



# Modern Slavery Statement

For the Period 1 July 2020 to 30 June 2021



## Letter from the WaterNSW Board of Directors

The Commissioner  
Australian Border Force  
Department of Home Affairs

20 October 2021

Submitted online via [slavery.consultations@abf.gov.au](mailto:slavery.consultations@abf.gov.au)

Dear Commissioner

On behalf of WaterNSW, I am pleased to submit this Modern Slavery Statement for the period 1 July 2020 to 30 June 2021 to the Department of Home Affairs for publication in the online register of Australian Modern Slavery Statements, as required under the Modern Slavery Act 2018 (Cth) (MS Act).

Consistent with our organisation's core values of Value our People and Drive Change, WaterNSW fully supports the objectives of the Modern Slavery Act. WaterNSW opposes all forms of slavery and forced labour in our operations and the operations of our suppliers.

This Modern Slavery Statement is for the WaterNSW Group, which includes WaterNSW (ABN: 21 147 934 787), a statutory State-Owned Corporation constituted under the State-Owned Corporations Act 1981 (NSW) and the WaterNSW Act 2014 (NSW); and its fully owned subsidiary, WaterNSW Infrastructure Pty Limited (ABN: 93 629 813 270).

This Modern Slavery Statement was approved by the Board of Directors of both WaterNSW and WaterNSW Infrastructure Pty Limited at their October 2021 board meetings.

Yours sincerely,

Kaye Dalton  
Chair (Interim)





## About WaterNSW

### Who we are

WaterNSW is a State-Owned Corporation established under the WaterNSW Act 2014 and operates under an Operating License issued and monitored by the Independent Pricing and Regulatory Tribunal (IPART). WaterNSW is also the 100% shareholder and parent of WaterNSW Infrastructure Pty Ltd. This Modern Slavery Statement covers both entities in the WaterNSW Group.

WaterNSW is an organisation committed to contributing to the prosperity and continued growth of communities across NSW by providing an essential service that can be relied upon.

### Our purpose

Water, delivered when and where it matters.

### Our vision

To support the resilience of NSW communities through our leadership in delivering water services, for generations to come.

### What we do

- **Source water protection:** protection of the Greater Sydney drinking water catchment to ensure safe water is supplied to Sydney Water, local councils and other distributors for treatment and distribution to their customers.
- **Bulk water supply:** supply water from our storages to customers in the Greater Sydney drinking water catchment, and in the state's regulated surface water systems.
- **System operator:** efficient management of the state's surface and groundwater resources to maximise reliability for users through operation of the state's river systems and bulk water supply systems, in collaboration with the Murray-Darling Basin Authority which directs operations of the River Murray system.
- **Infrastructure planning, delivery and operation:** meet customer-defined levels of service consistent with NSW Government policy and priorities to increase the security and reliability of water supplies to our customers and communities of NSW.
- **Customer water transaction and information services:** provide efficient and timely services to our customers for water licencing and approvals, water trades, billing and meet their water resource information needs for surface and groundwater quantity and quality.

### Our values

Our values are the foundation for how we operate. They apply to all employees employed by, or acting on behalf of WaterNSW, including contractors and temporary staff

In every decision we make, consider the benefit to our customers.

We support each other and all work together as one team.

We do what we say we will do and take ownership of our actions.



We are open to change and always improving the way we do things.

