



Modern Slavery Statement 2024

Melbourne Water



Melbourne Water is owned by the Victorian Government. We manage Melbourne's water supply catchments, remove and treat most of Melbourne's sewage, and manage rivers and creeks and major drainage systems throughout the Port Phillip and Westernport region.





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Introduction

Melbourne Water Corporation (**Melbourne Water**) is responsible for managing waterways, delivering affordable and clean water and effective sewerage services to the community.

To achieve this, Melbourne Water's teams work with the community, developers and a wide range of stakeholders, partners and suppliers. Melbourne Water's values are intrinsically linked to everything we do and how we engage the organisations that we work with. For this reason, Melbourne Water is committed to working to ensure our operations and supply chain are free of Modern Slavery.

This year, our Procurement Uplift program has made significant achievements in our ability to reduce the risk of modern slavery. We have enhanced our systems and supplier visibility, and we have recently implemented a Modern Slavery Digital Tool in collaboration with other Water Authorities across Australia, enabling us to gain deeper insights into our supply chain and identify and address Modern Slavery risks more effectively.

This Modern Slavery Statement (the **Statement**) is Melbourne Water's response to the requirements of section 13 of the Australian Commonwealth *Modern Slavery Act 2018* (Cwlth) (**Modern Slavery Act**). It has been prepared for the reporting period 1 July 2023 to 30 June 2024 (**Reporting Period**). Melbourne Water does not own or control any other entities in preparing this Statement.

The Statement has been approved by the Melbourne Water Board on 13 December 2024 and has been signed by Greg Wilson (Chair) and Nerina Di Lorenzo (Managing Director), who are authorised to sign this statement on behalf of Melbourne Water.



Greg Wilson, Chair



Dr Nerina Di Lorenzo, Managing Director

About Melbourne Water

The reporting entity under the Modern Slavery Act is the Melbourne Water Corporation (**Melbourne Water**), a water corporation established under section 85 of the *Water Act 1989* (Vic).


For over 130 years, Melbourne Water has been serving the community by planning and building for our future. We manage water supply catchments, treat and supply drinking and recycled water, remove and treat most of Melbourne's sewage, and manage catchments, waterways and major drainage systems in the Port Phillip and Westernport regions.

Much of the infrastructure created over that time is still in use today – a testament to the ingenuity and foresight of those who came before us. We are continuing this legacy by building new and resilient infrastructure to meet the challenges of today and the future, in an efficient and effective way.

We work hard to deliver sustainable public health, financial and environmental solutions and creating opportunities for community recreation and enjoyment of the land and waterways that Melbourne Water manages. We engage and collaborate with a wide range of partners that include Melbourne's retail water companies, councils, developers, contractors, Traditional Owners, the community, and government agencies to deliver services our customer's value.

Structure, operations and supply chains

Operations and Key Services to Customers

<p>Melbourne Water plays a pivotal role in the Water and Sewerage treatment space, serving as a wholesaler and delivering a range of essential services to benefit the Greater Melbourne region.</p> <p>Our operations ensure the well-being of the community and the sustainability of vital resources. Below is a summary of our key services and role as a wholesaler.</p>	 <p>The map, titled 'Melbourne Water's Operating Area', shows the geographical regions under its management. It includes the Maribyrnong Catchment, Werribee Catchment, Yarra River Catchment, Dandenong Catchment, Westernport Catchment, Port Phillip Bay, and Bass Strait. A north arrow and an inset map of Victoria are also present.</p>
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Water Supply

Melbourne Water is dedicated to supplying affordable, high-quality drinking water to the Greater Melbourne region. We manage water supply catchments, treat and supply both drinking and recycled water products, and maintain the water transfer network. Our goal is to meet the water needs of a growing city while ensuring water quality and security.

We supply drinking water to Melbourne's three retail water companies (Yarra Valley Water, South East Water & Greater Western Water) and other non-metropolitan water businesses which in turn provide water to households and businesses across the Melbourne region.

