

Seqwater Modern Slavery Statement FY20-21

This Modern Slavery Statement has been published in accordance with the *Modern Slavery Act 2018 (Cth)* (the Act). It describes the steps taken by the Queensland Bulk Water Supply Authority (trading as Seqwater) (Seqwater) ABN 75 450 239 876 to address and assess the risks of modern slavery in its operations and supply chain. Annexure 1 tables where these steps are addressed in this Statement.

Seqwater's reporting period is 1 July 2020 to 30 June 2021.

1. Introduction

This is Seqwater's second Modern Slavery Statement (Statement). This Statement outlines the steps taken towards refining our response to understanding, identifying, managing and mitigating modern slavery risks in our supply chain and operations.

During this reporting period, we have reflected on, and revisited, our initial Statement and have identified continuous improvement opportunities to further support our modern slavery strategy.

For more information on our performance, corporate strategy and governance, refer to our annual statement available on our Corporate Publications page at <https://www.seqwater.com.au/corporate-publications>.

2. Structure, Operations and Supply Chain

Seqwater is the Queensland Government's statutory authority established under the *South East Queensland Water (Restructuring) Act 2007 (Qld)*. Seqwater works with its customers to ensure provision of water for households, industry, agriculture and power generation along with maintaining popular recreational facilities and managing dams.

Water is fundamental to a livable region by sustaining communities and underpinning the economy with a bulk water supply that is safe, affordable and reliable. Seqwater is committed to our vision of *Water for Life*, our promise of *Safe for Life*, and to working with its stakeholders, customers and communities to deliver this essential service in a way that aligns with community views and values.

We understand the importance of recruiting and remunerating our workers appropriately and sourcing goods and services responsibly. We make a conscious effort to source suppliers based locally, both within Queensland and Australia as part of our procurement practices, which are underpinned by the principles of the Queensland Procurement Policy.

Our goal is to work with our suppliers to increase our understanding of our supply chain and support informed decision making within our procurement practices. This includes educating our workers and suppliers and setting clear expectations of our modern slavery requirements.

2.1 Structure

With its main office in Ipswich, Queensland, Seqwater is led by a Board of six non-executive and independent Board Members who are appointed by, and accountable to, two Queensland Government responsible Ministers (the Minister for Regional Development and Manufacturing and Minister for Water and the Queensland Treasurer and Minister for Investment). The Board is supported by the Chief Executive Officer and seven executive general managers who are responsible for leading their functional business groups.

The Seqwater Board is responsible for the way Seqwater perform its functions and exercises its powers under the *South East Queensland Water (Restructuring) Act 2007 (Qld)*. The Board's role is to set strategy and direction and provide the governance framework for the organisation through the endorsement of financial, administrative and operational policies.

Seqwater does not own or control any other entities.

2.2 Operations

Seqwater owns and operates the South East Queensland Water Grid, a 600-kilometre two-way pipeline network that enables treated drinking water to be moved around the region within the capacity limitation of those pipelines. Our role is to source, store, treat and supply water from catchments and climate-resilient sources for a high quality and reliable water supply.

On behalf of our communities, we build, manage and maintain water supply assets, including dams, weirs, conventional water treatment plants, reservoirs, pumps and pipelines, the Gold Coast Desalination Plant and the Western Corridor Recycled Water Scheme.

We supply bulk treated drinking water to five retailer customers: Unitywater, Urban Utilities and the water businesses of the Logan, Redland and Gold Coast city councils. These retailers in turn deliver drinking water to consumers through their distribution networks.

In addition to urban bulk water supply, we provide irrigation water to approximately 1,200 customers through seven water schemes. Seqwater also has arrangements in place to supply water to Toowoomba and Gympie regional councils, power stations operated by Stanwell Corporation and CleanCo, and provides access to diverse recreation opportunities on many of Seqwater's land and water storages.

Seqwater currently employs more than 600 workers, working across South East Queensland. We engage talent using robust and defensible recruitment practices governed by relevant policies and procedures, which are consistent with legislative requirements. Our workers are engaged under the terms of our Enterprise Bargaining Agreement and individual Common Law contracts. Where temporary resources are required, Seqwater sources potential candidates through agencies compliant with the *Labour Hire Licensing Act 2017 (Qld)*.

2.3 Supply chain

Seqwater offers work through tenders, contracts and other arrangements across a range of industries. We primarily engage Australian-based companies who source materials for supply to us (such as drinking water treatment chemicals) or who engage resources (such as specialist consultants) to provide services to us.

We work with many suppliers to provide goods and services to support the delivery of our business objectives. Our portfolio has approximately 2,100 active suppliers who range from small, local businesses through to global multi nationals. Our supply chain includes several higher risk goods and services such as chemicals, cleaning, security, construction, spare parts, textiles and electronics and also includes services provided by specialist consultants and contractors.