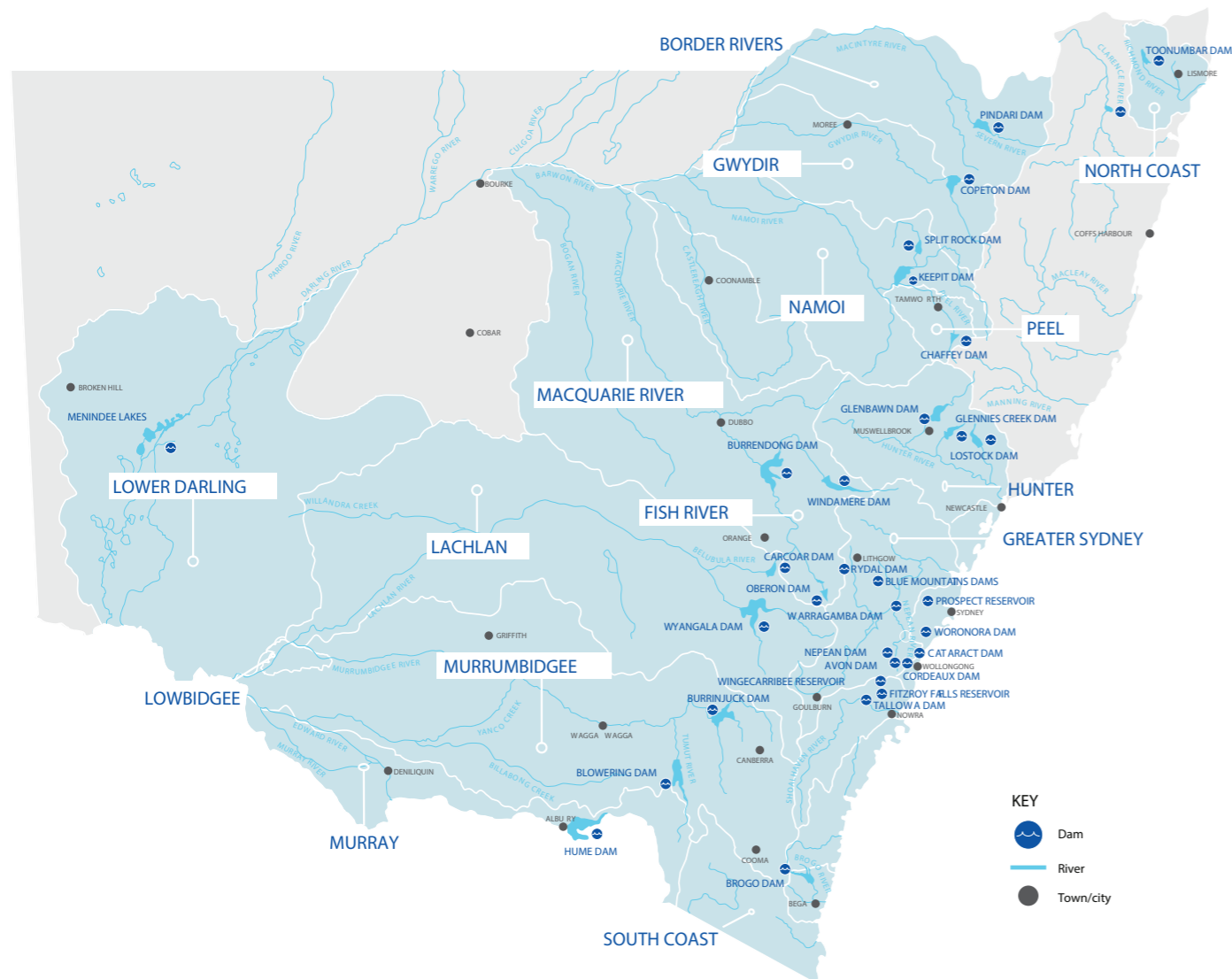
We take pride in Individual and corporate excellence.

We keep people safe, treat them with respect and are committed to growing our people.



## Our area of operations

Through our employees and contractors located across the state, we provide essential water services daily to tens of thousands of customers across NSW and manage our extensive operational assets, water monitoring and metering networks.



## Our Corporate Governance Structure

WaterNSW is constituted as a statutory State-Owned Corporation (SOC) under the State-Owned Corporations Act 1981 (NSW) and under the WaterNSW Act 2014 (NSW). WaterNSW Infrastructure Pty Ltd is a wholly owned subsidiary of WaterNSW.

We are regulated by several regulators, including:

- The Independent Pricing and Regulatory Tribunal (IPART) for operating licence compliance and customer pricing.
- The Environmental Protection Agency (EPA), and the Natural Resources Access Regulator (NRAR).

