

# Modern Slavery Statement 2021-22

This is Central Highlands Water (CHW) Modern Slavery Statement 2021-22 in accordance with the *Modern Slavery Act 2018 (Cth)*.

## Traditional Owners Acknowledgement

CHW acknowledges the Traditional Owners/Peoples of the land on which we operate including Dja Dja Wurrung, Wadawurrung, Wurrundjeri Woi Wurrung, Tjap Wurrung, and Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagulk Peoples.

We pay our respect to the Elders of these communities past, present and emerging, acknowledging that they have been custodians of land and water for many centuries and that their continuing culture and contribution is important to the life of the region.

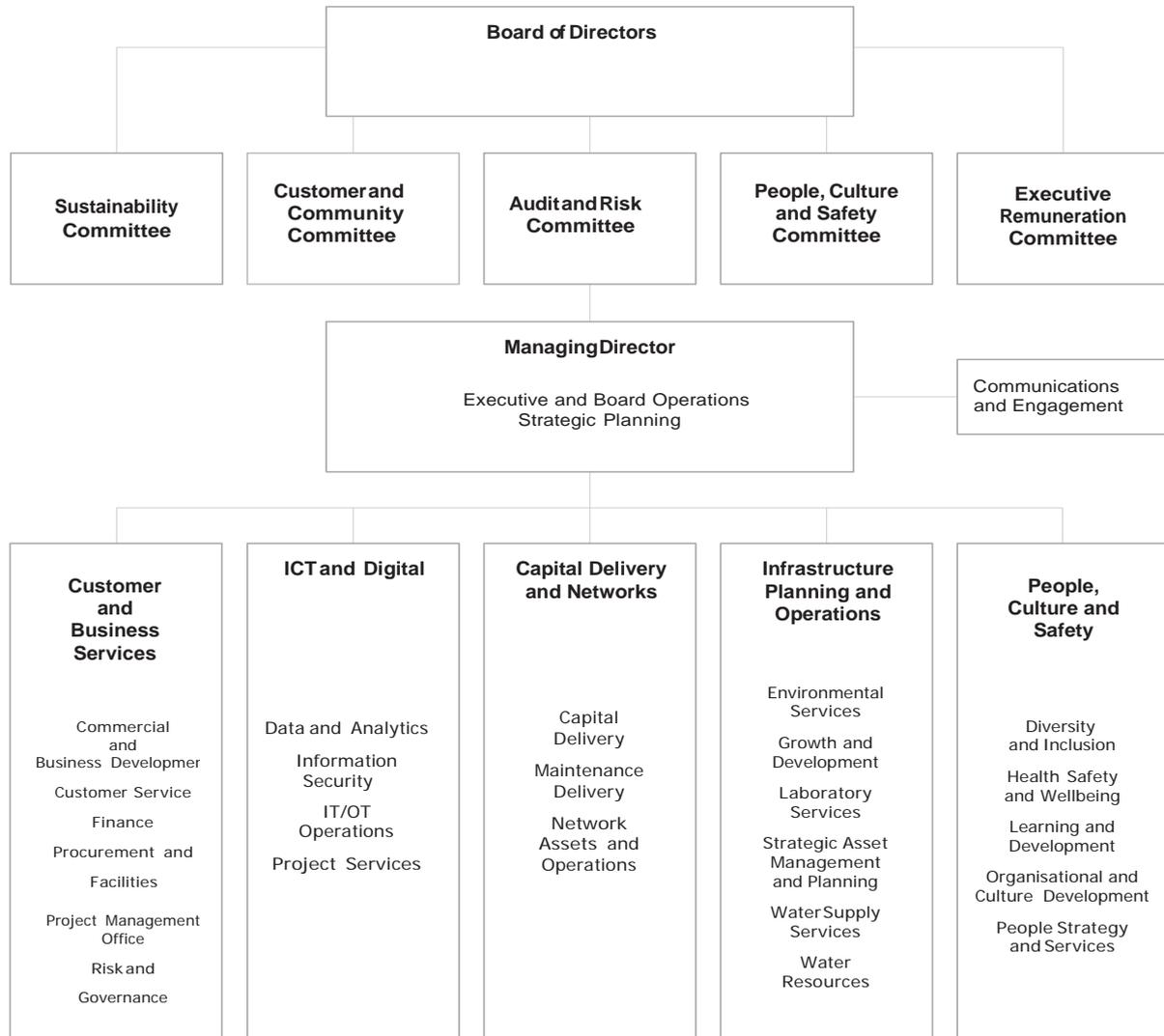
## About CHW

CHW, with its administrative center in Ballarat, is one of 13 regional urban water corporations formed under the *Water Act 1989*. CHW is fully owned by the Victorian Government and reports to the Minister for Water.

