

Modern Slavery Statement 2020-21

This is Barwon Water's second Modern Slavery Statement in accordance with *Modern Slavery Act 2018 (Cth)*.

Acknowledgment

Barwon Water acknowledges the Traditional Owners of the land on which we live and work, and pay respect to Elders, past, present and emerging.

We recognise Aboriginal and Torres Strait Islander peoples as the First Peoples of this nation who have managed water and the environment for at least 80,000 years. It is a privilege to share in the knowledge and experiences from the oldest living culture in the world.

About the Barwon Water Group

Barwon Region Water Corporation trading as Barwon Water (ABN 86 348 316 514) is Victoria's largest regional urban water corporation.

A statutory corporation under the *Water Act 1989 (Vic)*, Barwon Water's history can be traced back to the Geelong Municipal Waterworks Trust in 1908.

Barwon Water provides world standard water and sewerage services to more than 320,000 permanent residents over 8,100 square kilometres. Over the holiday period, the serviced population can reach 545,000 people.



Barwon Water's service region includes parts of the traditional lands of Wadawurrung and Eastern Maar, the Registered Aboriginal Parties and Traditional Owners, stretching from Little River and the Bellarine Peninsula in the east to Colac in the west, and from Meredith and Cressy in the north to Apollo Bay on the southwest coast (refer Attachment 1).

The service area incorporates local government areas of City of Greater Geelong, Borough of Queenscliffe, Surf Coast Shire, Colac-Otway Shire and part of Golden Plains Shire.

As a major employer in the region, Barwon Water currently has over 300 operational, engineering, strategic planning, financial and administrative employees.

Barwon Water's wholly owned subsidiary, Barwon Asset Solutions (ACN 167 911 515), was formed in 2017 and is a 100 per cent locally-based company. Established to provide maintenance services to Barwon Water and the region, Barwon Asset Solutions' profits and efficiency-generated savings are returned to Barwon Water to help it deliver its service and keep customer bills low. Barwon Asset Solutions has over 100 employees.



Operations and Supply Chains

Barwon 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. Barwon Water requires our suppliers to operate in accordance with all applicable modern slavery laws.

Barwon Water's operations make a significant positive contribution to our region's economy and livability. During 2020-21, the organisation had a \$252.1 million turnover supported by \$3.2 billion in assets and spent \$65.8 million in capital and related infrastructure works.

Barwon 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.

Risks of modern slavery practices

Barwon Water have 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, Public Interest Disclosure (whistleblower) Policy and procurement complaints processes.

Barwon Water is a foundation 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).

Table 1 – Key Operations and Supply Chains

Operations	Supply chains	
Asset Maintenance	<ul style="list-style-type: none"> • Water treatment services • Waterways • Operation & 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, Construction & 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

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; and
- ICT: offshore IT services.

Actions taken to assess and address these risks

Following the aforementioned activities the SPWG embarked on a modern slavery capability building program to develop consistent and scalable fit for purpose solutions for use by metropolitan and regional water corporations.

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 services relating to treatment operations, in particular the supply of chemicals: generate sustainable work experience for disadvantaged communities.

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

Achievements in 2020-21

The SPWG completed the following tasks in 2020-21:

- Tools and templates created by the SPWG, in collaboration with KPMG Banarra and the Cleaning Accountability Framework (CAF), were finalised following group review and were tested in three water sector pilot projects:
 - Melbourne Water – inclusion of appropriate questions, response schedules and contract management process in a construction panel contract tender;
 - Wannon Water – inclusion of modern slavery questionnaire, response schedules and contract management processes in a cleaning contract tender; and
 - Barwon Water – introduction of a detailed questionnaire to identify modern slavery risk and introduction of appropriate contract management controls relating to the provision of cleaning services provided under the existing Facilities Management contract; actioned during award of contract extension.
- A national on-line Water Industry Forum was conducted in collaboration with VicWater to discuss modern slavery and the actions to date of the Victorian SPWG; and
- Presentation at the Adelaide Water Services Association of Australia (WSAA) conference by representatives of the SPWG on various initiatives taken to address modern slavery risk by the Victorian water sector.