Our Governance Structure is shown below:

### Voting Shareholders/Shareholding Ministers of WaterNSW

- NSW Treasurer.
- NSW Minister for Finance and Small Business.
- Shareholders and share capital established under 20H State Owned Corporations Act 1989 (NSW).

### Portfolio Minister of WaterNSW

- NSW Minister for Water Property and Housing.
- Role of Portfolio Minister established under 20I State Owned Corporations Act 1989 (NSW).
- May give directions to WaterNSW in consultation with the Treasurer or shareholding ministers (subject to the State Owned Corporations Act 1989 (NSW), WaterNSW Constitution, WaterNSW Act 2014 (NSW)).

### WaterNSW Board of Directors

- Directors are appointed by the voting shareholders (section 8 WaterNSW Act 2014 (NSW)).
- Board complies with NSW Treasury Policy TPP 17-10: Guidelines for Governing Boards of Government Businesses.
- Accountable to the Voting Shareholders (see section 10 State Owned Corporations Act 1989 (NSW) and the WaterNSW Constitution).
- Subject to the direction of the Portfolio Minister (WaterNSW Constitution clause 5.5 (d)(i)).

### WaterNSW

Statutory State Owned Corporation - Parent Entity

- Established under the WaterNSW Act 2014 (NSW) and Schedule 5, State Owned Corporations Act 1989 (NSW).
- Functions specified in WaterNSW Act 2014 (NSW) and pursuant to Operation Licence (issued by IPART).
- Subject to WaterNSW Constitution.

### WaterNSW Infrastructure Pty Ltd

(controlled entity - wholly owned subsidiary)

- Established 5 November 2018 under the Corporations Act 2001 (Cth) as a wholly owned subsidiary of WaterNSW to provide bulk water transmission services for the supply of raw water to Essential Water in Broken Hill as the local water provider.
- Operates under the commercial disciplines of the NSW Government's Commercial Policy Framework.



# Our Supply Chain

## Our spend profile 2020-2021

During FY2020-21, WaterNSW spent \$269.3 million through its supply chain, and relied on over 1,250 suppliers to deliver our operations responsibly. Our highest risk of modern slavery is within our supply chain due to its complexity. We have identified Construction, ICT, Contingent Labour and Property to be our key high-risk areas.

## What we have done to assess and address our Modern Slavery risks within our Supply Chain during 2020-2021

WaterNSW recognises the importance of the protection of human rights and is committed to protecting the rights of our employees and contractors, and those within our supply chain. WaterNSW supports the objectives of the Act to eradicate modern slavery in all its forms.

To date, no instances of modern slavery have been raised within our business or supply chain.

Our modern slavery working group drives the delivery of our strategy which aims to eradicate modern slavery. It includes representation from Procurement, Risk and Compliance, Safety, People and Culture and Legal. The working group provides updates to the Executive Leadership Team and the WaterNSW Board has final oversight on our approach.

During 2020-21, the working group continued to understand our modern slavery risk and increased its focus on raising awareness of modern slavery throughout our organisation and supply chain. The continuous improvement initiatives undertaken by WaterNSW are summarised below.

### Raising awareness

This year, raising awareness has been the focus to help eradicate the risk of modern slavery. We've developed an approach which we believe helps our people and suppliers understand the importance of the issue and have the confidence to identify it and raise any concerns.

Recognising the important role each one of us can play, we developed our e-learning module and have undertaken awareness presentations. These awareness sessions set out to: -

- give an overview of what modern slavery is, including the relevance to our business, removing myths such as the fact that Australia is not impacted;
- highlight real-life scenarios, specific to our sector and our business;
- summarise the key indicators and how to spot them; and
- outline how to raise any concerns.

The e-learning module has initially been made mandatory for the procurement team and all contract managers who work with and manage our key supplier relationships.

During our supplier onboarding we share our approach to mitigating the risk of modern slavery and outline our expectations of suppliers to WaterNSW. We are committed to continuing and strengthening our level of supplier engagement on modern slavery awareness and training provisions, and we will review our approach based on the information derived from our supplier risk assessment questionnaire (more details under Supply Chain Risk Management).

