

YARRA  
VALLEY  
WATER

PLANET  
PEOPLE  
PROSPERITY  
2018



ADVANCING THE  
SUSTAINABLE  
DEVELOPMENT  
GOALS





Aunty Doreen Garvey-Wandin, Senior Wurundjeri Elder, performing the Welcome to Country at the launch of our Reconciliation Action Plan, 2017.

### ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

We proudly acknowledge the Traditional Owners of the land on which we work and live, and pay respect to their Elders past, present and emerging. We recognise and value the continuing rich cultures and the contribution of Aboriginal and Torres Strait Islander peoples and communities to the Victorian community, and their role as the original stewards of the water and other environmental resources we share.

# ABOUT THIS REPORT

*Planet, People, Prosperity* describes Yarra Valley Water's performance and aspirations in the context of the Sustainable Development Goals (SDGs). It captures the ways we create and deplete value, and references the international Integrated Reporting <IR> framework and the Global Reporting Initiative (GRI) standards.

We hope that this report will serve as a prospectus for purpose-based relationships with like-minded organisations, widening our sphere of influence and partnerships for future sustainability work. It represents an evolution in our current approach to reporting our activities, increasing our transparency, consistency and accountability, and acting as a roadmap for the diverse ways we can deliver benefit to the community.

We recognise that an organisation's activities increase or decrease value across six forms of 'capital' – financial, manufactured (*infrastructure*), intellectual (*systems and data*), natural (*renewable and non-renewable resources*), social/relationship (*culture*), and human (*staff knowledge and expertise*). This report showcases the various ways we generate value, with a focus on the capitals that are underrepresented in traditional accounting methods. It shows how these interconnect to support an integrated approach to our business.

As well as using the <IR> methodology to guide planning and reporting, we have adopted Integrated Profit and Loss (IP&L) accounting principles to determine the relative materiality of financial, natural, human, and social capital in all decisions, which enables us to choose the options that will deliver the greatest overall value.

### REPORTING PERIOD

We plan many decades ahead to ensure we can continue providing our services for generations to come. This report covers our initiatives over the next three years and uses our activities in the past year to understand our current performance. It also touches on the longer-term planning decisions we are making to safeguard our customers, our community and the environment in the future.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

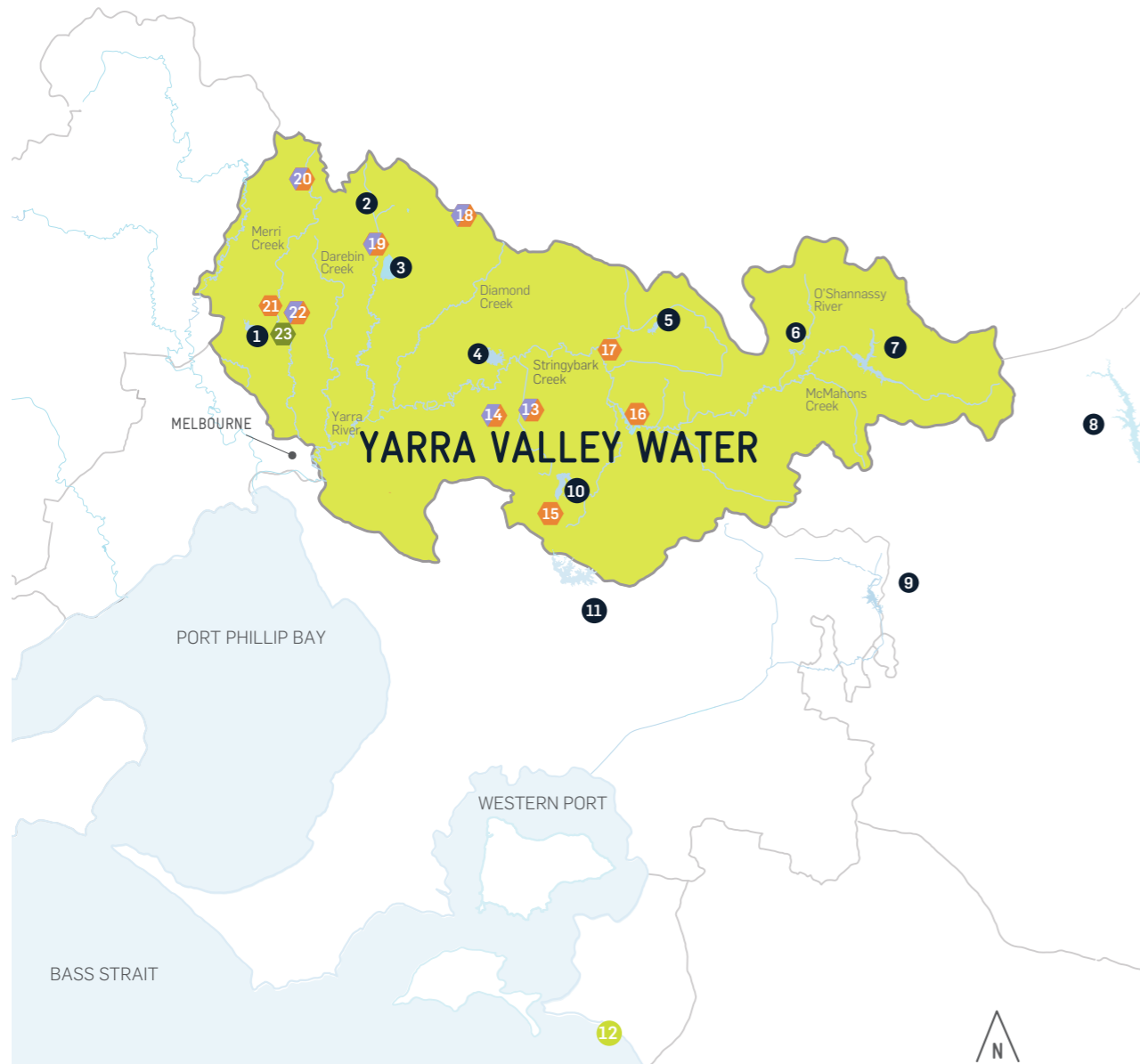


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# OUR SERVICE AREA



## MAP KEY

### Water supply storage reservoirs:

- 1 Greenvale
- 2 Toorourrong
- 3 Yan Yean
- 4 Sugarloaf
- 5 Maroondah
- 6 O'Shannassy
- 7 Upper Yarra
- 8 Thomson
- 9 Tarago
- 10 Silvan
- 11 Cardinia

### Other sources of water:

- 12 Victorian Desalination Project

- Rivers
- Water corporation boundaries

### Treatment plants:

- 13 Lilydale
- 14 Brushy Creek
- 15 Monbulk
- 16 Upper Yarra
- 17 Healesville
- 18 Kinglake
- 19 Whittlesea
- 20 Wallan
- 21 Craigieburn
- 22 Aurora

### Other waste treatment facilities:

- 23 ReWaste
- Sewage treatment plant
- Recycled water treatment plant



# CONTENTS

About this report	3
We are Yarra Valley Water	6
From the Managing Director	7
Imagining a sustainable future	8
Our sustainability commitments	10
Working with others	15
Planet	19
People	33
Prosperity	49
Sustainable Development Goals	64
GRI Content index	70
UN Global Compact index	72
List of acronyms	74

## NAVIGATING THIS REPORT

### KEY THEMES



SUSTAINABLE DEVELOPMENT GOALS



MATERIAL ISSUES



VALUE CREATION

# WE ARE YARRA VALLEY WATER

Yarra Valley Water is one of the largest water utilities in Australia, servicing the east and north of the city of Melbourne. Our service area covers 4,000 square kilometres and our network consists of approximately 20,000 kilometres of water and sewer mains. We manage over \$4 billion of infrastructure and employ nearly 600 people.

We provide clean water to the people and businesses of Melbourne and take their sewage away. Every day, more than 1.9 million people – around 30 per cent of the state's population – and 50,000 businesses rely on Yarra Valley Water's water and sanitation services.

Our customers expect us to provide reliable services at fair and reasonable prices. They have told us they value us operating in a way that cares for and protects the environment, safeguards water availability and conservation, delivers a modern flexible service and ensures fair access and assistance for all.

**EVERY DAY, MORE THAN 1.9 MILLION PEOPLE – AROUND 30 PER CENT OF THE STATE'S POPULATION – AND 50,000 BUSINESSES RELY ON YARRA VALLEY WATER'S WATER AND SANITATION SERVICES**

Our owner, the Victorian Government, expects us to run a sustainable business.

We also have a broader role in improving public health and wellbeing – the way we deliver our essential services plays an important part in maintaining a healthy planet and building resilient and thriving communities.

Our 2020 Strategy, which defines our aspirations as an organisation over the rest of this decade, keeps us focused on our purpose – *to provide exemplary water and sanitation services that contribute to the health and wellbeing of current and future generations*. This provides long-term direction and a clear vision for the organisation.

## 2020 STRATEGY

OUR PURPOSE IS TO PROVIDE EXEMPLARY WATER AND SANITATION SERVICES THAT CONTRIBUTE TO THE HEALTH AND WELLBEING OF CURRENT AND FUTURE GENERATIONS



EXTRAORDINARY PERFORMANCE



EXEMPLARY SERVICE



EVERY CENT COUNTS



WE ARE SAFE



HARMONY WITH THE ENVIRONMENT



THRIVING COMMUNITIES

WE ARE YARRA VALLEY WATER

# FROM THE MANAGING DIRECTOR

I am delighted to introduce *Planet, People, Prosperity*, which outlines the many ways our organisation creates value beyond our financial contributions, with a specific focus on our efforts to advance the UN Global Compact and the Sustainable Development Goals (SDGs).

Water utilities were initially established to prevent public health problems such as typhoid and cholera. But with communicable diseases well under control in cities like Melbourne for more than a century, thanks largely to modern water and sanitation services, our industry's role has evolved to encompass the broader social and environmental drivers of health, liveability and wellbeing.

Yarra Valley Water interacts with millions of people who use our services across a large geographical area – and we rely on the environment to provide these services. We therefore have both the responsibility and the opportunity to improve our customers' lives, help to restore our precious ecosystems and build a fairer and more productive society.

We take a big picture approach to providing our services, thinking holistically about how to achieve the best results for our community and planet. Yarra Valley Water was the first water corporation in Australia to commit to the UN Global Compact and the SDGs – a set of 17 global goals describing what a prosperous yet sustainable world looks like. We have used the SDGs as a lens to review our strategic approach – and this has helped us to understand the breadth of our contribution to a sustainable future, and to identify where we can do more. We are actively contributing to the SDGs through every aspect of our business, from human resources to supporting customers experiencing hardship to where we source our energy.

The SDGs recognise that our society and economy rely on a healthy planet. Our changing climate is a serious threat to the economy, long-term water availability and the community we serve. Australia's water resources will be heavily affected by drought and changing weather patterns in the decades to come, so developing ways to protect and maximise these constrained resources is essential.

**WE NEED TO ENSURE THAT OUR BUSINESS IS RESILIENT IN THE FACE OF CHANGE**

The SDGs offer organisations a common platform for economic prosperity – one that won't cost the earth or the wellbeing of its inhabitants. But we can't achieve these goals without tracking our performance and measuring the value our activities create.

Inequality is increasing in Australia despite more than two decades of uninterrupted economic growth. This erodes the wellbeing of our communities and creates significant costs for businesses and governments. Yarra Valley Water is embracing actions that contribute to thriving communities, and a more equal and inclusive society.

We need to ensure that our business is resilient in the face of change. The way we plan for the future and manage our assets, and the way we work with others towards common goals, will determine our future business sustainability. It will also inform our ability to provide productive work and contribute to the economy.