Modern slavery awareness has also been incorporated into our contract management plans and modern slavery training has been provided to staff. The enhanced awareness throughout Barwon Water has led to the inclusion of a modern slavery values statement in the Safety, Quality and Environment Contract Requirements (SQECR) document. A modern slavery checklist has been drafted and reviewed and is to be trialed for incorporation into site inspections and assurance activity conducted by the Health, Safety and Wellbeing team.

Barwon Water Modern Slavery Pilot Project

Barwon Water conducted in-depth stakeholder engagement, analysis and assessment of modern slavery in its Facilities Management contract, focusing on the cleaning supply chain. This included the following activities:

- A detailed modern slavery questionnaire was issued to the Contractor. The Contractor responses were reviewed by Barwon Water and the Cleaning Accountability Framework (CAF).
- The Contractor response gave Barwon Water and CAF the confidence that cleaning services are provided compliant with the applicable Award and cognisant of the cleaner's human and labour rights.
- It was mutually agreed that the Contractor will provide Barwon Water with an Annual Assurance Statement on each anniversary to include:
 - Compliance check to ensure wages and entitlements are paid to cleaning staff in compliance with Award;
 - Cleaning staff are direct employees of the cleaning contractor and are not sub-contracted;
 - Grievance mechanism is made available to cleaning staff;
 - Cleaning staff are made aware of their rights in regard to:
 - Fair Work Act
 - Award/Industrial Instrument; and
 - Freedom of Association.
- In addition to the Annual Assurance Statement, to ensure that modern slavery risk remains front of mind, Barwon Water's Contract Manager will include the following agenda items for discussion with the Contractor at each regular contract management meeting:
 - Changes to cleaners assigned to Barwon Water properties since the last meeting;
 - Employment status of all cleaners of cleaning contractor i.e. direct vs sub-contractor, with specific focus on cleaners assigned to Barwon Water;
 - Complaints or grievances submitted to cleaning contractor by cleaners assigned to clean Barwon Water properties, including actions taken; and
 - Assurance that cleaners assigned to Barwon Water continue to be paid in accordance with the Award and Fair Work Act.

Assessing the effectiveness of these actions

During 2020-21, Barwon Water's actions have:

- enabled continued collaboration and sharing of information between water corporations through the SPWG program of work. The program of work received review and feedback from KPMG Banarra to ensure any identified actions would uplift modern slavery practices within the sector and flow through to individual entities such as Barwon Water. KMPG Banarra feedback was taken on board and tools, templates and processes updated accordingly. Tender and Request for Quotation responses now enable better assessment of modern slavery risk;

- built internal capability and understanding of modern slavery risks in our operations and supply chains. Enhancement of knowledge has led to the Health, Safety and Wellness team reviewing the site inspection process under a modern slavery lens, and requesting assistance to develop a modern slavery checklist for inclusion in their inspection process; and
- identified and addressed potential modern slavery risks. Enhanced focus was applied to the Facilities Maintenance contract, with the contractor required to complete a modern slavery questionnaire. Barwon Water sought independent review by CAF and worked with the Contractor to obtain assurance of compliance to industry standards. An Annual Assurance Statement from the contractor will help to ensure modern slavery is kept front of mind and that appropriate checks are conducted to ensure compliance.

Looking forward

The actions planned for 2021-22 include:

- assessment of requirement for stand-alone modern slavery training module for all staff, with development and implementation of module pending outcome of assessment;
- conduct further due diligence assessments during procurement activities in areas deemed as high risk, such chemical supply and technical services;
- trial modern slavery checklist for incorporation into site inspections and assurance activity conducted by the Health, Safety and Wellbeing team; and
- continue to use and refine modern slavery tools, templates and procedures to maximise identification of modern slavery concerns and work with stakeholders to promote ethical and legally compliant business conduct and prevent violations of human rights such as modern forms of slavery.

Barwon Water will be participating in the following water sector activities in 2021-22:

- as a member of the SPWG, determine whether a National Community of Practice (CoP) should be formed to enhance national water sector understanding and practice in Social Procurement and Modern Slavery; actively participate in the CoP if formed.

Consultation with any entities the reporting entity owns or controls

BAS follows the procurement policies and processes of Barwon Water. Accordingly, Barwon Water's actions outlined in this plan cover the supply chain of BAS.

Approval

This Modern Slavery Statement was approved by the Board of Barwon Water on 16 September 2021.



Tracey Slatter

Managing Director

Barwon Region Water Corporation

Date: 16 September 2021