### Supply chain risk management

With over 1,250 suppliers across our business, we recognise our ability to influence our supply chain and the opportunity we have, to help eradicate modern slavery.





From supplier evaluation to contract management, we are continuing to work collaboratively with our suppliers to gain insight and confidence in the steps they are taking to mitigate modern slavery risk. To date we have no instances of modern slavery raised in our business or supply chain.

Our **Supplier Code of Conduct** sets out the key principles and behaviours we expect our suppliers to adopt and to reflect through their work with us. This was updated in 2020 to ensure it is reflective of our commitment to addressing modern slavery and slavery like practices. In addition to proactively tackling modern slavery, we expect all individuals in our supply chain to be treated fairly.

All suppliers are now expected to demonstrate their compliance with the Modern Slavery Act 2018 during the tender stage. In addition, this year we issued questionnaires to our top 100 suppliers (which covered 70% of our supply chain spend) to assess the quality of their approach, ensuring that elements of risk assessment, supplier due diligence, training and awareness and recruitment processes had been considered.

Building on from our top 15 suppliers that were engaged in FY19-20, after taking reasonable steps to encourage completion of the questionnaire, a further 61 out of 85 suppliers have responded in FY20-21. The responses covered all key suppliers within our high-risk categories; and covered 70% of our contracted spend. The questionnaire allowed us to identify areas of risk, improvement, and provide support if required. We assessed and determined that the suppliers who didn't respond were low risk, and we continue to follow up. We will continue to expand the reach of our assessment so that we can work with our suppliers to manage the risk.

The key findings from the questionnaire were that the suppliers that were required to report under the new legislation had taken heed and had implemented the relevant policies, processes and awareness within their own organisation and started to look at their supply chain. Whereas, for organisations that were not legally obliged to report on steps taken to eradicate Modern Slavery, the majority had not or only just started on the journey to put the necessary governance controls in place.

**Summary of Risk Levels and Associated Scores: -**

Responses to the Modern Slavery questionnaire were assessed and scored, and a risk rating based on this scoring was then applied using our Risk Framework considering likelihood of consequence and potential impact.

Almost all the larger suppliers scored between 85-100 out of 100 – which related to a low or medium risk. Whereas, for the smaller suppliers, 2 out of every 3 scored less than 70 meaning there were a few gaps in the policy and processes and therefore a greater risk within our supply chain.

Risk Level	Auto-Scoring	Reportable Entity Revenue > \$100m	Non-Reportable Entity Revenue < \$100m
Low	86-100	33	8
Medium	71-85	5	4
High	51-70	1	11
Extreme	<=50	0	14

**Findings from the questionnaire**

As expected, suppliers with spend greater than \$100m p.a. (reportable entities who must comply with the MS Act) had a high level of maturity with policies and processes in place to monitor and manage the risk of modern slavery within their own organisation and within their extended supply chain. This resulted in an assessment of a low risk to WaterNSW.

Suppliers with spend less than \$100m p.a. (non-reportable entities under the MS Act) had a lower level of maturity with minimal policies or processes in place. There was less awareness of risks around modern slavery within their organisation and/or supply chain resulting in an increased risk to WaterNSW.

Of the suppliers who are bound to comply with the Modern Slavery Act, only 1 supplier was identified to be of high risk due to reporting that minimal policies and processes had been put in place, with no further commentary to clarify that this was in progress or planned to be implemented. However, when the Modern Slavery statement was released by the supplier, all actions identified on completion of the questionnaire had already been addressed by the supplier or were in progress, so no further action was taken.

We are committed to supporting all suppliers as they develop an effective approach to modern slavery mitigation. We also plan to implement a Supply Chain Risk Monitoring solution during 2021 and have decided to take a targeted approach, focussing initially on our 50 high-risk strategic suppliers as a priority. The chosen solution will be provided by Beroe who will provide WNSW with visibility of our supplier's compliance credentials and assessment of event-led disruption on our supply chain.







