



Modern Slavery Statement 2019-20

This is Gippsland Water's first Modern Slavery Statement in accordance with Modern Slavery Act 2018 (Cth).

Central Gippsland Region Water Corporation trading as Gippsland Water (ABN 75 830 750 413) is one of Victoria's large regional water corporations. A statutory corporation under the Water Act 1989 (Vic), Gippsland Water serves customers across 43 towns drawing supply from 13 different sources.

With 306 operational, engineering, financial, environmental and administrative employees, we are a major local employer for the region serving a population base of 147,000 people.

We deliver water to 71,963 households and businesses and wastewater services to 64,559 households and businesses. Our customers include major industries, some of which are of state and national significance.

Our operational area spans from Drouin in the west, to Loch Sport in the east, from Briagolong in the north, to Mirboo North in the south. This covers approximately 5,000 square kilometres in the municipalities of Latrobe City, Baw Baw, South Gippsland and Wellington Shires (refer Attachment 1).

In addition to providing water and wastewater services, we have a number of commercial business interests comprising of an agricultural business and an organic waste management facility as outlined in our organisation structure (refer Attachment 2).

These businesses are an integral part of what we do and provide benefit both to us, our customers, the region and the state.

Our agribusiness operations help us to both effectively manage and reuse treated wastewater and treated wastewater by-products. Our agribusiness operations include 12 farming sites producing a combination of beef, fodder crops, grains and plantation timber.

Our largest farm, Dutson Downs, is located 25 kilometres south-east of Sale and spans 8,341 hectares.

This is also where we operate our Organics Recycling Facility.

Primarily founded to process our internal waste streams and offset the costs of disposal, the facility transforms more than 200,000 tonnes of waste each year into valuable, nutrient-rich composts that are then used by farms and other horticultural enterprises right across Victoria.

Our Operations and Supply Chain

Gippsland Water is committed to operating our business lawfully and ethically, and working with suppliers that are aligned to our values, including corporate social responsibility, environmental and workplace safety protection, and staff inclusion and diversity. Gippsland Water requires our suppliers to operate in accordance with all applicable modern slavery laws.

Gippsland Water's operations make a significant positive contribution to our region's economy and liveability. During 2019-20, the organisation had a \$141 million turnover supported by \$1.3 billion in assets and spent \$51.6 million in capital and related infrastructure works.

Gippsland Water's supply chain includes the purchase of products and services needed for the businesses day-to-day operations including water and wastewater treatment chemicals, materials, external technical and professional services, office supplies, employment and training of staff, external legal advice, IT infrastructure and support services.

Our key operations and supply chains are as follows:

Operations	Supply Chains	
Asset Maintenance	<ul style="list-style-type: none"> Water treatment services Waterways Operations & maintenance of assets 	<ul style="list-style-type: none"> Operation & maintenance of facilities Land care services & conservation management
Construction	<ul style="list-style-type: none"> Engineering, Constructions & Major Projects 	<ul style="list-style-type: none"> Engineering consulting / technical services
Corporate	<ul style="list-style-type: none"> Purchase & lease of properties Electricity, gas, utilities Commercial travel Freight, couriers & mail Temporary labour hire Professional services Marketing & advertising 	<ul style="list-style-type: none"> Staff training services Fleet purchase, maintenance & operation Stationery & office equipment Security services Research Insurance services
Customer	<ul style="list-style-type: none"> Call centre services Customer research services 	<ul style="list-style-type: none"> Debt collection services Printing of bills & notices
Equipment & Materials	<ul style="list-style-type: none"> Supply & Storage of chemicals Hire of construction equipment 	<ul style="list-style-type: none"> Service & maintenance of equipment Consumable supplies
Information Technology	<ul style="list-style-type: none"> Supply of IT hardware Telecommunication expenses 	<ul style="list-style-type: none"> IT Software & licensing IT Services

Risks of modern slavery practices

Gippsland Water has formal policies in place that promote ethical and legally compliant business conduct. Our policies contribute to our commitment to prevent violations of



human rights such as modern forms of slavery in our business including the Supplier Code of Conduct, and Public interest Disclosure (whistle-blower) Policy.