Sewerage Treatment and Resource Recovery

We are also responsible for the efficient and reliable treatment of sewage for Melbourne which consists of two main treatment plants, the Western Treatment Plant at Werribee, and the Eastern Treatment Plant at Bangholme.

These two treatment plants process approximately 90% of the total sewage generated in Melbourne. A complex sewerage transfer system efficiently collects the sewage from the retail systems and transports it to one of two treatment facilities.

Waterway and Drainage Management

Melbourne Water takes on the vital task of managing waterways and major drainage systems in the Port Phillip and Westernport region. This includes activities to maintain healthy waterways, integrated drainage management, and enhancing flood resiliency.

Together with councils we play a role in managing most of Melbourne's drainage system, supplying recycled water to wholesale customers. Wholesale customers include local

government, direct service customers and developers. For more detail on operation sites and customers, please refer to our website.

Natural Community Spaces

We are committed to maintaining and preserving outstanding natural community spaces that contribute to the overall well-being of the region. These spaces provide recreational opportunities and support biodiversity, enhancing the quality of life for residents.

Our people

As of June 2024, Melbourne Water employed 1396 people (1071 full time employees, 179 part time employees and 146 fixed term and casual employees). 67% of our staff work from our head office located at Docklands in Melbourne and 33% work on operational sites including treatment plants, pumping stations, regional offices and reservoirs across Victoria.

Melbourne Water has two Enterprise Agreements for employees, which provide terms and conditions, including hours of work and pay. Melbourne Water has separate Management Agreements that provide terms and conditions for senior and executive level employees.

The Enterprise Agreements – Melbourne Water Enterprise Agreement 2020 (**EA**) and Melbourne Water (Waterways and Land Delivery) Enterprise Agreement 2021 (**WLD EA**) – are negotiated every three or four years with the respective unions, are governed by the State Government’s Industrial Relations policies and require approval from the Fair Work Commission. Both these Agreements are available to all employees upon commencement of employment and remain available through the Melbourne Water intranet. The EA covers 44.8% of Melbourne Water’s employees and the WLD EA cover 11%. Melbourne Water renegotiated the EA during the reporting period and is currently awaiting endorsement from the Government.

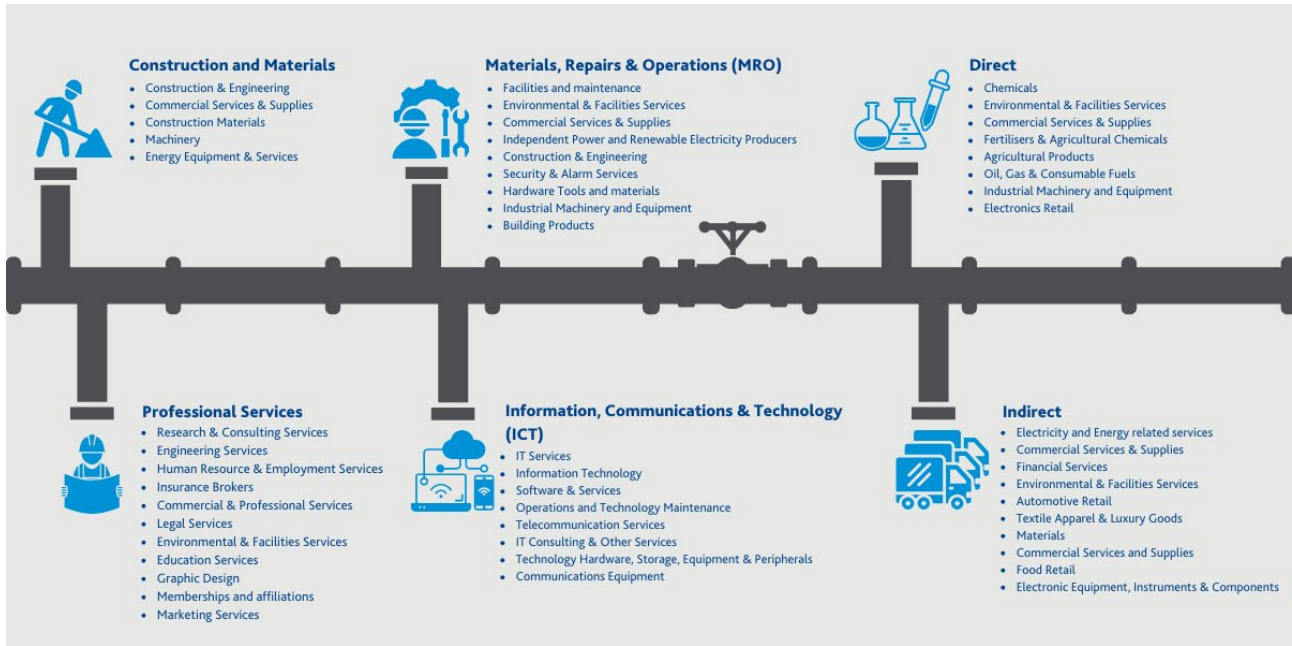
41.8% of Melbourne Water employees are on either Senior Management Contracts or Executive Management Agreements, and 2.5% are casual staff employed under casual contracts.