*Planet, People, Prosperity* is a future-focused document that outlines our commitment to growing the value we create. Through integrated thinking we are examining how the way we work creates value, exploring how these contributions are connected, discovering our blind spots, and increasing our contribution to a fairer and more sustainable world.

**Pat McCafferty**  
Managing Director



# IMAGINING A SUSTAINABLE FUTURE

## PLANET, PEOPLE, PROSPERITY

The SDGs are a globally recognised roadmap for a better future. They provide a consistency of purpose – a bridge – across all industries and sectors. The SDGs outline what governments, businesses and communities need to be doing to ensure we continue to live in a prosperous, harmonious, healthy society over the long term.

Yarra Valley Water is a purpose-led organisation, driven by a strategic plan and ambitious targets requiring breakthrough performance. We aim for continuous improvement and look to review our impacts and address them transparently and proactively. The SDGs propel us to maximise the good we do – to increase our social contribution – and to minimise negative impacts or eliminate them. In this way we can make a measurable difference to a sustainable future.

Our commitment to perform our core business to an exceptional standard is steadfast, but we are also bold in our aspirations

to deliver value beyond excellence in water and sanitation services. We believe the water industry should be instrumental in promoting sustainable futures in the communities we serve, and we are proud to be part of the collective push across our sector to advance the SDGs.

This report consolidates all our efforts across the business to create social and environmental value, using the SDGs as a lens through which to view our performance. It's clear at a glance that our most effective programs and initiatives require broad collaboration and partnership to achieve their aims. We cannot deliver large-scale outcomes without the help of others in the community.

By signalling our intention to deliver value against the SDGs, we hope to encourage broader and stronger collaborations that maximise our positive impact, not only within our own sector but beyond it, across government, the community sector, corporates, our suppliers and the people we serve.



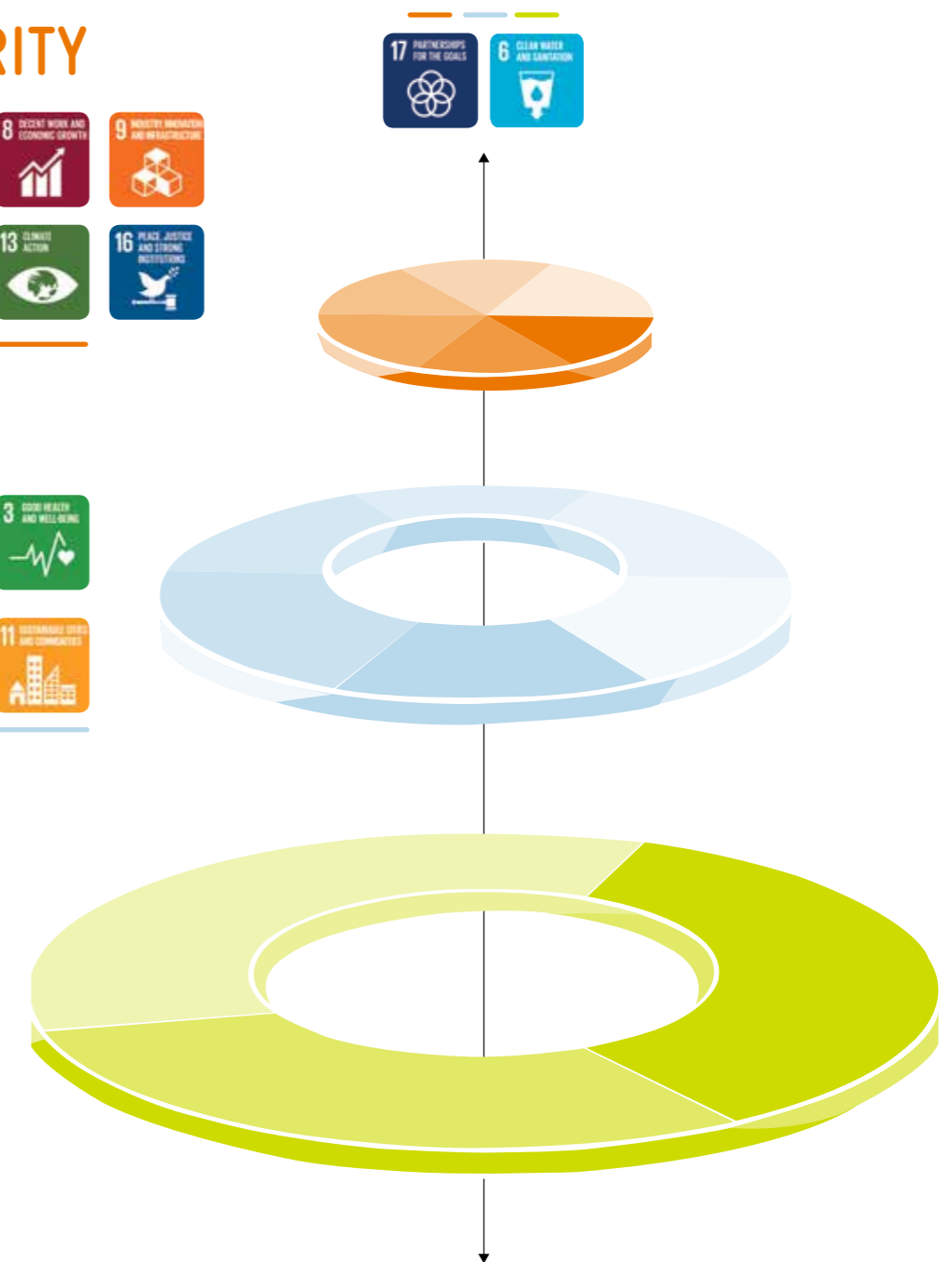
## PROSPERITY



## PEOPLE



## PLANET



### SUSTAINABLE FUTURE

The Stockholm Resilience Centre's SDG model depicts how all other value creation efforts are contingent upon a healthy planet. Without the natural resources we work with, there can be no people, no thriving communities, and no meaningful prosperity.

The water industry, which relies on the environment to deliver services to people, understands the interactions between the three layers of this model more profoundly than most. The layers – planet, people and prosperity – and the goals attached to each layer, will guide us in setting our priorities for delivering value now and in the future.

Some of the SDGs guide us across all layers of the model. Our core service delivery aligns with SDG6, which recognises the importance of access to safe and affordable drinking water for all. And beyond our core responsibility to deliver these essential services, SDG6 also highlights the related issues of efficient water use, community engagement and integrated water management, which are also key priorities for us.

We also understand the transcendent importance of SDG17 – partnering with others, which generates the critical mass necessary to consolidate our reach and deliver on the SDGs on a broad scale.

# OUR SUSTAINABILITY COMMITMENTS

Our organisational purpose, which describes the value we create, is a commitment to future generations. It inspires us to set aspirational goals that increase our contribution to the communities we serve, now, and many decades from now. These goals, as shown in the tables that follow, are spread across our contribution to planet, people and prosperity.

Natural resources are finite – to be truly sustainable we need to reduce our impact on the environment and work within the carrying capacity of nature. Recognising this, we have committed to generating 100 per cent of our own energy, using renewable technologies, by 2025.

Our restorative approach to the environment ensures we deliver our services without compromising the water needed for healthy waterways. In these ways, we are making our contribution to a healthy planet.

We support **people** by delivering safe and reliable water and sanitation and supporting the health and wellbeing of our community. The non-negotiable customer expectation is that we will always provide safe drinking water and a reliable service, and be responsive when things go wrong.




In the longer term, we are committed to doubling our social impact by 2020. This is the measurable contribution we make to the society we serve. We're implementing programs across vulnerability and hardship, family violence, reconciliation with Aboriginal and Torres Strait Islander peoples and community health, which enhance this impact.

We are supporting inclusive, sustainable growth and **prosperity**, both within our organisation and in wider society, by maintaining Australian benchmarks for high-performance organisations.

We have committed to a price freeze in 2018-19, followed by bill increases below the rate of inflation. We invest responsibly and plan wisely and adaptively to safeguard intergenerational equity in the long term and ensure that the communities we serve will never run out of water.





## PLANET

OUR GOAL: TO PRODUCE ALL OF OUR OWN ENERGY BY 2025

	OUR GOAL	OUR PROGRESS
 CARBON NEUTRAL	Aiming to produce all our own energy by 2025	<ul style="list-style-type: none"> <li>Establishing our greenhouse gas neutrality strategy.</li> <li>Launching our first waste-to-energy plant (ReWaste) in 2017, now generating about 25% of our daily energy use.</li> <li>Conducting feasibility studies for further energy generation including a second waste-to-energy plant and solar power.</li> <li>Reviewing energy efficiency measures to directly reduce emissions.</li> </ul>
 HEALTHY WATERWAYS	Having no net impact on the streams we discharge into	<ul style="list-style-type: none"> <li>Employing a risk-based approach to progressively improve the sewer network and sewage treatment plants at lowest community cost.</li> </ul>
 USING WATER WISELY	Never compromising the environment by taking more water than is sustainable	<ul style="list-style-type: none"> <li>Encouraging efficient use of water.</li> <li>Working with local government and other stakeholders to identify opportunities to increase recycled water and stormwater usage.</li> <li>Reducing losses in our network, including through investigating digital metering, to empower us and our customers to proactively address leakage issues.</li> </ul>




## PEOPLE

OUR GOAL: TO DOUBLE OUR SOCIAL VALUE BY 2020

	OUR GOAL	OUR PROGRESS
 CUSTOMER AT THE CENTRE	Putting our price submission into action	<ul style="list-style-type: none"> <li>Inviting consumers to contribute to our decision-making process through our citizens' jury.</li> <li>Enhancing our accountability, with financial penalties for underperformance.</li> </ul>
 PLACES FOR PEOPLE	Improving environment and liveability outcomes for our communities	<ul style="list-style-type: none"> <li>Participating in Integrated Water Management (IWM) forums to maximise water-related amenity.</li> <li>Integrating Traditional Owner engagement in our planning and management frameworks.</li> <li>Making optimal use of alternative water sources.</li> </ul>
 HEALTHIER LIFE CHOICES	Promoting the health and environmental benefits of water through Choose Tap and other educational programs	<ul style="list-style-type: none"> <li>Supporting community sport.</li> <li>Delivering primary education programs about the value of water.</li> </ul>
 A FAIR GO FOR EVERYONE	Supporting customers who are struggling with their bills Ensuring a holistic approach to financial inclusion	<ul style="list-style-type: none"> <li>Improving the way we support financial inclusion.</li> <li>Launching the Financial Inclusion Action Plan (FIAP), which captures these actions.</li> <li>Creating a new Community Inclusion division to act on these opportunities.</li> <li>Collaborating across sectors on the Thriving Communities Partnership.</li> </ul>

## PROSPERITY

OUR GOAL: TO DELIVER EXCEPTIONAL PERFORMANCE AND INCLUSIVE GROWTH

	OUR GOAL	OUR PROGRESS
 INVESTING RESPONSIBLY	Long-term adaptive planning to address population growth and climate change impacts	<ul style="list-style-type: none"> <li>Delivering the Urban Water Strategy – our 50-year outlook for securing water supplies.</li> <li>Planning to meet customer expectations and values through our Price Submission.</li> <li>Investing in key infrastructure projects to ensure capacity and optimise the performance of our networks.</li> </ul>
 EFFICIENT & AFFORDABLE SERVICES	Committing to a price freeze for 2018-19, followed by bill increases below inflation	<ul style="list-style-type: none"> <li>Committing to annual efficiency savings of 2.5%.</li> </ul>
 DIVERSITY, CAPABILITY & ENGAGEMENT	Achieving gender parity on our management team by 2020	<ul style="list-style-type: none"> <li>Achieving gender parity on our Board and Executive in 2017, and working on gender parity on our management team (currently 42% women).</li> <li>Embedding a culture of gender equity through our Diversity Strategy.</li> </ul>
 SUSTAINABLE PROCUREMENT	Influencing positive change and addressing negative impacts in our supply chain	<ul style="list-style-type: none"> <li>Articulating our values to suppliers through our Supplier Code of Practice, to encourage improved outcomes.</li> <li>Working with the Victorian water industry on a joint approach to promoting sustainable procurement.</li> <li>Ensuring our procurement practices are accessible for smaller suppliers and Aboriginal and Torres Strait Islander-owned organisations.</li> </ul>