We recognise the importance of considering the length and sectorial risk of our supply chains and how these could potentially be linked to modern slavery. Our goal is to work with our suppliers to increase our understanding of our supply chain. This will assist us to engage more meaningfully with the requirements of the Act, allow us to make more informed decisions, and to further enable us to support and to work collaboratively with our suppliers in understanding the risks of modern slavery.

2.3.1 COVID-19

Seqwater's initial response to Covid-19 focused on protecting its workforce while maintaining services and the safety of its assets. The Covid-19 threat continued to challenge us throughout the reporting period and was a reminder of the critical role Seqwater plays in supporting a healthy, livable and prosperous community.

Site access restrictions and strict hygiene practices have remained in place on all operational sites to protect frontline, operational staff. More than 65% of Seqwater's workforce continue to operate from home in response to ongoing restrictions and we continue to work closely with our suppliers to ensure chemicals and other key inputs from around Australia have been secured throughout the pandemic.

Seqwater established a COVID-19 Management Plan (supported by the Seqwater Pandemic and Business Continuity Plans). This plan outlines some twenty specific action plans including workforce, stores and stockholdings and critical supply chain items (i.e. critical spares). As part of these plans, Seqwater completed an assessment to understand the challenge to supply continuity and required suppliers to document their supply chain risks and provide pandemic business continuity plans.

3. Risk of modern slavery

The key external drivers for our supply chain are: population, weather conditions, capital expenditure to deliver the annual capital program, availability of water (e.g. dam levels) and agricultural irrigation water use.

As our first-tier supply chain is almost exclusively Australian based we are exploring a sectorial approach with geographic, product, services and entity risks forming part of our due diligence activities. Further, and in line with industry sector reports, we have identified our predominant first tier suppliers as engineering consulting, industrial and agricultural chemical product wholesaling, heavy industry, electricity distribution and other non-building construction. Our second-tier suppliers are identified as electricity transmission, employment placement and recruitment services, machinery and scaffolding rental and basic inorganic chemical manufacturing.

We have also identified risk potential in services such as security, cleaning, labour hire and via our purchase of goods such as textiles, branded and technology products.

4. Risk mitigation and remediation

We have Board and management approved governance arrangements that reflect our legislative obligations and guidelines for government owned corporations and statutory authorities, such as Seqwater. Our workers have access to governance documents and training and awareness support to ensure we achieve compliance with our legal obligations and corporate responsibility to various stakeholders, customers, community partners, and the public.

We recognise the importance of sourcing goods and services responsibly. As such, we make a conscious effort to source ethical suppliers based within Australia as part of our procurement practices and as outlined in the principles of the Queensland Procurement Policy.

During our initial reporting period, we engaged a third-party consultant to assist us in understanding our obligations under the Act. Our consultant performed a high-level risk assessment of our supply chain to assist with our priorities moving forward and to support our continuing improvement. Over this reporting period, we have considered these initial risk scoping exercises and have used them to inform the maturation of our response to aid the coherence of our evolving modern slavery strategy.

For this reporting period, we adopted a high-level review process, generally in line with those undertaken for entry to the modern slavery register, to confirm that those suppliers reporting the threshold revenue had a published statement. We have also conducted desktop reviews of a selection of these statements to assist with understanding our supplier maturity levels.

The initial assessment of our operations and supply chain identified that transparency and visibility beyond our first-tier suppliers (i.e. point of direct purchase) is another key risk for Seqwater. We are aiming to progressively develop a more comprehensive understanding of our supply chain to provide improved visibility and inform our approach to supply chain risk assessments. This may include consideration of a tiered approach (i.e. differing assessment conditions dependent on sector, tier, complexity and other identified risks such as entity type).

Further, our assessment has provided clarity around our predominant risk, that is, the potential to have modern slavery risks which may be directly linked to our supply chain rather than causing or contributing to these risks through our own activities.

Over this reporting period, and as part of our broader organisational strategic reflections, we have also embarked on an assessment of our enterprise risk management, have commenced refocusing our supplier management framework and have undertaken an organisation wide review of policies including inclusion of matters such as child protection and engagement.

We have transitioned many of our temporary contracted workers to permanent positions with our temporary workforce now accounting for some 25 percent of our workforce (including our graduates, trainees and apprentices). Importantly, we have reduced our reliance on labour hire to fewer than 20 positions as at 30 June 2021.

We acknowledge that the assessment of our supply chain is an ongoing endeavour as these risks may change over time.

4.1 Actions taken

As reported in our initial statement, we were supported by an external third-party consultant to assist us with planning our response. This engagement included identification of our compliance obligations, creation and performance of high-level risk assessment of our supply chain for goods and services. Our consultant also documented actions to be taken through the development of a compliance management plan to monitor and track actions during the 2020-2021 financial year.