Supply Chains

Our supply chains support the operations and key services that we provide.

In this supply chain discussion below, we define our supply chain in terms of procurement categories and tiers. Tier 1 is our directly contracted supplier, Tier 2 represents subcontractors or suppliers to our Tier 1, and Tier 3+ represents the further upstream supply chain.

We assess our procurement needs to manage them efficiently and effectively within the following six broad categories:



Procurement Category	Supply Chain description
Construction & Materials	Melbourne Water primarily engages with large construction suppliers for the delivery of our major construction projects. We have visibility of approved subcontractors for works and core services, and the suppliers at Tier 2 for most materials and components.
Materials, Repairs & Operations (MRO)	Most of our ongoing maintenance is managed by major contractors and panels of smaller contractors. We currently have visibility of approved subcontractors for key related services, and suppliers at Tier 2 for key components.
Direct	Our direct requirements are varied and support our operations. These are goods (materials/equipment/chemicals) mostly supplied by local companies drawing on a mix of locally produced and imported products or components.
Indirect	Our indirect requirements are varied. Companies located in Australia provide most of Melbourne Water’s requirement; drawing on a mix of locally produced and imported products, materials, or services.
Professional Services	This is a broad and diverse category of service providers providing skilled and specialised services that support multiple aspects of our planning, design & engineering, legal, staffing, marketing, and cultural engagement. There is limited subcontracting involved.

Procurement Category	Supply Chain description
Information, Communications & Technology	ICT requirements involve hardware, software and licensing, support & maintenance services, and consulting. Melbourne Water engages major suppliers and supplier panels for ongoing ICT support. These suppliers employ staff in Australia and overseas.

In 2023-24, Melbourne Water used engaged 1,904 suppliers at Tier 1 of which 719 suppliers operate with an on-going contract. The following table provides a breakdown between contracted and uncontracted purchasing. Melbourne Water can more readily undertake due diligence, or influence through supplier relationships and contract requirements when it has long-term contracts.

The following table provides a breakdown of contracted and uncontracted suppliers by category:

Category	Number of suppliers used	Number of Contracted suppliers	Uncontracted suppliers	Spend with suppliers not on a contract
Construction	129	34	95	0.07%
Direct	167	37	130	1.04%
ICT	145	110	35	0.25%
Indirect	585	142	443	2.05%
MRO	216	71	145	0.35%
Professional Services	662	325	337	0.64%
Total suppliers	1904	719	1185	4.40%

Risks of Modern Slavery

Operations

During the reporting period most of our workforce comprised of permanent employees. Around 2.5% of our workforce is casually employed, primarily working backfilling long term leave or on time-constrained projects. This workforce composition, our union coverage, and the fact that our employees are Australia-based, a country with a low risk rating from a Modern Slavery perspective,¹ led to the conclusion that our workforce which is a large part of our operations, generally posed a low risk.