# WE PROVIDE EXEMPLARY WATER AND SANITATION SERVICES THAT CONTRIBUTE TO THE HEALTH AND WELLBEING OF CURRENT AND FUTURE GENERATIONS

RISK & COMPLIANCE

PROCUREMENT & FINANCE

STAFF SAFETY, WELLBEING & PERFORMANCE

COMMUNITY & STAKEHOLDER ENGAGEMENT

**CUSTOMERS AND COMMUNITY ARE AT THE CENTRE OF EVERYTHING WE DO**

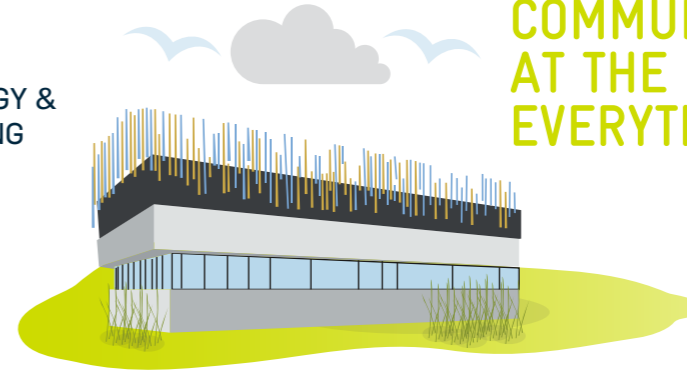
CUSTOMER COMMUNICATION & PROGRAMS

BILLING & COLLECTIONS

RESEARCH & INNOVATION

STRATEGY & PLANNING

ASSET MANAGEMENT



**BUSINESS ACTIVITIES**



WE RELY ON RAIN TO FILL OUR CATCHMENTS

WATER IS AN ESSENTIAL PART OF OUR HEALTH AND WELLBEING



**SUPPLY**

Melbourne Water supplies us with water sourced from catchments and the Victorian Desalination Plant

**DESAL**  
The Victorian Desalination Plant provides water security for a drier climate



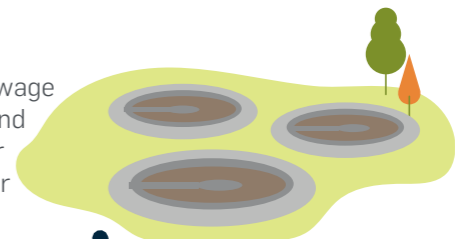
Our recycled water is supplied to public open space and homes for use in toilets, garden watering, washing machines and washing the car



**COLLECT AND TRANSFER**

We take sewage and liquid waste from households and businesses

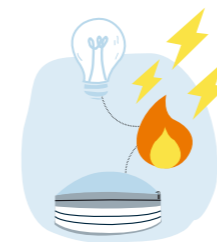
We transfer this waste to our 10 sewage treatment plants and send the remainder to Melbourne Water



**TREAT**

We treat the waste to a high standard

WE DISCHARGE SOME TREATED WATER BACK INTO THE ENVIRONMENT



**ENERGY GENERATION**

We also treat food waste to produce energy

WE PRODUCE RECYCLED WATER

**RECYCLE**

PROVIDING RECYCLED WATER PROTECTS OUR PRECIOUS DRINKING WATER SUPPLY AND REDUCES WHAT WE PUT BACK INTO THE ENVIRONMENT



ABOUT US

IMAGINING A SUSTAINABLE FUTURE

WORKING WITH OTHERS

PLANET

PEOPLE

PROSPERITY

SUSTAINABLE DEVELOPMENT GOALS

GRI CONTENT INDEX

UN GLOBAL COMPACT INDEX

# OUR CHANGING CONTEXT

Our strategic planning considers our ever-evolving operating environment. This includes the looming challenges of population growth, rising social inequality, and declining stream flows to reservoirs as climate change starts to bite.

**Our service area is home to 1.9 million people.**

This population will increase to more than 3.3 million in the next fifty years – 70 per cent of these new customers will live in existing urban areas, while the rest will inhabit new developments on the outskirts of Melbourne.

**Long-term climate change projections predict a hotter, drier climate with increased variability.**

Stream flows are expected to decline, reducing our ability to rely on catchment-based water sources. Increased weather variability also increases the risk of extreme weather events, including bushfire and drought.

Over the next fifty years we are likely to be serving twice the population with half the available water supply from traditional supplies, against a backdrop of increasing climate uncertainty.

**The communities we serve are increasingly diverse.**

At present, 28 per cent of our customers speak a language other than English at home, 25 per cent were born overseas, 23 per cent are tenants, 18 per cent live in flats, apartments and units and 0.7 per cent are being assisted financially through our hardship support programs.

**OVER THE NEXT FIFTY YEARS WE ARE LIKELY TO BE SERVING TWICE THE POPULATION WITH HALF THE AVAILABLE WATER SUPPLY FROM TRADITIONAL SUPPLIES, AGAINST A BACKDROP OF INCREASING CLIMATE UNCERTAINTY**

We know that there are significant variations in socioeconomic advantage and disadvantage within our service area, which covers four of the five highest ranking and five of the nine lowest ranking Melbourne local government based on the Index of Relative Socioeconomic Disadvantage.

OUR CHANGING CONTEXT

Growing diversity brings social benefits as well as complexity. We need to plan our services to ensure we respond effectively to this diversity and provide exemplary services for all our customers.

**There is a growing gap between rich and poor.** Despite more than two decades of uninterrupted growth, our country's wealth remains unevenly distributed, with a growing gap between rich and poor. Research shows that around half of our customer base would be at risk of financial vulnerability if their circumstances changed.

**Technological advancement and digital complexity are changing the way we deliver our services.** Our rapidly changing technological environment provides advantages and risks. It delivers fine-grained data analytics and information to allow us to work smarter and seize new opportunities. But it also presents increased customer expectation of transparency and information-sharing, and has contributed to decreased institutional trust among the public.

A growing number of customers expect a modern, flexible, responsive service – 77 per cent of our customers have access to the internet at home, and 15 per cent of customers are registered for electronic billing. They want service transactions and queries to be seamless and addressed at any time of day. At the same time, we must continue to serve the needs of customers with reduced digital capability or access.

# WORKING WITH OTHERS

Yarra Valley Water is just one part of our increasingly connected and complex society. To achieve our strategy and maximise our contribution to the community, including providing better services, we need to develop long-term relationships with our diverse range of stakeholders so that we work effectively together and are responsive to their needs and expectations.

This is reflected across the SDGs through the need for partnerships between different sectors (SDG17), involving communities in water planning and integrated water management (SDG6) and responsive, inclusive, participatory and representative decision-making (SDG16).

**We exist to serve our customers.** Our services impact our customers' lives multiple times a day, and we also play an active role in our community. It is essential that our customers and community support what we do and that our services reflect their needs and values. Community trust underwrites our licence to operate, and one way we maintain it is by recognising the impact our actions have on customers and involving them in our decision-making through our well-evolved community engagement and customer insight programs.

**We value our staff.** A high-performing organisation requires a work environment that fosters engagement, participation and inclusion. We encourage a high level of staff contribution to our decision-making, through regular surveys and consultations to gauge how our staff think we could do things better. For example, we recently sought staff input through workshops and conversations across the organisation to define the principles underpinning our Customer Stand.

**Our primary stakeholder and owner is the Victorian Government.** We are guided by *Water for Victoria*, which sets the state's water policy and planning focus, as well as the Minister's Letter of Expectations and our Statement of Obligations. We communicate our performance according to the reporting requirements of government and regulatory stakeholders including the Department of Treasury and Finance (DTF), the Department of Environment, Land, Water and Planning (DELWP) and the Essential Services Commission (ESC). We also participate in forums and working groups alongside our water industry colleagues, to support the development of new policy and practice in emerging areas.

Our stakeholders also include our community of practice – the rest of **the water industry**, including the other Victorian water utilities and industry associations such as the Water Services Association of Australia (WSAA) and VicWater.

We are partnering with VicWater, the Victorian Government and other water corporations on the Intelligent Water Networks (IWN) program, which was set up to investigate new technologies and innovations to meet the shared challenges of population growth, ageing assets and climate variability.

WORKING WITH OTHERS

Through our Reconciliation Action Plan, we are committed to building enduring, proactive and **respectful relationships with Aboriginal and Torres Strait Islander peoples**. This is fundamental if we are to make a meaningful contribution to reconciliation. Through our Reconciliation Leadership Committee and Working Group, we are listening and learning to build our mutual capabilities to work with each other.

We work with many other organisations including **local government, developers and community organisations** to deliver our services successfully, and we have a growing understanding of our potential to influence positive change through our connection to other service organisations and non-traditional corporate partners through our work on the Thriving Communities Partnership.

Our stakeholder network includes membership of organisations that provide insights and advice on best practice. These include:

- Shared Value Project
- Australian Network for Disability
- Committee for Melbourne
- Wateraid
- Diversity Council for Australia
- Global Compact Network Australia



# WHAT OUR STAKEHOLDERS VALUE

We address our **material issues** – those that impact our ability to create value – through our strategic commitments. We regularly test them to ensure they remain relevant to our organisational purpose.

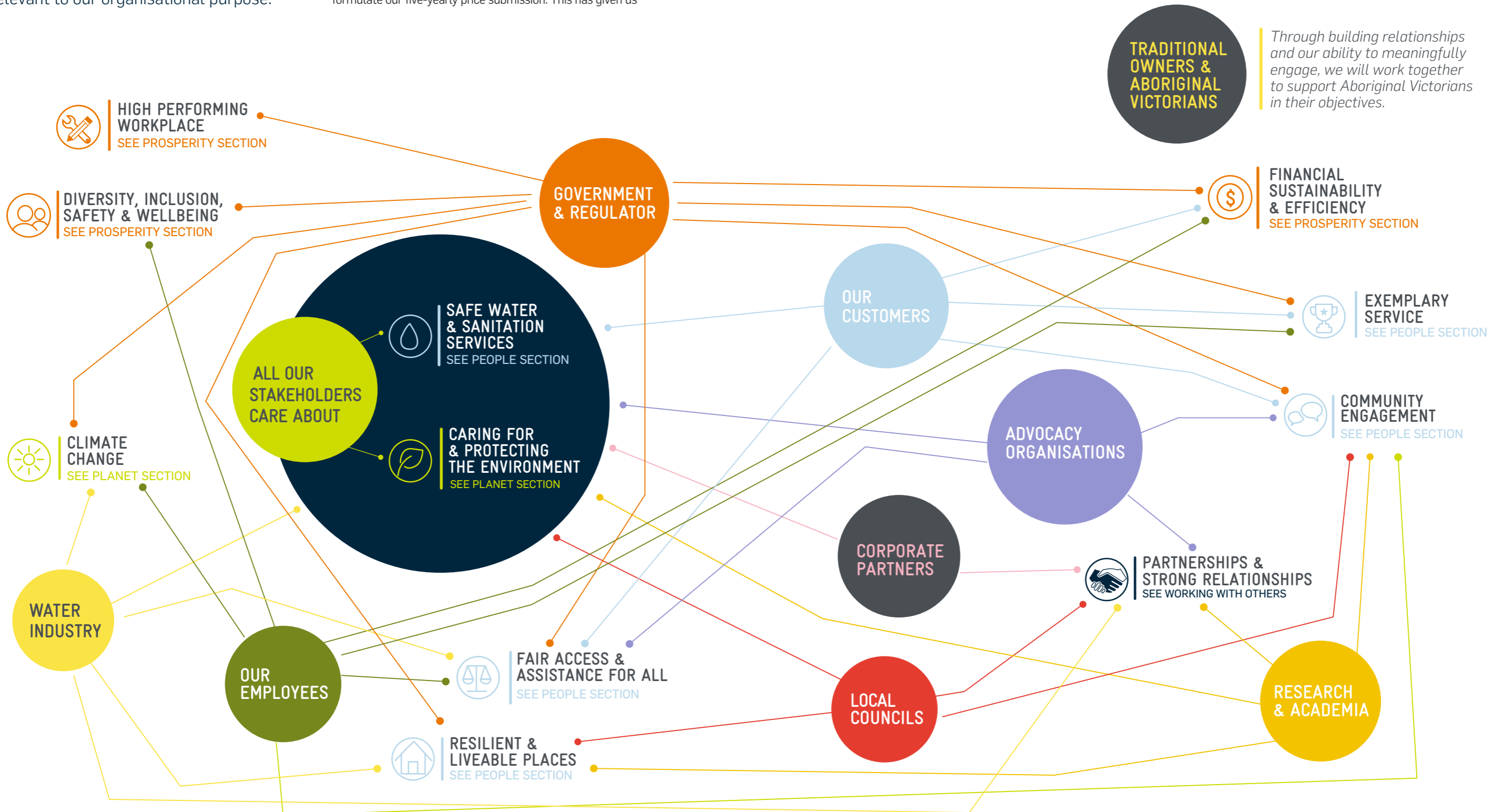
Our relationships enable us to tap into a range of views, helping us to understand what our stakeholders consider to be our most important impacts and opportunities to create value. The best example of this was our recent citizens' jury deliberations, during which we invited consumers to help us formulate our five-yearly price submission. This has given us