Gippsland Water is a member of the Social Procurement Working Group (SPWG), a VicWater sponsored group of Victorian Water corporations, initially formed in 2017 to address social procurement, then expanded to include modern slavery risk in the supply chain. In 2019 the SPWG engaged Action Sustainability (now incorporated into KPMG Banarra) to uplift knowledge across the sector, provide guidance regarding Modern Slavery Statements and to identify collaborative opportunities to address modern slavery risk in our common supply chains.

The SPWG undertook a risk assessment of the industry's products and services to determine where efforts should be focused; six portfolios, each containing numerous categories, were identified (refer Table 1). A customised heat map, aligned with ISO 20400, was developed which ranked potential risk across the sectors operations and supply chains and can be used by all Victorian water corporations to assess modern slavery risk. Following a collaborative and cross-functional review process, involving 55 participants across 10 water corporations, the following categories were identified as representing potential human rights risks;

- Asset maintenance: ongoing operations and maintenance of facilities, grass cutting, herbicide application;
- Construction: construction labour and engineering technical services;
- Corporate: temporary staff, labour hire and traineeship programs, security;
- Customer: debt collection services, customer research services;
- Equipment and materials: mechanical and electrical equipment, chemical products;
- ICT: offshore IT services.

Actions being taken to assess and address these risks

Following the aforementioned activities the SPWG embarked on a modern slavery capability building program to develop a consistent and scalable fit for purpose solution for use by metropolitan and regional water corporations. The program was delivered in two parts:

- Part 1: webinar on Human Right and Modern Slavery, the Modern Slavery Act, business drivers and case studies.
- Part 2: action planning workshop to develop a draft response to the intent of the Modern Slavery Act. This included analysis of human rights, market dynamics, stakeholder issues and cost implications in order to develop a comprehensive view of key factors influencing how to address human rights in specific categories. A shared strategy was developed to collaborate on human rights abuse in high risk categories.

The modern slavery capability building program identified three categories for investigation;



- Cleaning services: improve transparency of supply chain;
- Provision of off-shore engineering consultancy services (drafting): improve integration of human rights practices; and
- Diversity and inclusion in various products and service relating to treatment operations, in particular the supply of chemicals: generate sustainable work experience for disadvantaged communities.

These categories will be addressed by the SPWG during 2020-21 under which contractual clauses, tender templates, supplier evaluation tools and contract management will be reviewed and enhanced or developed to mitigate the risk within each category. The learnings from the SPWG activities will be used as a basis for on-going examination of modern slavery risk in our operations and supply chains.

In addition to the capability building program mentioned above, Gippsland Water will be incorporating modern slavery awareness into our contract management plans and developing modern slavery requirement training content for staff in contract management roles (to be implemented in 2020-21).

Assessing the effectiveness of these actions

During 2019-20, Gippsland Water's actions have:

- Enabled collaboration and sharing of information between water corporations through the SPWG program of work;
- Built internal capability and understanding of modern slavery risks; and
- Identified potential modern slavery risks in the supply chains.

During 2020-21, Gippsland Water will work closely with the SPWG to understand where we have been effective in collectively addressing modern slavery risk in our industry's supply chains and to identify opportunities to improve.

The way forward

The actions planned for 2020-21 include:

- Conduct due diligence on high risk supply chains;
- Implement training for staff in modern slavery requirements; and
- Updating contracts and tender documentation to contain modern slavery terms.

Gippsland Water will be participating in the following water sector activities in 2020-21:

- Developing a tailored procurement toolkit, focussing on the management of human rights and labour issues, including modern slavery;
- Adapting the toolkit based on shared learnings; and
- Participate in a national Forum to explore the implementations of an Australian water industry supplier evaluation and engagement initiative.



Approval

The Modern Slavery Statement was approved by the Board of Gippsland Water on 26 February 2021.

A handwritten signature in black ink, appearing to be "Therese Ryan", written over a faint circular stamp or watermark.

Therese Ryan
Board Chair
Central Gippsland Regional Water Corporation
Date: 26 February 2021

ATTACHMENT 1 – Gippsland Water Service Area



ATTACHMENT 2 – Gippsland Water organisational structure

ORGANISATIONAL STRUCTURE