Supply chains

During the reporting period, Melbourne Water has been working with technology provider Informed 365 and the Water Services Association of Australia (**WSAA**) to assess and address Modern Slavery risks throughout the water industry supply chains.

This collaboration allows WSAA members to assess their supply chain networks through a single online platform which collects, compares, and collates information on suppliers, to inform year-on-year progress.

This approach ensures consistency across the industry, streamlines the reporting process for businesses involved, and makes it easier for suppliers to share information with the organisations they choose.

Melbourne Water invited 207 suppliers to complete the Modern Slavery Supplier Self-Assessment Questionnaire (**SAQ**) that fit into one or more of the following criteria to complete the questionnaire:

- High financial value as per Melbourne Water's expenditure thresholds.
- Have a contract with Melbourne Water with an expiry date of 12 months or more; or
- The supplier belongs to an industry with high inherent Modern Slavery risk.

110 (53%) of the invited suppliers completed the questionnaire and have shared valuable information in relation to how they manage Modern Slavery risks in their operations and supply chain. Three suppliers (2 in the technology industry and one in the insurance industry) declined to complete the questionnaire and directed Melbourne Water to consult their published Modern Slavery Statements.

¹ Global Slavery Index, [Maps | Global Slavery Index](#)

Melbourne Water Modern Slavery Statement 2023 - 2024

The following table summarises our current modern slavery risk assessment by Procurement Category, using inherent risk based on Industry classification, and a supplier- level assessment integrating country risk and content of SAQ's received:

Procurement Category	Description	Invited suppliers	Inherent Risk (global industry)	Completed SAQ	Assessed Risk including SAQ
Construction & Materials	Construction services (minor and major projects) and materials related to construction (pipe, concrete, grates)	37	Medium-to-High	14	Low-to-Medium
Direct	Mechanical and electrical equipment, chemical products (excluding construction materials)	20	Medium-to-High	9	Low-to-Medium
Indirect	Fleet Services, Energy, Stationery, Personal Protective Equipment, Printing, Training	20	Low-to-High	15	Low-to-Medium
ICT	Onshore and offshore IT services, cybersecurity consulting, IT equipment, software services	43	Low-to-High	18	Low
MRO	Above and underground asset maintenance, grass cutting, waterways maintenance, environmental services	27	Medium-to-High	16	Low
Professional Services	Temporary staff, labour hire and traineeship programs, security, consulting	60	Low-to-High	38	Low-to-Medium
Total		207		110	

Major Contracts

Melbourne Water currently contracts most of its construction, infrastructure maintenance and Information Technology managed services to a small cohort of major firms.

Our major suppliers in construction and materials, repairs and operations (MRO) have been assessed as relatively low as these suppliers undertake robust due diligence when engaging their subcontractors and major suppliers (our Tier 2) and have identified that they are working towards mapping the supply chain for key products.

Equipment and Materials

While the overall Modern Slavery risk profile of Melbourne Water suppliers is relatively low, there are a substantial number of materials or equipment manufactured overseas that are known to present higher risk.

Equipment and materials are sourced directly by Melbourne Water through local suppliers or indirectly through construction and MRO suppliers, generally from recognised manufacturers meeting design and specifications set by Melbourne Water.

Refer to 'Actions taken by Melbourne Water to assess and address Modern Slavery risks' section for further information on how Melbourne Water is improving visibility of equipment and materials.

IT Services

Melbourne Water's major IT Managed Services Agreement involve the delivery of services through onshore and offshore staff based in India. While the Agreement was procured before the implementation of the Modern Slavery Act, the Agreement has clauses requiring the supplier to manage industrial relations and ensure rates of pay and conditions of employment in accordance with the law. Melbourne Water notes that this supplier has uploaded a Modern Slavery Statement to the Modern Slavery Statements Register for 2022-23.

Geographical Risk Assessment

During the reporting period Melbourne Water conducted business with 31 suppliers that are registered overseas, representing 1% of our supplier base. Most of these suppliers provide software subscription services or consulting services.

