

# Goulburn Valley Water - 17 February 2020

## Agreed summary of oral submission to the Victorian Independent Remuneration Tribunal's Determination of public entity executive remuneration bands

- Goulburn Valley Water (GVW) provides urban and water sewerage services to a population of around 128,000 in central Victoria. It has around 220 staff.
- GVW is in the process of recruiting a new Managing Director (MD).
- In relation to the role of an MD, size and scale (for example, quantum of assets or revenue) may not be good indicators of work value within the water sector.
- The governance expectations of water entities are the same regardless of the size of businesses.
- Customers are much more diverse in regional Victoria. GVW services 54 different towns in the GV with different and demanding perspectives. The MD of GVW has a high community profile and very visible accountability to the customers.
- GVW customers have the lowest water bills in the State, reflecting innovation within the business to reduce costs.
- Water quality risks are higher in regional areas given open catchments and less detention time in storages. GVW manages incidents of blue green algal blooms, taste and odour and bushfire impacts.
- Customer numbers are not necessarily a good indicator of complexity. GVW's Shepparton treatment plant serves the equivalent of 1 million customers, given presence of major food processing companies. Greenhouse gas reduction targets for GVW are second in quantum only to those of Melbourne Water, with scope 1 emissions a significant challenge for GVW.
- Community interaction, regional economic development and working with other parts of government, is an integral part of the role of the GVW MD, particularly given the reliance on food processing in the area.
- The safety expectations of water entities are the same regardless of the size of businesses. GVW and other regional businesses cover vast areas and require systems to manage a range of hazards including driving and staff working alone.
- The organisation is responding to an increasing number of emergency incidents, such as power failures, water quality issues and bushfires.



14 February 2020

Mr Warren McCann  
Chair  
Victorian Independent Remuneration Tribunal

By email: [enquiries@remunerationtribunal.vic.gov.au](mailto:enquiries@remunerationtribunal.vic.gov.au)

Thank you for the opportunity to make a submission in relation to setting the values of remuneration bands for executives employed in prescribed public entities.

GVW provides urban water and sewerage services to a population of around 128,000 people in 54 towns and cities in central Victoria from the outskirts of Melbourne to the Murray River. GVW has revenue of \$95 million, assets of \$900 million and directly employs around 220 people, complimented by consultants and contractors across many disciplines.

GVW has commenced a process of recruiting a new Managing Director so your work is of heightened specific interest to our Board. GVW has also contributed to an industry wide submission (via VicWater), and we support that submission, so will not be repeating all of its content here. GVW would like to raise the following specific issues for consideration:

- GVW's regional location makes it difficult to attract and retain high quality executive employees. Difficulties particularly impact on candidates with partners and families and relocation can be a significant hurdle.
- GVW competes in our local catchment with major food processing companies and Goulburn-Murray Water who are in a higher remuneration band and can pay water sector executives at a higher rate than GVW.
- GVW would argue that while the current bands are based on scale, e.g. quantum of revenue or assets, our Board contends that managing a water business in a regional setting involves at least the same level of complexity.
- GVW's geographic location and discrete and dispersed water and wastewater assets presents significant challenges for the business. GVW manages 37 water treatment plants and 26 wastewater management facilities across 20000 square kilometres. In addition, GVW's wastewater facility at Shepparton treats wastewater flows and loads equivalent to a residential population of one million people.
- GVW provides critical inputs to dairy and horticulture processing companies in the Goulburn Valley which are major contributors to the Victorian and national economy.
- The Managing Director at GVW carries a very visible level of accountability to our customers and the community.

This written submission should be considered in conjunction with an oral submission to be presented to the Tribunal on Monday 17 February 2020.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'D. Heeps', with a stylized flourish at the end.

David Heeps  
ACTING CHAIR