CHW provides water supply and sewerage services through 70,500 water supply connections and 66,000 wastewater service connections to 162,000 people.

Our area of operations takes in 9,275 square kilometers. Straddling the western fringes of the Great Dividing Range, our service area incorporates the local government areas of Ballarat City Council, Central Goldfields Shire Council, Golden Plains Shire, Hepburn Shire Council, Pyrenees Shire Council, Northern Grampians Shire Council and Moorabool Shire Council (refer to Attachment A).

## Operational structure



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## Our Operations and Supply Chain

CHW current strategic priorities are represented by the following strategic framework.

Progress against each strategic pillar is regularly reviewed by each relevant Board sub-committee. CHW supports the progression of the UN's Sustainable Development Goals, which is a national commitment by the Australian Federal Government.

OUR VISION	<b>OUR WATER, OUR CUSTOMERS, HEALTHY LIVING</b>			
OUR MISSION	Together, we provide quality water and wastewater services, safely, efficiently and sustainably to communities in the Central Highlands region.			
OUR VALUES	Integrity	Teamwork	Leadership	Care
STRATEGIC PILLARS	 <p><b>SUSTAINABLE ENVIRONMENT AND WATER RESOURCES</b> We will ensure our community has sufficient water resources to live and invest with confidence while improving environmental outcomes.</p>	 <p><b>CUSTOMER AND COMMUNITY</b> We will engage and act on the voice of our customers to deliver exceptional experiences.</p>	 <p><b>AGILE BUSINESS MODEL</b> We will continually evolve our business model to provide the most efficient and effective 24/7 service.</p>	 <p><b>SAFETY AND OUR PEOPLE</b> We will continue to develop a collaborative, safe and fair workplace team capable of meeting all future challenges.</p>
BOARD SUB-COMMITTEES	Sustainability Committee	Customer & Community Committee	Audit & Risk Committee	People, Culture & Safety Committee
<b>KEY COMMITMENTS</b>				
STATEMENT OF OBLIGATIONS	<ul style="list-style-type: none"> <li>• Planning</li> <li>• Water Services</li> <li>• Emission reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Customer and community engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Price submission</li> <li>• Governance</li> <li>• Compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Risk management</li> </ul>
WATER FOR VICTORIA	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Resilient and liveable cities and towns</li> </ul>	<ul style="list-style-type: none"> <li>• Customer and community</li> <li>• Aboriginal values</li> <li>• Recreational values</li> </ul>	<ul style="list-style-type: none"> <li>• Financial sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Leadership and culture</li> <li>• Health and safety</li> </ul>
CUSTOMER OUTCOMES	<ul style="list-style-type: none"> <li>• Reliable and sustainable water and sewer systems</li> </ul>	<ul style="list-style-type: none"> <li>• Better customer experience</li> <li>• Safe clean drinking water that tastes great</li> <li>• More efficient water use</li> </ul>	<ul style="list-style-type: none"> <li>• Increased value for money</li> </ul>	<ul style="list-style-type: none"> <li>• Safety</li> </ul>
STRATEGIC RISKS (THREATS)	<ul style="list-style-type: none"> <li>• Drinking water quality</li> <li>• Climate change</li> <li>• Infrastructure sustainability</li> <li>• Environmental impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Customer needs</li> </ul>	<ul style="list-style-type: none"> <li>• Financial sustainability</li> <li>• Cyber and security threat</li> <li>• Governance and compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Health and safety</li> </ul>
STRATEGIC RISKS (OPPORTUNITIES)	<ul style="list-style-type: none"> <li>• Environmental regeneration</li> </ul>	<ul style="list-style-type: none"> <li>• Business transformation</li> <li>• Partnerships and stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Dynamic business model</li> </ul>	<ul style="list-style-type: none"> <li>• People and culture</li> </ul>
<b>SUPPORTING</b>				
THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS				

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CHW's is committed to the procurement of goods and services that achieve sustainable value for money, whilst enabling and facilitating the delivery of services to our customers that demonstrates transparent and accountable expenditure of public funds.