During the reporting period 12 overseas suppliers were invited to complete the questionnaire and six completed the questionnaire. The Procurement Compliance Manager selects suppliers to participate based on inherent risk ratings and status of contractual arrangements as on-going.

The following table provides detail on country of origin, Global Slavery Index² (GSI) prevalence rank, spend range and category.

Country	Global Slavery Index Prevalence Rank	Number of suppliers	Spend Range	Categories
India	34	1	\$500k - \$1m	Information Technology
Slovenia	99	1	under \$50k	Information Technology
United States of America	122	14	\$1m - \$2m	Information Technology, Consulting
Singapore	138	1	\$100k - \$500k	Information Technology
France	139	1	under \$50k	Information Technology
Canada	144	2	under \$50k	Information Technology
United Kingdom	145	6	\$500k - \$1m	Information Technology, Industry memberships
New Zealand	148	2	\$50k - \$100k	Information Technology, Consulting
Ireland	153	1	under \$50k	Information Technology
Netherlands	157	2	under \$50k	Industry memberships
Total		31		

² Global Slavery Index, [Maps | Global Slavery Index](#)

The following table dissects the level of risk of Modern Slavery assessed as per supplier responses to the questionnaire against their spend category.

Country	ICT	Professional Services	Direct
United States of America	2 (Medium risk)	2 (Low risk)	—
Ireland	1 (Low Risk)	—	—
New Zealand	—	—	1 (Medium Risk)

While a business may be registered or incorporated in Australia or another country with a low prevalence of Modern Slavery, Melbourne Water acknowledges that risks may differ where a supplier provides a service or manufactures goods in a third country. Melbourne Water continues to work with Informed 365 and the WSAA consortium to address this issue and increase visibility further upstream in supply chains.

Refer to 'Actions taken by Melbourne Water to assess and address Modern Slavery risks' for actions that Melbourne Water has taken to further monitor this risk.

Actions taken to assess and address Modern Slavery risks

Operations

Melbourne Water has assessed the risk of Modern Slavery within its operations and employment arrangements and has categorised this as low risk based on a range of factors.

Melbourne Water has established policies and procedures to foster a respectful workplace and address employee grievances and concerns. While these policies and procedures are not exclusively tailored for Modern Slavery risk management, they do provide mechanisms for Melbourne Water employees to report, monitor, and address labour-related complaints and grievances.

Respectful Workplace Policy

Melbourne Water upholds a comprehensive Respectful Workplace Policy, designed to cultivate an inclusive work environment that is devoid of bullying, discrimination, and harassment. This policy commits to eradicating all forms of inappropriate behaviour, including discrimination, harassment, sexual harassment, occupational violence, bullying, and victimization. Any violations of this policy are investigated and managed in accordance with Melbourne Water's Human Resource Complaint Resolution Procedure.

Employee Assistance Programme (EAP)

Melbourne Water provides an Employee Assistance Programme (EAP) accessible to all employees and their immediate families. This resource offers confidential support and guidance, fostering a healthy work environment and assisting employees in navigating personal challenges.

Training

During the reporting period, Melbourne Water developed modern slavery awareness training, focused on the Procurement and Contract Management team. One session has been delivered to 20 staff members, and we will incorporate this in a training program to staff involved in procurements throughout the organisation during the next reporting period.

STOPline Reporting

Melbourne Water offers an independent and confidential reporting mechanism known as STOPline. This hotline empowers employees and contractors to report instances of improper conduct and breaches of the Code of Conduct. STOPline was enhanced during 2023-24 to include the capability to report suspected cases of Modern Slavery. Our intranet and the STOPline website both provide comprehensive information on indicators of Modern Slavery, guiding individuals to report their concerns. Reporting can be made by responding to a series of questions, with the option to disclose personal details or remain anonymous.

Melbourne Water remains committed to addressing any potential risks associated with Modern Slavery and ensuring a workplace that adheres to the highest standards of respect, inclusivity, and legal compliance.