## Summary of key actions taken in during FY20-21

What we said we would do	What we have achieved
<ul style="list-style-type: none"> <li>Develop a broad-based Supply Chain assurance program as part of a Supplier Risk Management Framework which will include a Supplier Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>Supply Chain assurance program progressed, with:               <ul style="list-style-type: none"> <li>Developed Supplier Risk Management Framework;</li> <li>Supplier Code of Conduct updated and incorporated into our onboarding process;</li> <li>Supplier Performance Management and Contract Management expectations defined and incorporated into training materials and documentation;</li> <li>Embedded our Modern Slavery questionnaire in all tenders and clauses in our contract terms and conditions for all purchases of goods and services.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>Roll out the Modern Slavery questionnaire to all tier 1 suppliers in our high modern slavery risk categories (in the order of 40 suppliers).</li> <li>Once we are satisfied with the supply chain assurance with our tier-1 suppliers, we will develop a plan for our tier-2 suppliers and beyond.</li> </ul>	<ul style="list-style-type: none"> <li>Modern Slavery questionnaire was rolled out to 15 suppliers in 2019/20 and a further 85 suppliers in 2020/21. The questionnaire was completed by 76 out of our top 100 suppliers and included all tier 1 suppliers in our high-risk categories. This covered 80% of our contractual spend. We continue to follow up the outstanding questionnaires.</li> </ul>
<ul style="list-style-type: none"> <li>Expand on the Modern Slavery training by progressively rolling out to relevant Contract Managers managing major contracts.</li> </ul>	<ul style="list-style-type: none"> <li>Continued to raise awareness of modern slavery risks through increased communication with our staff and supplier engagement activity.</li> <li>Established an organisation wide Modern Slavery e-learning module which was mandatory for all Contract Managers managing major contracts.</li> <li>Awareness presentation prepared and will be delivered during 2021/22.</li> </ul>
<ul style="list-style-type: none"> <li>Investigate subscribing to a supplier and supply chain monitoring service.</li> </ul>	<ul style="list-style-type: none"> <li>Supply Chain Risk Management solution assessed and selected.</li> </ul>
<ul style="list-style-type: none"> <li>What else have we done:</li> </ul>	<ul style="list-style-type: none"> <li>Reviewing our approach - engaged external expertise to look at our approach when compared with other organisations. Forum established across the NSW Water Industry (WNSW; Sydney Water and Hunter Water) to establish best practice and identify opportunities to collaborate with each other.</li> <li>Established a whistleblowing hotline – which allows for the reporting of any actual or potential modern slavery concern and the approach we would take should a victim be identified within our business or supply chain has been outlined.</li> </ul>



## What we propose to do next year

We know we are on a journey of continuous improvement and have identified areas of focus for the year ahead in addition to our business-as-usual measures to prevent modern slavery.