Over this reporting period, we progressed many of the initiatives in this compliance plan through to completion, however, as noted above, on considering the effectiveness of this plan, we acknowledged that we needed a stronger structural foundation to work from. As such, we have commenced a robust assessment of our modern slavery strategy and have refocused our attention to foundational and 'pilot' activities. We are currently investigating the use of specialist support for ongoing review and guidance associated with areas of risk and the development of our key mitigation strategies.

We have also updated our external website to include publication of our expectations of our suppliers and a dedicated page on this site to modern slavery including a link to this Statement.

In addition, further actions from the last reporting period include:

Actions Taken (up until 30 June 2021)

- Developed a response protocol to provide reporting guidance and assistance to our workers in circumstances of suspected modern slavery in our operations. This includes details of our anonymous whistleblower hotline and employee assistance programs
- Developed a Seqwater Modern Slavery Policy Statement (approved by our Board on 26 March 2021) and made available on our external website
- Developed a Seqwater-specific Supplier Code of Conduct (published on our external website and now a component of our requirements for onboarding new suppliers)
- Created templates to assist suppliers in responding to the new requirements as stated within the Seqwater established modern slavery contract clause/s
- Reviewed our purchase order terms and conditions
- Commenced a review to enable integration of modern slavery requirements / commitments into existing policies within Seqwater (i.e. child protection and engagement processes)
- Completed initial general awareness training for selected procurement officers
- Commenced formulation of internal and external communications plan
- Commenced preparations for piloting modern slavery outcomes for selected existing suppliers through variations, contract renewal and tendering processes
- Commenced initial discussions and potential restructure and refocus of our supplier management framework
- Completed a review of our contract management framework to enhance the rigor around our assurance processes for compliance with this framework

4.2 Planned action

Building an ethical supply chain is a key priority for Seqwater. There are multiple initiatives underway across business areas within the organisation to support compliance with the Act.

Actions Planned for 2021-2022 financial year

- Engage a 'specialist support' to assist with compilation and review of Seqwater's modern slavery responses and strategy
- Consideration of third-party tools and platforms to assist with our due diligence activities
- Collection of additional information from new and existing suppliers through uplift of supplier onboarding practices and the implementation of the supplier code of conduct to facilitate an increased understanding of their specific operations and supply chains
- Implementation of a targeted education and awareness training plan for impacted stakeholders (internal / external)
- Targeted pilot activities will be used to gauge, learn and measure the effectiveness of our responses
- Further consider our proposed approach with a view to leverage our targeted pilot projects to further review our supply chain
- Consideration of mechanisms to leverage our influence with our suppliers including our levels of cooperation as appropriate to the complexity of any given risk
- Revise and update to more targeted risk assessment criteria including those that prioritise our risk and identify associated key and measurable performance indicators
- Collaborate further with other entities including, our business peers and workers
- Seek collaborative opportunities with wider civil society

5. Our effectiveness

On assessing our initial response and ongoing effectiveness through the lens of gained experience, we uncovered opportunities for improvement in the applicability and usability of our assessments and proposed strategy. We have now commenced refocusing our journey towards the maturation of our response. This has been an integral part of our ongoing and continuous improvement.

We have broadened our focus to include the assessment of a targeted, sectorial response that considers our best approach to risk tolerances, mitigation and remedies based on the complexity of our operations.

We have also considered the anecdotal experience of other entities and have re-set our response partly on our learnings from this.

We have drafted dedicated ambition levels (including our current position and our envisaged position) with the intention of incorporating this into our broader organisational strategies. Further, we are working towards engagement of a specialised partner to guide us on our journey towards achieving our ambitions and who can provide us with an independent view and unvarnished opinion on our progress.

As part of our evolution towards best practice, we are addressing our risks in a more effective, actionable way and are commencing our conversations around setting realistic, actionable and meaningful performance measurements based on the risk to people within our supply chain. These assessments and evaluations will also be considered within our reimagined supplier management frameworks at both a portfolio and strategic level. This framework will also include our reporting, review, governance and assurance activities in relation to modern slavery.

We have achieved the items we set out to do at the inception of our modern slavery response and have now taken our learnings and have instigated and embedded meaningful incremental steps to improving our foundations for change. These meaningful actions are as outlined through this Statement.

6. Consultation

6.1 Related entities

Seqwater does not own or control any other entities, therefore this criterion is not applicable.

6.2 Consultation and collaboration

We have consulted internally with our People and Culture, Communication, Education and Engagement, Legal, Audit, Quality, Risk and Compliance, Procurement and Corporate Governance teams on our current policies including review and amendment of those policies. The consultation process undertaken ensures our subject matter experts are involved in the formulation, maturation and continuous assessment and improvement of our modern slavery response both in its standalone aspects and as a part of our wider organisation strategy and ambitions.