Supply chains

Spend Analytics

Through the reporting period, Melbourne Water has continued to focus on data in order to assess and manage supplier exposure risk by country. This is achieved by matching supplier information (such as business name, address, and ABN) with the risk prevalence from the Global Slavery Index.

Modern Slavery Supplier Self-Assessment Platform

Melbourne Water, in collaboration with other water authorities across Australia through the Water Services Association of Australia (**WSAA**), has implemented Informed 365, a digital tool that allows the WSAA members to ask questions to our suppliers in relation to their Modern Slavery risks and the actions they are taking to minimise those risks.

By responding to the Modern Slavery Supplier Self-Assessment Questionnaire (**SAQ**), contracted suppliers can share their responses with a selected range of clients in the Water Industry. This creates efficiencies as supplier's complete only one questionnaire each year.

Each section of the assessment explains why the information is important, providing context and background to the questions, and encourages honest responses without leading respondents to preferred outcomes. The platform also provides access to relevant free online educational resources within every section and has capability to track progress in their actions and responses year on year.

Rolling out a uniform platform across the water industry is helps to improve reporting efficiency and encourage greater supply chain transparency. As at the end of the reporting period Melbourne Water had a response rate of 53% across our contracted supplier base. This initial year of questionnaires will establish a baseline for comparing current suppliers and enhancing our understanding of Modern Slavery risks allowing us to monitor how these risks evolve over time.

Third Party Risk Management Framework

During the reporting period, Melbourne Water developed a **Third Party Risk Management Framework** which documents the appropriate due diligence and risk management mitigation strategies to manage risks brought to Melbourne Water by third parties, including our suppliers. The framework covers all stages of the procurement life cycle, from planning to sourcing to contract management and formalised processes that were previously established and includes Key Performance Indicators that will measure our effectiveness in managing risks.

Modern Slavery Risk: *We are committed to working to ensure our operations and supply chain are free of modern slavery.*
– Melbourne Water Third Party Risk Management Framework

Supplier Code of Conduct

All Melbourne Water tendering activity requires vendors to commit to the Victorian Government Supplier Code of Conduct (**the Code**). Among other aspects, the Code requires suppliers to comply with human rights obligations and ensure that involuntary or underage labour does not take place. The Code also requires suppliers to pay workers in line with applicable laws and regulations and provide workers the right to associate freely.

Governance and procurement practices

Our procurement follows the policies of the Victorian Government Purchasing Board (**VGPB**), the Ministerial Directions and Instructions for Construction Procurement, and our own Procurement Policy and Framework. These guide our activities to ensure our buying power advances social, economic, and environmental objectives. As a Victorian Government-owned organisation, we aim to ensure our purchases represent value for money and are sourced fairly and ethically.

Procurement function restructure

At Melbourne Water, the responsibility for coordinating and managing Modern Slavery risks lies within the Procurement and Contract Management Team. During the last reporting period, Melbourne Water embarked on a significant Procurement Uplift in order to re-orient key sourcing functions with a focus on efficiency, governance, and delivery. A key focus of the governance lens captures modern slavery risk across the following functional streams:

Function	Modern Slavery specific activity
Category Management	Planning: Identifying Modern Slavery risks of reach category and subcategory prior to approaching the market.
Sourcing Delivery	Due Diligence: Evaluating supplier's Modern Slavery risk and mitigation actions prior to contracting with a supplier.
Contract Management	Ongoing monitoring: Assessing ongoing effectiveness of agreed terms.
ESG Management	Oversee and manage strategies in respect to Modern Slavery through procurement and contract environments.
Governance	Develop and implement policies, tools, and systems to ensure robust and compliant procurement processes. The Governance

	team manages the spend management tool (Robobai), the Modern Slavery questionnaire digital tool (Informed 365) and our contract register tool (Zycus).
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Subcontractor management

Infrastructure

Melbourne Water currently works with a cohort of major service providers for construction and infrastructure maintenance. Due to the nature of the services and the requirement of Victorian Government policies and strategies such as Local Jobs First (**LJF**)³, and Social Procurement⁴, both of which guide Melbourne Water's operations, these contractors must report on type and number of employees and number of hours for specific roles, as well as expenditure with Tier 2 suppliers/service providers. While the purpose of these policies is jobs in the local economy, service provider compliance with these policies indirectly mitigates Modern Slavery risk as a result of the monitoring and reporting requirements contained within the policies.

