

Memorandum

To	Vince Graham, Chief Executive Officer	File no	
From	Justin De Lorenzo, Group Chief Financial Officer	Date	24 October 2014
Subject	Networks NSW Investment Steering Committee Charter		
Copies			

Purpose

To seek the approval of the Chief Executive Officer (CEO) for the amended NNSW Senior Executive Committee Charter for the Networks NSW Investment Steering Committee.

Background

The Networks NSW Investment Steering Committee Charter has been reviewed and an assessment of the Committee's performance against the charter has been undertaken. The Charter and performance of the Committee were reviewed and endorsed at the NNSW Investment Steering Committee meeting on 19th September 2014. The revised charter was endorsed at the Executive Leadership Group meeting on 17th October 2014.

Current documents impacted

The current charter will be updated. A track changes version is provided as Attachment 2. It is noted that both versions appear in a revised template.

Recommendation

It is recommended that the CEO of Ausgrid, Endeavour Energy and Essential Energy approve Attachment 1: NNSW Investment Steering Committee Charter.

Recommended by:

Justin De Lorenzo
Group Chief Financial Officer
 Date: 24.10.14

Approved by:

Vince Graham
Chief Executive Officer
 Date: 27/10/14

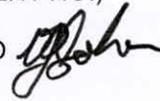
Attachments:

1. NNSW Investment Steering Committee Charter
2. NNSW Investment Steering Committee Charter (track changes)

NETWORKS NSW INVESTMENT STEERING COMMITTEE CHARTER

Document No: (DOCUMENT NO.)

Amendment No: 0

Approved By: CEO/COO 

Approval Date: 27/10/14

Review Date:

Purpose and Duties

The Investment Steering Committee (ISC) (the Committee) has been formed with four purposes.

The four purposes of the Committee are:

1. Review of an efficient expenditure portfolio to achieve relevant strategies and targets by:

- the selection of capital and network maintenance expenditure projects and programs consistent with Networks NSW corporate governance framework and AER regulatory requirements; and
- the consideration of all viable alternative options in prioritising and selecting the optimal portfolio of capital and network maintenance expenditure projects and programs for delivery. This will be achieved through the use of consistent capital evaluation principles.

2. Undertaking a portfolio-wide project and program review role by:

- endorsing capital and network maintenance operating expenditure budgets and long term plans;
- endorsing the initiation of individual projects and programs, based on Business Cases; and
- reporting any material breaches of Investment Governance policies and procedures to the Chief Executive Officer and/or the Board, as appropriate.

3. Undertaking a portfolio wide network risk review role by:

- reviewing proposed changes to internal standards and policies and the associated risk profile implications.

4. Provision of an independent and peer review by:

- endorsing all governance and approval documents prior to submission to the Board.

The Committee will review all investment proposals above \$5M and provide endorsement for approval under delegation (or sub-delegation) or submission to the Board as appropriate.

Projects and programs above the materiality threshold are to be submitted to the committee for endorsement prior to

approval and any variations based on the total estimated project or program value.

The duties of the Committee are:

- reviewing the overall investment portfolio, to confirm that it remains on track to achieve relevant strategies and targets, within available resources, with effective risk management and mitigation;
- reviewing actual spend, budgeted spend, and individual projects and programs for:
 - network capital expenditure;
 - network maintenance operating expenditure;
 - information and communications technology capital;
 - property acquisition and construction capital;
 - motor vehicle capital; and
 - other capital.
- confirming the selection and delivery of capital and network operating expenditure projects and programs are consistent with:
 - corporate objectives;
 - specific strategies;
 - operational plans; and
 - regulatory strategy.
- reviewing Board decisions relating to ISC matters

Individual investment proposals require review by the Network Steering Committee or Non-System Steering Committee noting endorsement outcomes. Submissions require endorsement of the relevant ELG member.

The Investment Evaluation Unit provides support to the committee in respect of financial matters.

Authorities

The Committee has been given the following authorities:

- endorsing annual capital and network operating expenditure budgets, reviewing long term capital and network operating plans;
- endorsing individual capital or network operating expenditure projects and programs; and
- where required, the Committee endorses proposals for

submission to the Board for approval.

Membership

The membership of the ISC will be the Executive Leadership Group; the Chief Executive Officer is the Chair.

A Secretary is also appointed to assist the Committee to perform its duties.

Meetings

Meetings will be held monthly. Meetings will be scheduled to allow sufficient informed input into the consideration process and to facilitate the preparation of any necessary Board Papers.

A quorum will consist of a minimum of three attendees including at least two members from Networks NSW or their delegates.

Members will be given adequate notice of meetings. The Secretary of the Committee will circulate the agenda and papers to the Committee members two working days before each meeting.

The Secretary of the Committee will allow sufficient time to discuss agenda items, and keep minutes to record proceedings.

Recordkeeping

The Minute Secretary is accountable for maintaining all records generated by the Networks NSW Investment Steering Committee in the Company's Recordkeeping System.

Reporting and Disclosure

The Committee will report to the Chief Executive Officer and the Board or Board Committees as required by their Charters.

Code of Conduct

The Committee is committed to the application of, and adherence to, the Code of Conduct.

Members are to declare any conflict of interest that may arise. The member should leave the meeting for that item, to allow the Committee to discuss the matter or to decide to invite the member to return for discussion of the matter.

In matters pertaining to the area of responsibility held by the Chairperson,

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COMMITTEE CHARTER**

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the Chairperson shall delegate the Chair to the alternate Chair.

Performance of the Committee and Review of Charter

At least annually, the Committee will have a formal review of its performance, and make recommendations to the Chief Executive Officer on changes to the Charter and Membership.

The Chief Executive Officer may change this Charter at any time.