We are a member of the Queensland Government Modern Slavery Community of Practice since 2020 and have contributed commentary to proposed response documentation and guidelines. We are also a member of the SEQ Water Service Providers Partnership. This Partnership mounted a joint response to Covid-19 including focus on the continuity of our water and sewerage services through the pandemic.

7. Other relevant information

Seqwater participates in several partnerships, grants, sponsorship and memberships related to initiatives designed to improve the lived experience of its communities, stakeholders and workers. We also engage in programs related to enhancing the lives of others more globally (for example clean water for poorer peoples through our membership with WaterAid). Below are selected highlights from these activities:

7.1 Partnerships

We have participated in several partnerships over the reporting period including sponsorship of a targeted mentorship program for women in non-traditional roles and have continued our support of the Bunya to Bay event. Since 2008, Seqwater selects 40 students (known as Water Ambassadors) to relay in teams to walk, cycle and canoe over 340 kilometres of challenging river terrain following the Brisbane River from source to sea. Run by the Stanley River Environment Education Centre, this is an award -winning education experience grounded in aboriginal culture and heritage. It is a uniquely designed immersive experience that builds understanding and appreciation of Indigenous perspectives and helps participants develop an increased appreciation for environmental science fieldwork and advocacy.

7.2 Grants

In the 2020-2021 financial year, Seqwater sought applications from eligible organisations for its Water Future Program Community Grants to help build a more water wise South East Queensland through creating understanding of urban water cycles and sustainable water management. This year's program encouraged applications from diverse communities including Aboriginal and Torres Strait Islander peoples, rural communities, young adults, and culturally and linguistically diverse communities. More information on these grants are available at <https://www.seqwater.com.au/news/waterwise-communities-receive-60000-grant-funding>.

7.3 Other

As an example of our commitment to safety, Seqwater has been instrumental in leading the water industry to raise concerns with the roll out of new technologies and existing telecommunication equipment in its operational areas. We have also advocated for change regarding fairer and safer access arrangements for telecommunications carriers. To this end, the Federal Court of Australia in *Satellite & Wireless Pty Ltd v Queensland Bulk Water*

Supply Authority trading as Seqwater [2021] FCA 1018 supported our position to refuse access to a telecommunications provider to install its equipment on a high-level tower at one of our operational sites for safety and operations reasons (this included engineering). This decision allowed us to prevent a situation from occurring which posed, amongst other issues, serious and unacceptable operational and safety risks (for example, public health, the health and safety of our workers and water quality). The full decision is available at <https://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/single/2021/2021fca1018>.

Seqwater continues to engage in an extensive program of engagement, submissions and other activities on this issue.

8. Our commitment to improve

Seqwater recognises that addressing modern slavery is a journey and not a static compliance activity. We are committed to act with integrity and transparency in our interactions with our stakeholders, customers, community partners, and the public, to actively implement the processes and actions described in this Statement with a view to identifying and minimising the risk of modern slavery within our supply chain and operations. This commitment is aligned to our values of integrity, respect, care and courage.

We have considered and learned from our initial response and have revised our strategy to set an improved direction on how we work towards and achieve our ambition levels.

As such, we will continue to review and reassess the actions identified to make sure they remain effective and appropriate to our goals. Seqwater commits to act with integrity in all of our dealings with stakeholders, customers, community partners, and the public, and to actively implement due diligence processes and mitigation actions described within this Statement so we can identify and respond to the potential risk of modern slavery in our supply chain and operations.

This Statement was approved by Seqwater's Board in its capacity as the principal governing body of Seqwater on 25 November 2021 and has authorised the Board's Chairperson to sign this Statement on its behalf.



25/11/2021 4:15 PM

Hon. Dr. David Hamill AM
Chairperson of Seqwater

Annexure 1 - Modern Slavery Act 2018 (Cth) Statement

Principal Governing body approval

This Statement was approved by the Principal Governing body of the Queensland Bulk Water Supply Authority (trading as Seqwater) (Seqwater) ABN 75 450 239 876 as defined by the Act on 25 November 2021.

Signature of Responsible Member

This Statement is signed by a Responsible Member of the Queensland Bulk Water Supply Authority (trading as Seqwater) (Seqwater) ABN 75 450 239 876 as defined by the Act.

Mandatory criteria

The table below indicates the page number/s where each of the Act's section 16 mandatory criteria are addressed:

Mandatory Criteria	Page number/s
(a) Identify the Reporting Entity	1
(b) Describe the reporting entity's structure, operations and supply chains	1,2,3
(c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	3
(d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	3,4,5
(e) Describe how the reporting entity assesses the effectiveness of these actions	5,6
(f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement)	Do not own or control any other entities 6
(g) Any other information that the reporting entity, or the entity giving the statement, considers relevant	6,7