In addition to the above, Melbourne Water contractually requires Tier 1 contractors to nominate and obtain approval to use subcontractors; and to acknowledge and sign a statutory declaration to confirm that workers and subcontractors have been paid in accordance with the law.

³ The Local Jobs First Policy requires Victorian Government Entities to procure goods, services and/or construction from businesses that create local jobs opportunities, including apprentices, trainees, and cadets. Suppliers required to comply with this policy provide employment data to the Victorian Government through a specifically designed portal. The Local Jobs First Commissioner may request an audit on a specific project to any Victorian Government Entity.

⁴ Social Procurement is when organisations use their buying power to generate social value above and beyond the value of the goods, services or construction being procured. Victorian State Government entities are required to apply the Social Procurement Framework (**SPF**).

How we assess effectiveness

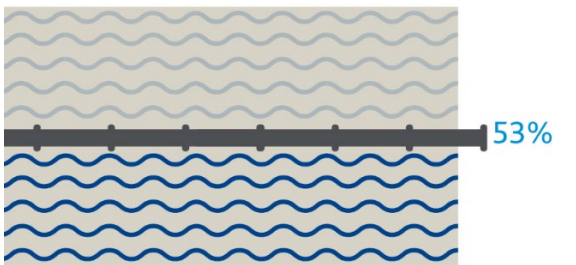
Key Performance Indicators

During the last Reporting Period, Melbourne Water engaged a consultant to develop a Third Party Risk Management Framework in which Modern Slavery is set as part of the Supply Chain risk domain. The following Key Performance Indicators (**KPIs**) were set up to monitor progress in managing Modern Slavery risk.

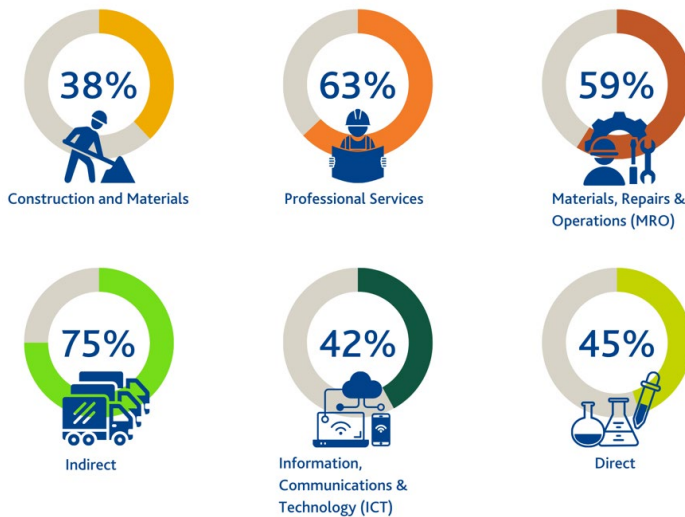
KPI	Description
1. Modern Slavery Questionnaire completion rate	% of Modern Slavery Questionnaires completed in Informed 365
2. Contracts with Modern Slavery clauses	% of contracts with Modern Slavery clauses entered into during the reporting period (excluding sub-agreements under panel arrangements)
3. Alleged incidents of Modern Slavery	Number of alleged modern slavery incidents in StopLine
4. Modern Slavery Training	Number of relevant staff trained on issues of Modern Slavery

KPI 1 – Modern Slavery Questionnaire completion rate

Overall completion rate



Completion rate by category



KPI 2 – Contracts with Modern Slavery clauses



KPI 3 – Alleged instances of Modern Slavery



KPI 4 – Modern Slavery Training



Progress update

Throughout this Statement, Melbourne Water has identified initiatives that have commenced or have been completed in 2023-24. Below is a progress update on activities that were pending from the last reporting period:

