operational requirements for water delivery.
- b. ensure that the target revenue requirements are recognized as integral to underpin customer price stability, scheme sustainability and competitiveness, and must be regarded as a priority in the committee decision making process. Noting the target revenue requirements are a minimum revenue target only, and there is no maximum revenue target, unless otherwise directed by the Board.
- c. ensure that water is traded at reasonable rates such that the intrinsic value of the water, and the water market for trading and permanent sales, is not undermined, diminished, or significantly impacted.
- d. ensure that consideration is given to the impact of all decisions on the value of water, the availability of water, the needs of different customers and different industries.
- e. ensure that the decision-making process considers all options available for water trading including short-term and long-term options, assessing the risks and opportunities of each option.

3 Roles & Responsibilities of the Committee

The Water Committee is established to assist the Board in the sale of FIN's surplus water activities and program by:

- (a) Developing a structured decision-making process for the sale of surplus water that considers both short- and long-term trade opportunities to determine the benefits for revenue generation and stability
- (b) Review and revise the decision-making process regularly to ensure its appropriateness for the needs of the company and its customers.
- (c) Consider the impact of the potential water trading options on the water market, including price and volume release.
- (d) Make recommendations to the Board on the method of sale of surplus water, outlining in a written report how the decision has been reached, and why it is the preferred course of action.
- (e) Where possible make a recommendation to the Board on a price range for the sale of surplus water, outlining in writing the research data and rationale behind such a recommendation.
- (f) Operate in an inclusive manner to ensure all customer needs are considered, holding customer forums if required.

4 Membership

4.1 Composition and size

The Water Committee will be appointed by the Board and consist of five to nine voting Members with a minimum of:

- two Directors from the Board; and
- three customer Members.

As a minimum, customer Members will include: -

- One annual cropping customer
- One horticulture customer
- One customer holding between 0 and 100 ML.

If one of the above customer category positions cannot be filled, the Board reserves the right to appoint an alternative customer to the Committee.

Membership of the Water Committee will be reviewed annually, and Members are eligible for reappointment. Membership will be confirmed annually by the Board.

4.2 Committee Chair

The Chair of the Water Committee is appointed by the Board and must be a Board Director. Where the Committee Chair is not present at a meeting, the Water Committee may elect a Chair for the meeting.

4.3 Commitment of Committee Members

In considering the appointment of Water Committee Members, the Board must aim to appoint Members who, between them:

- Are capable and willing to devote the necessary time and attention required to enable the Water Committee to carry out its roles and responsibilities.
- Are committed to ensuring that the decision-making process is transparent and unbiased.

4.4 Skills development

If the Board Chair approves, a Water Committee Member may attend seminars or training related to the functions and responsibilities of the Water Committee at FIN's expense.

4.5 Secretary

FIN will provide a secretary to the Water Committee as required. The secretary will assist the Committee Chair to develop and distribute agendas, papers, minutes, and calendar.

5 Committee meetings and processes

5.1 Meetings

Meetings and proceedings of the Water Committee are governed by the provisions in the constitution of FIN in so far as they are applicable and not inconsistent with this charter.

5.2 Frequency and calling of meetings

The Water Committee will meet as frequently as required to undertake its role effectively but at least twice annually.

All Water Committee Members are expected to attend each meeting in person, or through other approved means, such as teleconference or video conference.

The Water Committee may invite other people to attend as it sees fit and consult with other people, or seek any information it considers necessary, to fulfil its responsibilities.

5.3 Invitees

The FIN General Manager will be an ex-officio non-voting Committee Member.

Other non-Members may attend meetings by invitation of the Water committee. These attendees may take part in the business of and discussions at, the meeting but have no voting rights.

5.4 Voting and quorum

Any matters requiring decision, will generally be decided by consensus. If consensus is not achievable, then a majority vote is required with the Committee Chair having a casting vote.

A quorum for the Water Committee in meetings shall be three Members, including at least one FIN Director, in person, telephone, or video conference.

5.5 Access to information and advisors

The Water Committee has the authority to:

- (a) require management or others to attend meetings and to provide any information or advice that the Water Committee requires;
- (b) request relevant documents from the General Manager insofar as they relate to the calculation of surplus water;
- (c) may request information from the Chair of the Board to assist the Committee in its decision-making process;
- (d) subject to prior approval of expenditure by the Board, obtain the advice of independent technical or other experts.

5.6 Minutes

The secretary will keep minute books to record the proceedings and resolutions of its meetings.

Minutes must be prepared, approved by the Committee Chair, and circulated to the Members within two weeks of a meeting. They must be ratified and signed by the Committee Chair, at the next meeting of the Water Committee and provided to the Board of FIN.

6 Conflicts of interest

It is acknowledged that all Members of the Committee, in particular water allocation holders and customers of FIN, may have an identified conflict of interest in the sale of surplus water. This conflict of interest is recognised and accepted by the Board on the basis that input from customers is a valued and essential part of the water sale process.

As a matter of process, the Committee Chair should:

- maintain a register of conflicts of interest, including identified conflicts of interest as mentioned above, and
- remind Members at the beginning of every meeting of their obligation to disclose any actual or potential conflicts with regard to any agenda item for consideration at that meeting and discuss action to be taken to avoid or manage the conflict.

7 Reporting and Review

7.1 Reporting to the Board

The Chair of the Water Committee is to report to the Board following each Water Committee meeting. Such reporting may be by distribution of a copy of the minutes, supplemented by other necessary information, including recommendations requiring Board's action and/or approval.

7.2 Reviews

The Water Committee should review this charter and its composition annually, to ensure that it remains consistent with the Board's objectives and responsibilities. The Board should consider the Water Committee's review and either approve or further review the Water Committee's charter and/or composition.