### Key areas of focus for 2021/22 will be:

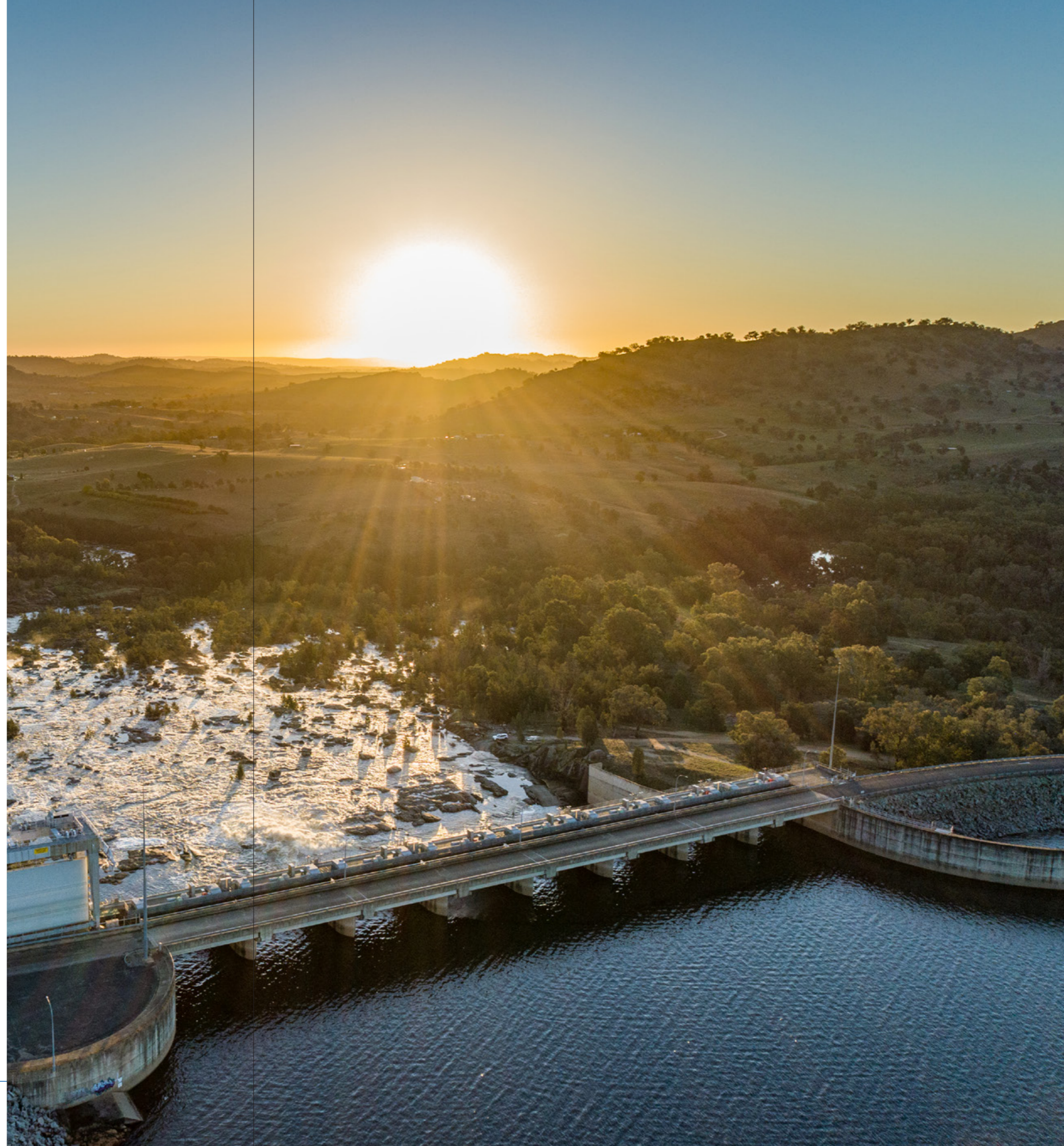
- Increase training and awareness for targeted groups, including all Senior Managers, by rolling out the e-Learning module and awareness learning sessions.
- Continue to assess our training requirements proportionate to specific roles.
- Explore an appropriate staff event or communication for Anti-Slavery Day on 18th October 2021. To raise awareness of modern-day slavery and human trafficking.
- Continue assessing risk across our high-risk supplier categories.
- Implement the Supply Chain Risk Monitoring solution to risk profile our top 50 high-risk strategic suppliers as a priority.
- Continued communication and engagement with our supply chain around our values, Code of Conduct, and expectations.
- Define our key performance indicators (KPIs) to help us to monitor and report on the effectiveness of our actions to mitigate against modern slavery.
- Collaborate with others in our sector to drive collective action.

### Conclusion

Over the last two years we have taken positive steps to mitigate the risk of modern slavery. We have started to clearly set out our expectations with our supply chain and have increased awareness to ensure everyone who works for WaterNSW knows about the risk of modern slavery and how to raise concerns. If a case of modern slavery is raised, we have established processes for escalation and remediation.

We believe our approach is proportionate to the risk and we have a clear action plan for the year ahead.

However, we are not in any way complacent and take our responsibility to help eradicate modern slavery in our business and supply chain very seriously. We recognise the consistently changing nature of modern slavery and are committed to continually reviewing and improving our approach.







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