CHW seeks to achieve this commitment by complying with the following principles:

- provision of a safe workplace
- sustainable business practices
- value for money
- open and fair competition
- accountability and responsibility
- risk management
- probity and transparency.

Our key operations and supply chains are:

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

## Risk of Modern Slavery Practices

CHW is a foundation member of the Social Procurement Working Group (SPWG), a VicWater led initiative with representation from various Victorian Water Corporations, with a focus on sharing information, promoting consistency in policy and processes, and supporting strategic approaches in supply chains including modern slavery risks.

The ambition behind the creation of the SPWG was for the representing Water Corporations to take an industry lead position in managing sustainability issues and opportunities, namely environmental, social and economic issues and opportunities within their supply chains.

With sustainability issues including modern slavery risks recognised as particularly important, and common across Victorian water corporations, a collaborative approach to their management has been adopted.

The introductions of the Modern Slavery Act 2018 (Cth) and the Victorian Social Procurement Framework confirmed the appropriateness of this approach to expedite and inform effective actions.

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The SPWG established and published their Terms of Reference on the VicWater website to ensure consistency in understanding, and set a strong foundation for the development and progression of their program of work.

## Understanding outcomes of the risk assessment

The SPWG Group jointly funded a third-party specialist Action Sustainability (now incorporated into KPMG Banarra) to design a supply chain risk assessment tool to assist its members to evaluate the degree modern slavery existed in their supply chains.

It was designed with the purpose of assessing the categories of procurement spend of Victorian water corporations for sustainability risks and opportunities, including human rights. 41 categories of product and services covering typical procurement spend of water corporations were assessed and structured into six portfolios: Asset Maintenance, Construction, Information Technology Consulting (ITC), Equipment and Material, Corporate, and Customer.

The risk scores and commentary produced by the completion of this supply chain risk assessment identified human rights risks, including modern slavery risks, across all six portfolios of typical water corporation procurement spend. The categories of spend within each of these portfolios that presented human rights risks are outlined below:

- **Asset Maintenance portfolio:** Ongoing operations and maintenance of facilities (including cleaning), grass cutting, herbicide application/edge treatment
- **Construction:** Construction labour (minor and major projects) and offshore engineering 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
- **Information Technology:** Offshore IT Services

Following this sustainability risk assessment of the above categories, two target categories were prioritised to develop a human rights risk management strategy. These were cleaning services and offshore engineering services.

A third category, water treatment services, was also targeted for the development of a strategy to capture an opportunity to increase inclusion and diversity.

## Our actions

The SPWG have now developed and piloted the Procurement Toolkit which contains resources and materials that are adaptable to each water corporation's context to support them to;

- identify labour rights risk, including modern slavery;
- engage with suppliers to understand their residual labour rights risk; and
- manage that supplier relationship to ensure that labour rights are respected.

CHW also continue to support the Victorian State Government commitment to ethical, sustainable and socially responsible procurement through the inclusion of the Supplier Code of Conduct (Code) in all tender processes.

In order to be considered, Tenderers must declare their adherence to this code.

The code describes the minimum expectations of the conduct of its suppliers in relation to:

- integrity
- ethics and conduct
- conflicts of interest
- gifts, benefits and hospitality
- corporate governance
- labour and human rights
- health and safety
- environmental management

In 2021–22 CHW developed and refined a new Diversity, Inclusion and Accessibility Plan 2021–2025. In addition, as a requirement of the Gender Equality Act 2020, CHW created an inaugural Gender Equality Action Plan (GEAP) 2021–2025. Both the Diversity, Inclusion and Accessibility Plan and the GEAP continue to support CHW's commitment to diversity, inclusion, equity and accessibility.

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## Looking Forward

CHW will continue to strengthen our stance against modern slavery by further imbedding the SPWG Procurement Toolkit into our tendering processes particularly in those supply chains identified as being of high risk.

The Victorian State Government's Supplier Code of Conduct (Code) will continue to be mandated in all tender processes with failure to complete or non-conformances resulting in tenderers being excluded from the tender evaluation.

Our Procurement Policy, Framework and practices will continue to support with the objectives and actions from our GEAP 2021-25.

CHW will continue to be a representative on the SPWG through attendance at meeting, workshops and driving initiatives to further build the Water Corporations capabilities to combat Modern Slavery in our supply chains.

## Approval

This Modern Slavery Statement was approved by the Board of Central Highlands Water on Wednesday 14 December 2022.



Jeff Haydon

Managing Director

Central Highlands Water

21 December 2022