an in-depth understanding of the values and expectations of our customers. In addition, over the last two years we have surveyed our staff, as well as more than 100 key stakeholders, to determine the issues they see as relevant.

Results from staff surveys show that 92 per cent of our staff think we are a socially and environmentally responsible organisation, 85 per cent feel that the organisation's values are aligned with their personal values, and 91 per cent are proud to work here.

In 2016 we surveyed our employees asking where our social focus should be, what would make the biggest difference to

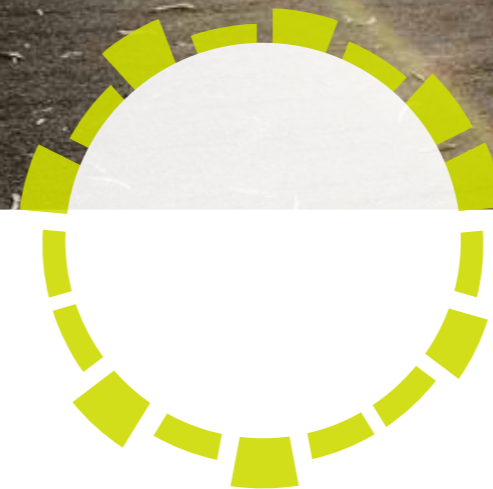
our community and society, and what they think we do well or could do better. Using these inputs, in consultation with the Australian Centre for Corporate Social Responsibility (ACCSR), we conducted workshops with senior staff to refine these issues. We also used the SDGs as a lens to review our performance, identify challenges and opportunities, and clarify priorities. These material issues were validated and prioritised by our Executive Team and their feedback has informed the contents of this report.



# PLANET

“ WE WON'T HAVE  
A SOCIETY IF WE  
DESTROY THE  
ENVIRONMENT ”

MARGARET MEAD



CARBON  
NEUTRAL



HEALTHY  
WATERWAYS



USING WATER  
WISELY



Without healthy natural ecosystems to support life, we have no future. A sustainable business is dependent on natural as well as financial capital. Our business is closely tied to the health of the planet. The water we supply to customers to support a thriving city is harvested from the environment, its availability is impacted by a changing climate — and all the wastewater we discharge goes back into the environment.

For humankind to prosper for generations to come we need to go beyond merely mitigating our environmental impact towards making a restorative, net-positive contribution to the health of the planet — doing 'more good' rather than 'less harm'. We are committed to reducing our demands on nature, so that we operate within the carrying capacity of the planet and take action where humanity has already overreached.

IMAGE: Upper Yarra Sewage Treatment Plant located in the Yarra Valley



A common representation of the SDGs is the 'wedding cake' model developed by the Stockholm Resilience Centre (see p9), which demonstrates how a healthy environment underpins society and the economy. Relevant SDG priorities include the health of our waterways, forests and soil, biodiversity, and a changing climate.

Our commitment is never to compromise the health of the environment in delivering our services. We have set challenging targets in the three areas where we have the biggest impact and the most opportunities to make a difference:

- **carbon neutrality:** generating all the energy we use by 2025
- **healthy waterways:** having no net impact on the streams we discharge into
- **using water wisely:** never compromising the environment by taking more water than is sustainable.

Our customers have told us they value **caaring for and protecting the environment** and that they support our investments in these areas.



IMAGE: Food waste bays at our ReWaste facility



The water industry currently generates a quarter of the Victorian Government's overall emissions and work is underway across the sector to reduce this footprint. Waste treatment is energy intensive and responsible for 55 per cent of Yarra Valley Water's total greenhouse gas emissions.

We have been greenhouse gas net neutral since 2007 thanks to offsets from our Showerhead Exchange Program and by purchasing internationally accredited offsets where necessary. We are committed to doing more to significantly reduce our carbon footprint before we offset, by following these three steps:

- increasing energy efficiency to directly reduce emissions, by minimising the amount of energy we use
- increasing the use of renewable energy to reduce indirect grid emissions
- using carbon abatement to offset any remaining emissions.

We are currently upgrading treatment processes to significantly reduce electricity consumption.

Through our membership of Intelligent Water Networks (IWN), an industry-wide partnership convened by VicWater, we are exploring the use of sub-metering programs at treatment plants to proactively manage the energy efficiency of key processes.

We plan to generate 100 per cent of our own energy by 2025 using biogas, solar and mini hydros within our water network. We are currently generating around 25 per cent of our

daily energy use at our waste-to-energy facility, ReWaste. ReWaste also reduces the amount of organic waste going into landfill and produces additional revenue through gate fees for waste disposal.

As well as examining opportunities to optimise how we operate ReWaste to increase the energy output, we are currently planning a second, larger waste-to-energy plant, which could take our renewable energy production up to 70 per cent of total use by 2021.

We have started the tendering process for a solar carpark at our head office, which will reduce our carbon footprint by 417 tCO2e (tons of carbon dioxide equivalent) per year, and we have commenced building solar farms at our treatment plants in Healesville, Upper Yarra and Whittlesea, which will deliver 475 tCO2e per year.

Through the IWN, we are also assessing the viability of building large-scale renewable energy generation that makes use of single-access tracking technology (moving panels), in collaboration with the industry and developers. Where possible, we are looking for opportunities to include small-scale hydro power generators in our network.

By July 2025 these emissions reduction initiatives will reduce our annual emissions by 64 per cent compared to our historical baseline of 32,004 tCO2e.

Our commitment to greenhouse gas neutrality also includes the emissions generated by the production of the goods and services that we purchase from our suppliers. In 2016-17 we estimated these to be 12,427 tCO2e (2017-18 estimate not available). We will continue to investigate ways that we can work with our suppliers to reduce these emissions.



We plan to generate all of our own energy by 2025 using a suite of renewables within our water network



IMAGE: Yarra Valley Water maintenance staff

## HEALTHY WATERWAYS

Waste removal and treatment is part of our core business. Sewage and liquid waste from households and businesses is discharged into our sewerage system. We transfer this waste to facilities where it is treated. These processes ensure that waterways and public health are protected.

As part of our restorative environmental strategy, we take an outcomes-based approach to this work, broadening our focus to manage our impacts on the overall health and amenity of the waterways we discharge into.

### Collection and transfer

The biggest environmental risk that can occur during the collection and transfer of sewage and liquid waste is spilling to the environment during extreme weather events. We work to minimise the impacts of spills, using controlled overflow points that allow wastewater to spill into waterways or the drainage system.

There are three main reasons for spills to occur:

**Capacity:** Our network has a finite capacity for the waste it can transfer, and heavy rainfall or infiltration into the sewers can cause occasional

overflows in waterways. We comply with the Victorian Environmental Protection Authority's (EPA) capacity requirements, and, beyond this, we work with the EPA, Melbourne Water and local government, applying a risk-based approach to improve the sewerage network and deliver better outcomes for our waterways.

**Blockage:** A major challenge is fats, oil and food solids ending up in the sewer from food businesses and homes. This can lead to blockages in pipes – causing spills, polluting our waterways and flooding customer properties. We work with local government to help food businesses improve their trade waste management to reduce this form of pollution and encourage behaviour change.

**Asset failure:** Spills can occur where pumps in the network fail. We conduct ongoing preventative maintenance, in accordance with sound asset management principles, to ensure the reliable and efficient operation of these critical assets. Tree roots and wet wipes, which don't biodegrade, also present a blockage problem for us.

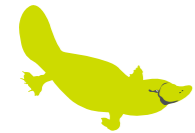
### Treatment

Seven of our ten treatment plants discharge treated recycled water into waterways under licence from the EPA. The remaining treatment plants are required to achieve 100 per cent re-use of the treated effluent. We make every effort to maximise the amount of water we recycle, because this reduces the amount we are discharging into the environment. Refer to the case study on p29 for more information.

We protect our waterways through a self-imposed nitrogen discharge limit of 87 tons a year – a figure calculated and externally endorsed to ensure we remain within the carrying capacity of Port Phillip Bay. To ensure we do not exceed this limit, we have upgraded our sewage treatment processes and maximised water recycling.

### Community sewerage

Our community sewerage program provides sewerage services to older properties in the outer suburbs that use septic tank systems, to protect the health of downstream surface and ground waters and to reduce the risk to public health arising from any discharges from these systems.



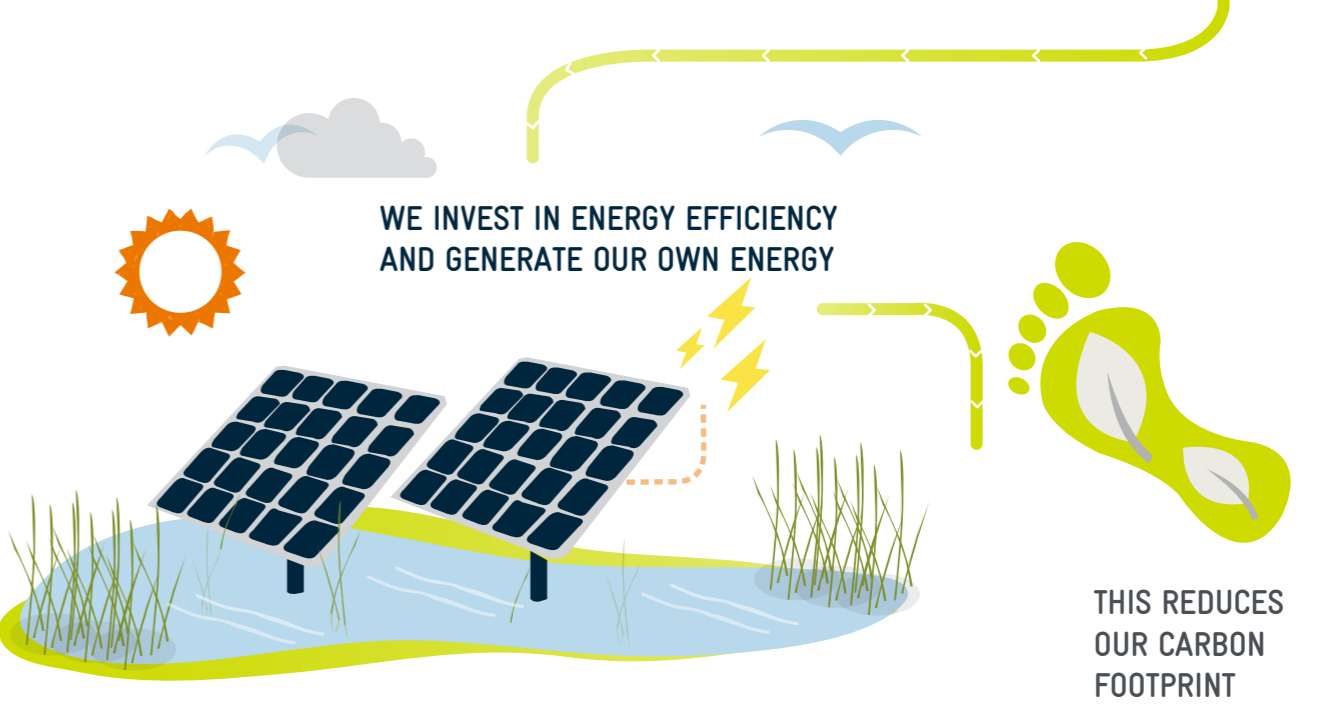
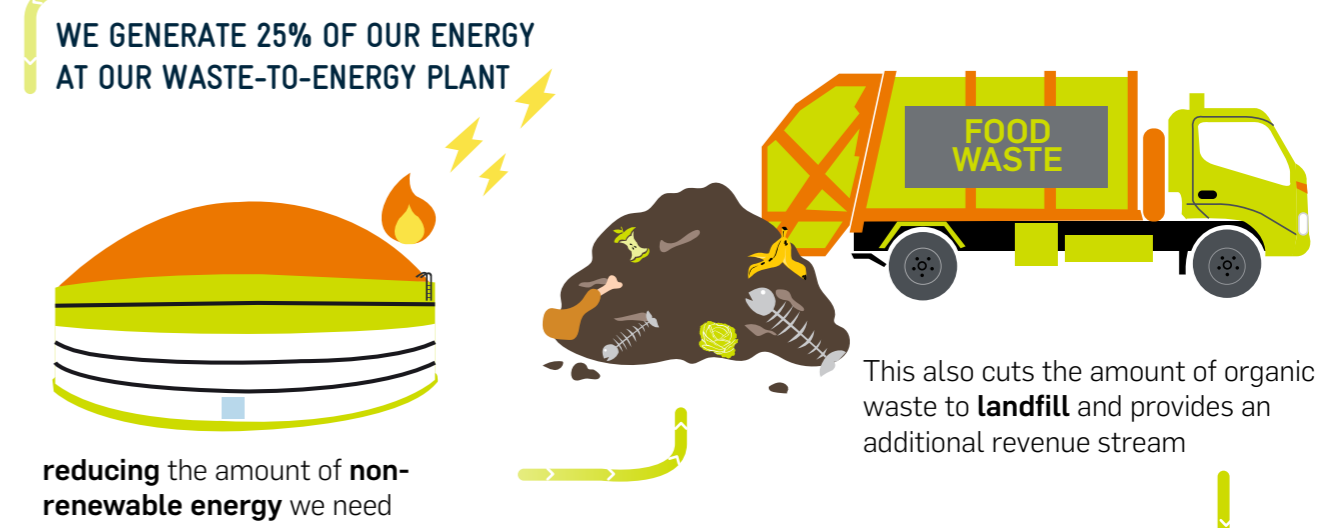
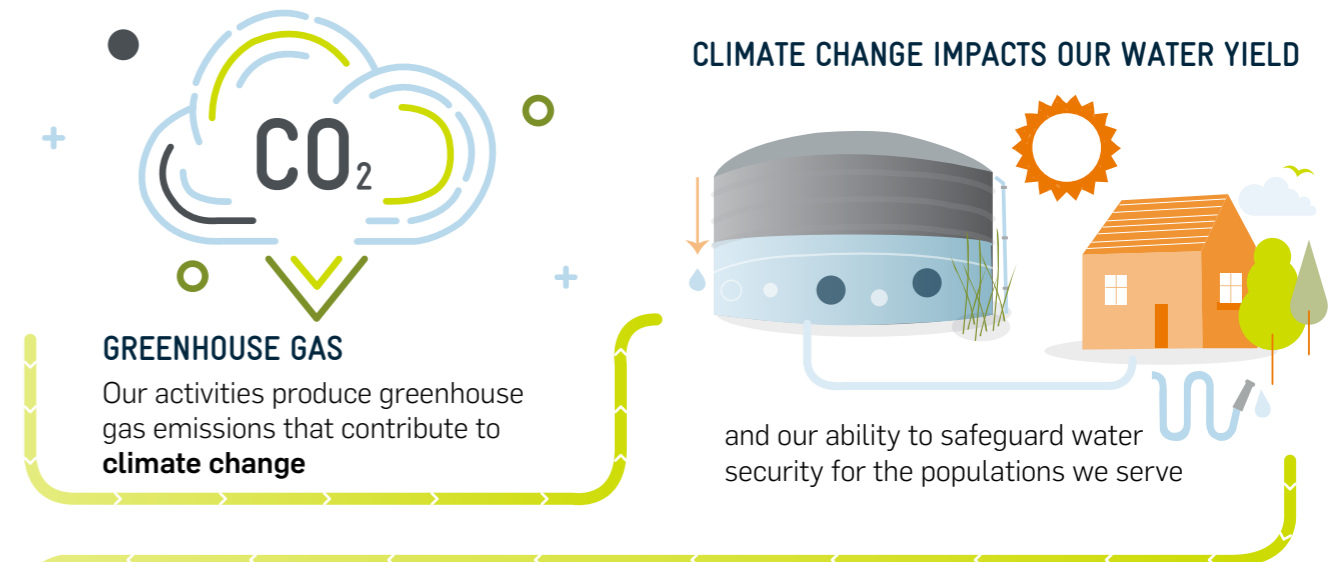
We protect our waterways through a self-imposed nitrogen discharge limit of 87 tons a year



The **Park Orchards on-site sewerage trial** will test the sustainability of on-site sewerage services as the servicing solution for 100 properties in a 1,250-lot community in the outer eastern suburbs of Melbourne. Once the reticulation sewer main is completed and constructed, in late 2018, Yarra Valley Water will conduct environmental monitoring for a minimum of 12 months to evaluate the performance of the trial infrastructure. The outcomes of this trial will inform our selection of the best servicing solution for the area in consultation with the local community.

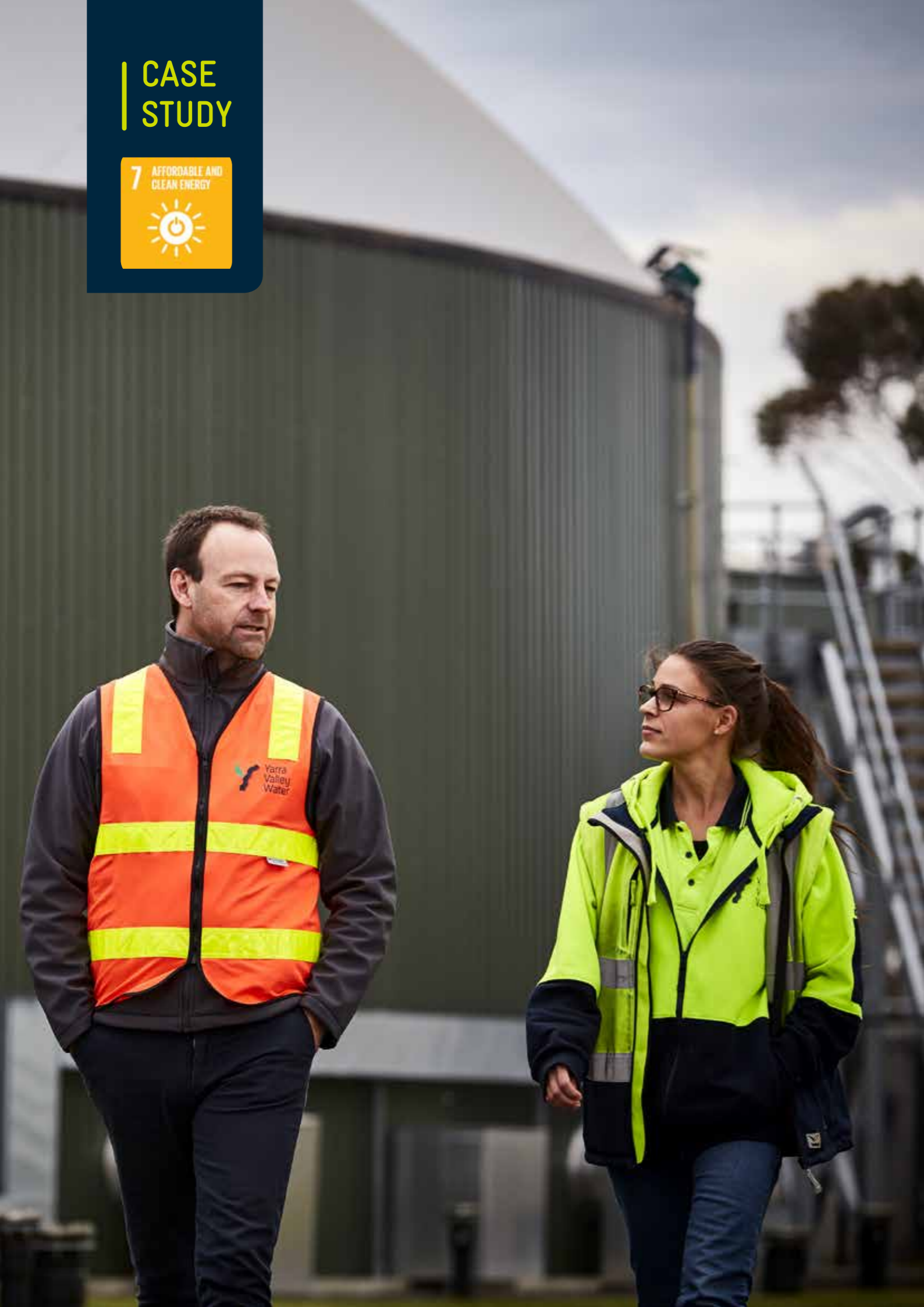



## WE AIM TO PRODUCE ALL OUR OWN ENERGY BY 2025



ABOUT US  
IMAGINING A SUSTAINABLE FUTURE  
WORKING WITH OTHERS  
PLANET  
PEOPLE  
PROSPERITY  
SUSTAINABLE DEVELOPMENT GOALS  
GRI CONTENT INDEX  
UN GLOBAL COMPACT INDEX

# CASE STUDY



 **SDG7**

**CLEAN AND MODERN ENERGY**

– substantially reduce waste generation through prevention, reduction, recycling and re-use.

# WASTE TO ENERGY:

## TOWARDS 100 PER CENT RENEWABLE ENERGY



Yarra Valley Water's ReWaste facility diverts 33,000 tons of organic waste from landfill annually and converts it into renewable energy using an anaerobic digestion process. This energy is then used to power the adjoining sewage treatment plant. At full capacity, ReWaste generates 25 per cent of Yarra Valley Water's annual electricity demand. The facility, located on the outskirts of Melbourne, became fully operational in 2017. It is a first for the water industry in Australia.

Victoria produces more than two million tons of organic waste annually. Organic waste in landfill is a major contributor to vermin, odour and broader pollution issues. Actively diverting organic waste from landfill extends the lifetime of landfill sites and gives waste a useful purpose, one of the key tenets of SDG12 – responsible consumption and production.

ReWaste also addresses SDG11, by contributing to sustainable cities and communities through integrated

planning and good waste management, and SDG13 – climate action, including resilience, adaptive capacity and mitigation. It showcases how we can tackle multiple goals in a single innovative project.

Current and planned ReWaste facilities will make a large contribution to Yarra Valley Water's ability to generate all our own energy by 2025. The facilities will export excess energy – currently approximately 70 per cent of what is generated – back to the electricity grid, reducing Australia's greenhouse gas emissions. We are conducting feasibility studies to determine how we can optimise ReWaste's output through waste heat recovery and harnessing gas production at the facility.

As well as contributing to a healthier planet, we need to find savings we can pass on to our customers to fulfil our commitment to thriving communities. Decreasing our reliance on conventional energy sources was an obvious opportunity, and one that ReWaste capitalises on.

YEAR TO DATE WE PROCESSED

**9800 ton WASTE**

WE PRODUCED

**2855 Mwh ENERGY**

**1 MEGAWATT**

**ELECTRICITY GENERATION CAPACITY**

**ENOUGH TO POWER 1300 homes** (average use)



In 2017-18 we produced 12 billion litres of recycled water

**73**  
KILOMETRES

In 2017-18 73 kilometres of recycled water mains were constructed



## USING WATER WISELY

We continue to develop a diverse portfolio of sustainable water sources beyond rainfall-reliant catchment supply. This diversification is necessary to protect the environment we rely on and ensure water security for future generations.

Our customers told us that **water availability and conservation** is important to them. They support us taking a more proactive approach to water conservation, including greater use of recycled and stormwater, encouraging efficient use of water and reducing water losses in our network.

Most of our current water supply is drinking water sourced from the Thomson and Yarra catchments. In 2017, Melbourne received its first desalinated water from the 150 billion-litre Victorian desalination plant. As our population grows, we expect this facility to provide a greater proportion of overall drinking water supply.

As mentioned, our local sewage treatment plants also provide recycled water for fit-for-purpose household, business, open space and agricultural uses. In 2017-18 we produced 12 billion litres of recycled water, which saved using drinking water for non-drinking purposes such as flushing toilets. Our research shows that 85 per cent of customers either love or like the idea of using recycled water to help with saving precious drinking water.

### YARRA VALLEY WATER'S 50-YEAR DEMAND-SUPPLY OUTLOOK



#### DEMAND



#### SUPPLY

	DEMAND	SUPPLY
→ NOW	<b>1.9 million people</b> Household use: 161 litres per day	<b>160 billion litres</b> Catchment: 140 Desalinated water: 19 Recycled and rainwater: 1
→ 2041	<b>2.5 million people</b> Household use: 137 litres per day	<b>173 billion litres</b> Catchment: 121 Desalinated water: 48 Recycled and rainwater: 4
→ 2066	<b>3.3 million people</b> Household use: 127 litres per day	<b>208 billion litres</b> Catchment: 114 Desalinated water: 56 Recycled and rainwater: 8 Unidentified: 31



#### DEMAND

Based on medium demand scenarios  
Existing rainwater demand is not included



#### SUPPLY

Based on median supply

*Reproduced from Yarra Valley Water's Urban Water Strategy*

We predict increased use of recycled water and stormwater over time, with current plans projecting the use of around 8 billion litres per year of these alternative water sources by 2066. Recycled water, via a third pipe system for laundry, toilet flushing and gardening uses, is built into 100,000 homes in a new development in the expanding northern suburbs of Melbourne,

and is expected to require 6 billion litres per year at full capacity. We aim to contribute a much larger quantity over the next 50 years where the business cases demonstrate value to customers. See our recycled water case study on page 29.

More details are available in our [Annual Report](#) and [Urban Water Strategy](#).



# CASE STUDY

13 CLIMATE ACTION



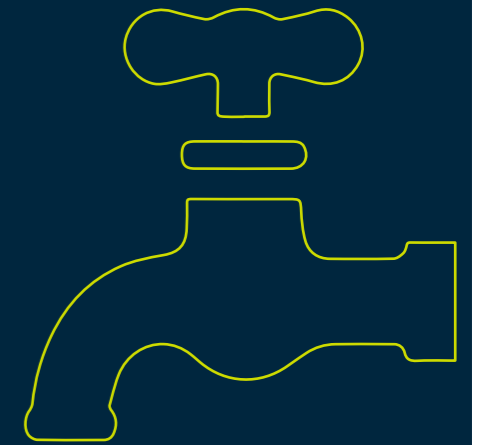
SDG13

### TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS -

strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

# RECYCLED WATER:

## BUILDING CLIMATE RESILIENCE INTO OUR SUPPLY



As we move into a hotter and drier future, we need to diversify our water sources to meet growing demand. Our 50-year demand and supply outlook tells us that the community need for water will increase from 160 billion litres to 208 billion litres in 2066. Given the unpredictability of our climate in the coming years, rainfall-independent water supplies will become crucial to water security and meeting the demands of our growing city.

Recycled water provides significant efficiency and environmental benefits and is a key component of our integrated water cycle management servicing strategy. It can be provided to homes via a third pipe system and is used for flushing toilets, watering gardens and doing laundry. We produce different classes of recycled water, which can be used for certain applications depending on the level of treatment. What we can't re-use is discharged into local waterways according to the conditions in our licence from the EPA.

In 2017-18, we connected 2,680 properties to Class A recycled water and constructed 73 kilometres of recycled water mains. We produced 12,088 million litres of recycled water

at our sewage treatment plants, of which 33 per cent was re-used. This re-used volume was an increase of 13.2 per cent compared to 2016-17.

We are currently involved in two shared-value projects that emphasise the role of recycled water in the community. A proposal to pipe recycled water from Yarra Valley Water's Lilydale Treatment Plant to winemakers and food growers in Victoria's Yarra Valley region is currently being explored. Currently under consideration for funding from the National Water Infrastructure Development Fund, the project would secure these businesses' water supply and help them increase their output, boosting the local economy.

We also recently agreed to supply recycled water to Melbourne Polytechnic's Whittlesea campus. The water will be used in the institution's agricultural education activities, contributing to the long-term viability of the farm and providing a valuable tool for water sustainability education.

Recycled water also contributes towards SDG11 – sustainable cities and communities – and will continue to play a big role in servicing a growing Melbourne. We are also piloting advanced processes to recycle stormwater to drinking water standard.



Since 2011, the average daily water usage per person has been around 159 litres per day



Schools participating in SWEP saved a total of \$2.9 million by identifying water-efficient behaviours

## WATER EFFICIENCY IN THE COMMUNITY

Consumer water efficiency is vitally important in our changing climate and growing city, and our efforts to promote it in the community deliver a considerable benefit to the community. Research indicates that our water efficiency programs deliver a social return on investment of approximately \$32 for each dollar spent.

During the Millennium Drought (1998 to 2009) – usage dropped from nearly 250 litres per person per day in 1997-98 to a low of less than 150 litres in 2010-11. These water use trends have remained relatively stable since 2010-11 and are now sitting at 161 litres per day, which we can attribute to:

- our showerhead exchange program, which has issued 190,688 water-efficient showerheads since it began
- primary school and early learning education programs, which have reached 33,500 children
- water audits of public housing homes
- the Schools Water Efficiency Program (SWEP), which helped schools reduce their water use and save a total of more than \$2.9 million
- our promotion of alternative water sources to businesses and local government

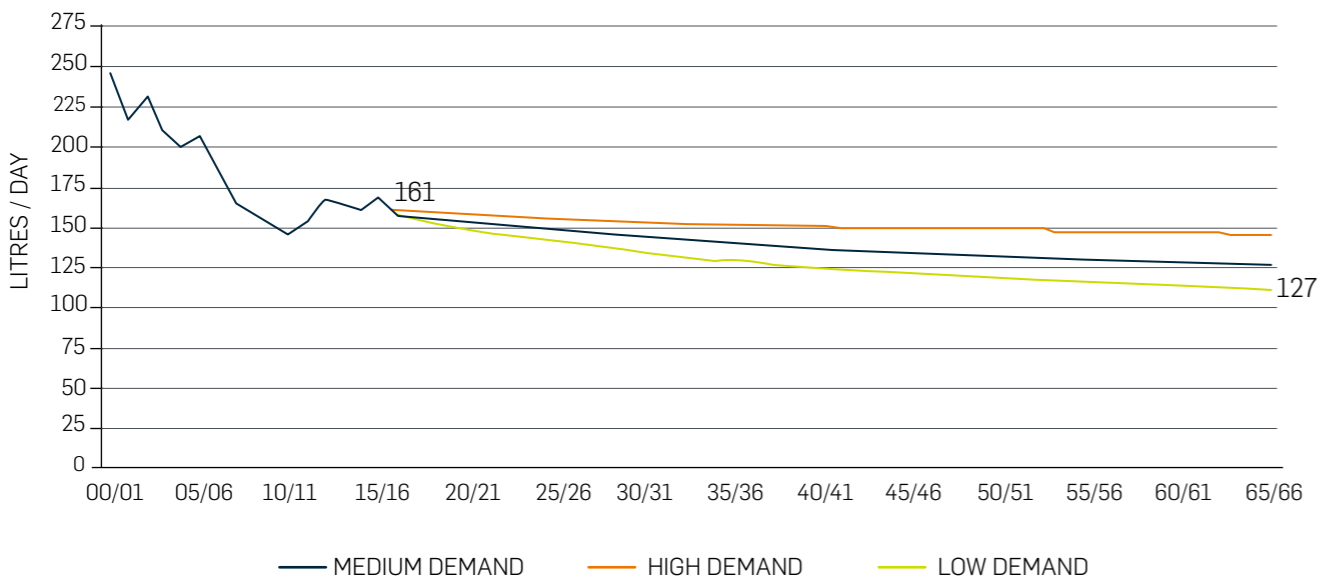
- the Target 155 initiative, which encourages residential users to aim for a maximum of 155 litres per person per day
- permanent water use rules, which remain in place.

Water conservation is best measured by total water usage per person per day which includes leakage and usage by all customer segments, not just residential customers. We aim to reduce usage by 5.8 per cent by 2023. One area of focus is investigating the benefits of digital metering, which would provide more granular data on water loss and empower us and our customers to proactively address leakage issues.

## BURSTS AND LEAKS

Non-revenue water – water lost through bursts, leaks and thefts – is an ongoing area of focus. We are pursuing ways to improve our network leakage by continuing to provide information, advice and programs to increase water conservation knowledge and awareness, and conducting activities at the customer and community level that focus on water conservation and greater utilisation of alternative water supplies.

## YARRA VALLEY WATER AVERAGE RESIDENTIAL WATER USE



## WE AIM TO WORK IN HARMONY WITH THE ENVIRONMENT

OUR CORE BUSINESS DEPENDS ON THE HEALTH OF THE ENVIRONMENT



We **transfer, treat and recycle waste** including sewage, trade waste and organic waste

THIS REDUCES IMPACTS ON THE ENVIRONMENT, AND SAFEGUARDS HUMAN HEALTH AND WELLBEING



We **take water** from the environment, and we discharge treated water into waterways

OUR COMMITMENT IS NEVER TO TAKE MORE WATER THAN IS SUSTAINABLE AND TO HAVE NO NET IMPACT ON STREAMS WE DISCHARGE INTO



We find the **best source of water** for an application, to protect our precious drinking water supplies



“NOW, MORE THAN AT ANY TIME IN OUR HISTORY, OUR SPECIES NEEDS TO WORK TOGETHER”

STEPHEN HAWKING

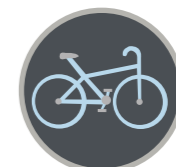
# PEOPLE



CUSTOMER AT THE CENTRE



PLACES FOR PEOPLE



HEALTHIER LIFE CHOICES



A FAIR GO FOR EVERYONE

**SUSTAINABLE DEVELOPMENT GOALS**



**MATERIAL ISSUES**

- SAFE WATER & SANITATION SERVICES
- FAIR ACCESS & ASSISTANCE FOR ALL
- RESILIENT & LIVEABLE PLACES
- EXEMPLARY SERVICE
- COMMUNITY ENGAGEMENT

Yarra Valley Water exists to provide exemplary water and sanitation services for people. Customers and the community are at the core of everything we do. We deliver essential services around the clock, and we take this responsibility very seriously.

Beyond this core business, we aim to double our social capital by 2020 by maximising our contribution to public health and wellbeing – through reconciliation, inclusion and engagement with the Traditional Owners of the land we work on; by encouraging healthier water-related life choices; by working to address vulnerability, hardship and social exclusion, with a particular emphasis on access to essential services; and by engaging others to participate in water-sensitive solutions for the future.

Water is essential for human survival, and high-quality drinking water and sanitation are vital to protecting public health. SDG6 recognises the importance of access to safe and affordable drinking water for all – this is our bread and butter work. We reinforce our commitment to SDG6 by supporting international partners to realise their aims in countries where basic services are not guaranteed.

We contribute to the community by transferring, treating and recycling waste, including sewage and organic waste. Delivering reliable services that support a resilient Melbourne requires the construction and maintenance of a vast network

of vital infrastructure, ensuring our staff are responsive to the needs of a diverse customer base, and putting customer needs at the centre of our future planning. Our focus is on:

- proactively managing water quality using a risk-based approach
- continuing with preventative maintenance
- increasing the capacity of our network
- keeping the customer in the loop regarding response and restoration timeframes
- increasing customer satisfaction.

In addition to maintaining these core services, we aim to redefine our role in public health to address 'the social determinants of health and wellbeing' – the socioeconomic, behavioural and environmental factors that exert the greatest influence on health and wellbeing in the 21st century. These factors are reflected in SDGs relating to public health (SDG3), addressing inequalities (SDG1 and SDG10) and enabling access to green open space (SDG11).

To deliver on our commitment to community health and wellbeing, we aim to address growing vulnerability, inequality and social exclusion, and manage the impacts of population growth and climate change on the community.

The SDGs have provided the blueprint to implement this strategy, while our citizens' jury deliberations gave us the mandate. Our approach makes economic sense – recent research shows that some of our programs will deliver more than \$30 in social value for every dollar we spend.

Our targets for thriving communities are based on delivering:

- a fair go for everyone
- healthier life choices
- great places for people.

**96%**  
of residential customers agree that we provide a reliable water service

**CUSTOMER AT THE CENTRE**

We regularly check in with customers by seeking their engagement, insights and input on the work we do. In preparing our recent five-yearly price submission, we embarked on one of the most comprehensive customer engagement initiatives the Australian water industry has ever seen, considering the feedback provided by more than 24,000 customers. The process culminated in a ground-breaking citizens' jury – see below – which provided us with a clear roadmap for the delivery of our services.

The price submission process placed the customer at the centre of our decision-making and planning, identifying seven outcomes that

customers expect and value, including three core service expectations:

- safe drinking water
- reliable water and sewerage services
- timely response and restoration.

And four community-based values:

- modern flexible service
- fair access and assistance for all
- water availability and conservation
- care for and protect the environment.

These seven themes are covered throughout this report, and inform our thinking on how to advance the SDGs and to deliver on our strategy.

**OUR CITIZENS' JURY**

To help us prepare our price submission, we gave 30 jurors – selected to reflect the diversity of our community – all the information they needed to make informed recommendations, and asked them to find a solution to the following problem: We need to find a balance between price and service that is fair for everyone.

We worked with the jury for over six months as they made recommendations, which we took to our independent service and pricing regulator, the Essential Services Commission (ESC).

The citizens' jury provided insights that go beyond a pricing structure to inform the way we work. The jury set the criteria that our pricing should be 'fair for everyone', and established guiding principles for assessing the fairness of their recommendations, including that they should be equitable, representative, transparent and visible, affordable, flexible and responsive, consistent in terms of service standards and sustainable over the long term.

Our response to the jury's recommendations can be seen throughout this report – we are using the outcomes of the process to guide our priorities over the next five years.

The jury asked us to do more in areas such as supporting customers experiencing vulnerability, providing a modern and flexible service, caring for the environment and making a collective effort to conserve water. Responding to these customer concerns is the difference between our core work and the value we can build into our business.

For more about our price submission process and work with the citizens' jury, see [www.yvw.com.au/futureprices](http://www.yvw.com.au/futureprices).

**IMAGE:** Our citizens' jury worked with us for six months in 2017



CUSTOMER AT THE CENTRE

ABOUT US | IMAGINING A SUSTAINABLE FUTURE | WORKING WITH OTHERS | PLANET | PEOPLE | PROSPERITY | SUSTAINABLE DEVELOPMENT GOALS | GRI CONTENT INDEX | UN GLOBAL COMPACT INDEX



In 2015-16, we reported a financial profit of \$50 million, but our value to society was \$446 million

**Safe drinking water**

Our customers tell us that the most important outcome we deliver is 'safe and pleasant drinking water'. Our [Water Quality Annual Report](#) reports that we have met our target – 100 per cent compliance – for the last few years.

**Reliable service**

Our customers tell us they want a dependable service with minimal interruptions. We measure service reliability by the percentage of customers who experience three or more water and sewerage service interruptions in 12 months, averaged over a five-year period to account for severe weather events. Our target for this measure is less than one in one hundred properties.

**Customers with three or more unexpected water or sewerage supply interruptions in 12 months**

Year	Per cent
2013-14	1.03%
2014-15	0.70%
2015-16	0.59%
2016-17	1.18%
2017-18 (forecast)	0.88%

We monitor and manage the numbers of customers experiencing unplanned interruptions to meet our targets for good service. We also keep track of and manage the numbers of complaints per 1,000 customers, the number of guarantee service-level rebates paid, the average frequency of water supply and sewerage interruptions, and the number of customers who contact us more than once in relation to water flow, reliability or their sewerage service.

We are continuing with preventative maintenance for our mechanical and electrical assets, including renewing pipes, water meters, maintenance holes and other infrastructure. We are also optimising the operation, hydraulic performance and management of the water supply network through activities such as managing water pressure.

**Timely response and restoration**

Our customers tell us that interruptions of over four hours are a cause of dissatisfaction. We measure our performance in this area as the percentage of customers whose service has not been restored within four hours and provide service-level rebates if we don't meet this timeframe. We commit to ensuring that a minimum of 91.1 per cent of customers' interruptions are restored within four hours, which reflects our performance over the last five years.

Feedback from the citizens' jury indicates that we can reduce the inconvenience of service interruptions by providing a quick response – ideally within 60 minutes – and keeping customers in the loop regarding timeframes and estimated completion.

**Modern flexible service**

Many of our customers expect real-time usage advice, the ability to monitor their accounts and usage online at any time, and incentives for prompt payments and electronic billing. We are investigating ways to offer modern, flexible services that reflect the digital interactions customers have with many other service providers.

The best measure of our performance in this area is the percentage of customers who are satisfied with their most recent experience with us. We track this measure twice a year via our existing customer insights program. Our performance is currently sitting at 84 per cent, and we commit to maintaining a minimum target of 86 per cent for the coming five years (2018-19 to 2022-2023).



We are committed to doubling our social value by 2020

**DOUBLING OUR SOCIAL VALUE**

We have committed to doubling our social value by 2020 and are working with key partners to address systemic issues in Australian society. We believe that this is the best way Yarra Valley Water can contribute more to the health and wellbeing of current and future generations beyond our core service.

A key insight from our recent Integrated Profit and Loss (IP&L) research is that when we move from a traditional financial profit-and-loss assessment of our performance – which only considers the business perspective – to a wider perspective of social and financial capital delivered to the community, we get vastly different values. In 2015-16, Yarra Valley Water reported a financial profit of \$50 million to our owner, the Victorian Government, but our value to society was \$446 million.

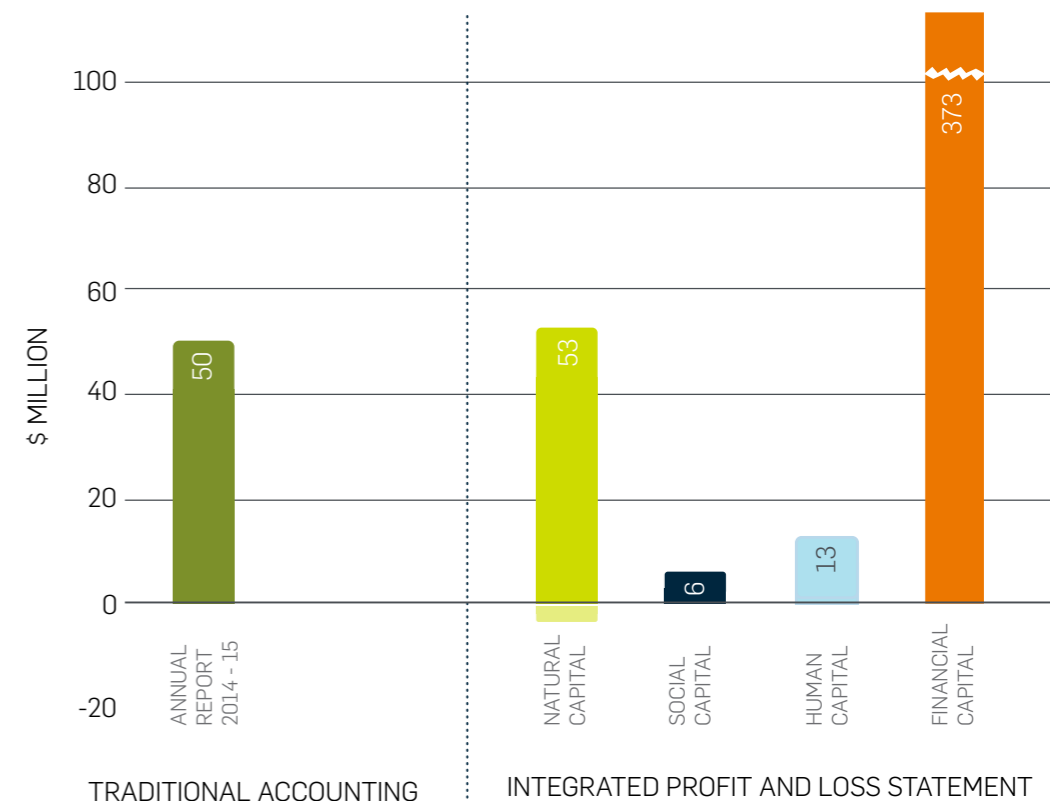
This work is helping us understand the social, environmental and human value our projects generate for the community, and to assess our sustainability as a business over the long term. We are currently using this methodology to explore investment options from a whole-of-community perspective, with a view to doubling our social value by 2020.

This is how some of our key projects shape up in terms of their social return on investment for the community:

- Education programs on water efficiency – **\$33 per dollar invested**
- WaterCare government grants – **\$12 per dollar invested**
- WaterCare audits – **\$10 per dollar invested**
- WaterCare concessions – **\$4 per dollar invested**
- Choose Tap – **\$4 per dollar invested.**

We are increasingly conscious of the importance of outcomes – measuring the impact of what we do, not just the outputs. This is critical if we are to assess our progress and the difference we are making, and review and adapt our approach as necessary.

**MEASURING OUR TRUE VALUE TO SOCIETY**



**HEALTHIER LIFE CHOICES**

We look to provide ways of increasing urban amenity for the communities we serve – this includes increasing public health and wellbeing through healthier life choices.

**CHOOSE TAP**

Our Choose Tap program promotes tap water as a healthy alternative to bottled drinks. It contributes to community health and wellbeing by encouraging people to reduce their consumption of sugary and high-energy drinks. We provide free drinking water in public spaces such as parks and recreation areas at our many convenient Choose Tap refill stations, which customers can locate using a handy smart phone app.

Choose Tap also benefits the environment by reducing the number of energy-and-water-intensive plastic drink containers going into landfill.

Our research shows that the social value generated through this program is approximately \$1.9 million, which is equivalent to a return of \$3.70 for every dollar invested.

**Sponsorship**

The Choose Tap campaign sponsors community sporting events such as community football leagues, with an increasing emphasis on women's sport. By spreading a message about the health and hip-pocket benefits of drinking water, we are offering an alternative to the sports drinks, soft drinks and alcohol also advertised at such events.

Choose Tap also runs incursions into primary schools to educate children about the health and environmental benefits of water. We distribute Early Learning Centre kits for younger children and support story time sessions at community libraries. These resources educate kids on the environmental and health benefits of tap water. We also conduct surveys with parents to engage them in the program.

Our research has highlighted that for every dollar we invest in educating young children about the health benefits of drinking water, we return \$10 to society.

**WATER FOR SCHOOLS**

Yarra Valley Water donates aquabubblers, worth around \$2,000 each, to primary and secondary schools. We distribute these according to community need, which helps address the social determinants of health and wellbeing in the communities we serve.



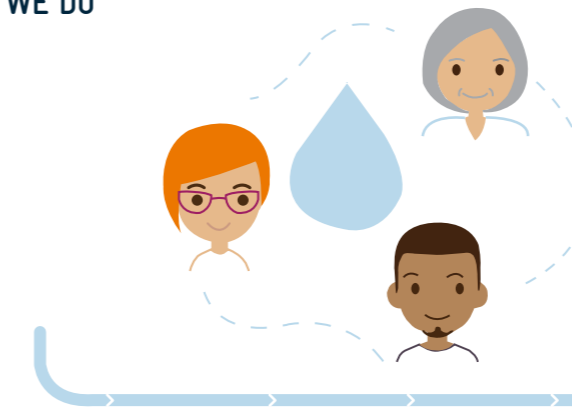
Our Choose Tap program delivers \$3.70 in value for every dollar invested

IMAGE: Choose Tap supplies free drinking water at refill stations



**WE AIM TO INCREASE COMMUNITY HEALTH AND WELLBEING**

**WE PLACE THE CUSTOMER AT THE CENTRE OF EVERYTHING WE DO**



Our **Choose Tap** program encourages the consumption of tap water as an alternative to bottled drinks and to improve public health

**IT DRIVES DOWN DEMAND FOR PLASTIC BOTTLES**



reducing costs to consumers, energy use and waste to landfill

**WE EDUCATE AND SUPPORT CONSUMERS TO BE WATER EFFICIENT**



**BY DEMONSTRATING RESPECT, BUILDING RELATIONSHIPS AND CREATING OPPORTUNITIES**



We work with **government, local government** and the **water industry** to keep Melbourne cool, green and liveable



we aim to have a **positive impact** on the wellbeing of Aboriginal and Torres Strait Islander people

ABOUT US  
IMAGINING A SUSTAINABLE FUTURE  
WORKING WITH OTHERS  
PLANET  
PEOPLE  
PROSPERITY  
SUSTAINABLE DEVELOPMENT GOALS  
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THIS IS A SIGNIFICANT CHANGE IN HOW WE ARE PLANNING FOR THE FUTURE – DEVELOPING GUIDING PRINCIPLES FOR LONG-TERM MEANINGFUL ENGAGEMENT, AND RECOGNISING AND ACTING UPON TRADITIONAL OWNERS' CONTRIBUTION TO THE FUTURE OF WATER MANAGEMENT

# RECONCILIATION ACTION PLAN

Our first Reconciliation Action Plan (RAP) establishes a profound, organisation-level commitment to reconciliation. It outlines how we will develop enduring, proactive and respectful relationships with Traditional Owners and Aboriginal and Torres Strait Islander communities, to support a shared commitment to Country, water and thriving communities.

During the first year we appointed an Aboriginal Liaison Officer to help guide and manage the implementation of these actions. We also established governance arrangements, which include the formation of our Reconciliation Leadership Committee comprising representatives from our Executive team, and two external Aboriginal members.

We embedded recognition and respect, flying the Aboriginal flag at our Mitcham site and establishing and using protocols for acknowledging Traditional Owners in a way that helps everyone appreciate the reason for doing this.

We also welcomed community advocate Karen Milward onto our Board. Karen is a Yorta Yorta woman who guided us through the consultative journey to develop our RAP, in conjunction with Traditional Owners.

We are building relationships with different community organisations, including through our continued sponsorship of events such as the NAIDOC event at Fitzroy Town Hall and Belgrave Survival Day.

As we build our relationships, we are exploring opportunities to work with Traditional Owners and other community organisations to support their aspirations.

We are continuing to focus on:

- internal awareness and knowledge-building
- developing an engagement plan to support building relationships with Aboriginal and Torres Strait Islander communities
- building relationships with Traditional Owners
- employment practices to ensure our workplace is culturally safe to support the attraction and retention of Aboriginal and Torres Strait Islander employees
- building our knowledge of Aboriginal-owned businesses that provide relevant services for us, and encouraging staff to engage them.



Nearly three million people live below the poverty line in Australia



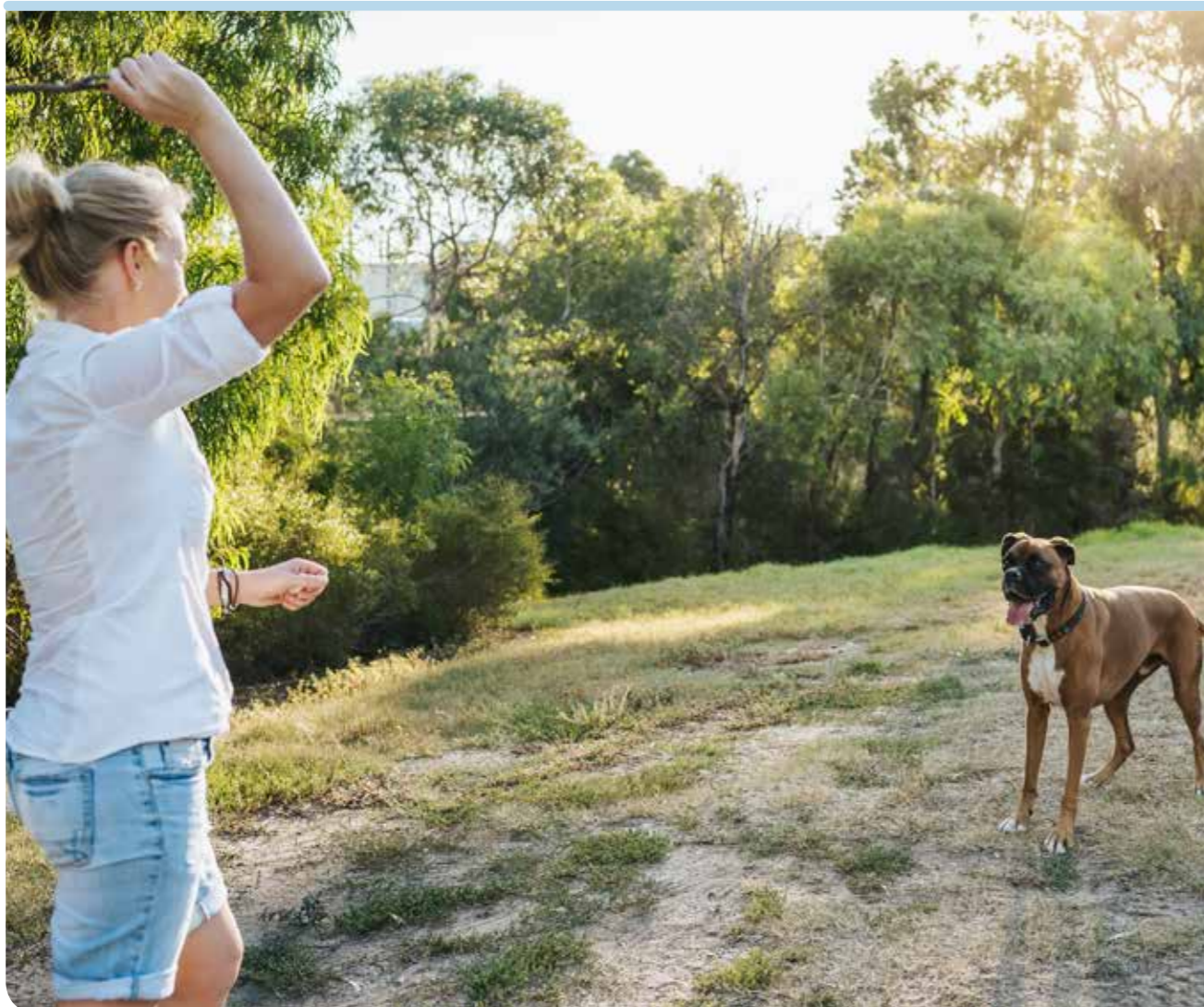
## PLACES FOR PEOPLE

We are part of a system that does not stop at the borders of our service area. Whole-of-water-cycle management is best served by collaborating with other utilities, planning authorities, local government, developers and communities to improve environmental and liveability outcomes, such as enhancing the drought resilience of Melbourne's green open spaces and providing recycled water to support businesses and communities to thrive.

We are well placed to identify mutually beneficial opportunities and facilitate shared outcomes, and are working with developers and local government to co-design the suburbs of the future, particularly in Melbourne's growing north.

We are also actively participating in government-convened Integrated Water Management forums in the Yarra, Dandenong and Maribyrnong catchments. These bring key agencies together to examine issues and opportunities for shared value projects with liveability benefits.

IMAGE: Merri Creek, Brunswick



## A FAIR GO FOR EVERYONE

Water industry research tells us that 10 per cent of our customers are currently experiencing financial vulnerability.

In 2017-18, 45,625 of our residential customers (around six per cent) were on instalment plans. Another 7,048 customers applied for and were awarded hardship grants. Water industry research indicates a wider issue – almost half of our customers have struggled to pay their utility bills in the last 12 months. And 43 per cent say they regularly pay their bills using some form of credit.

### Community Inclusion

We strive to ensure that our services are financially inclusive for the most vulnerable members of our society, reducing the stigma around financial hardship while working with other organisations to tackle the root causes of socioeconomic disadvantage.

43%

of customers say they regularly pay their bills using some form of credit



WaterCare programs deliver up to \$11 for every dollar invested

Over the last year, our recently formed Community Inclusion division has worked to identify gaps and opportunities in the way we support our customers in all interactions with them. We are partnering with government, community agencies and businesses to better align our policies and processes around hardship and vulnerability, which streamlines the experience for the customer.

We are also looking at how we can better support small businesses, both as customers and potential suppliers. And we recognise that our staff members may experience hardship or vulnerability themselves and we work to ensure that we provide adequate support to them.

In the long-term, our vulnerability and hardship assistance will improve the financial literacy and resilience of our customers and enable them to participate more fully in the economy and community.

One area of focus is to strengthen our programs to support greater involvement of and accessibility for Aboriginal and Torres Strait Islander peoples. Through our recently appointed Aboriginal Liaison Officer, we will be investigating how we can best target and tailor these services to ensure everyone who needs to access these services can do so.

Our citizens' jury has given us the mandate to increase our investment in these programs. Our approved price submission includes an additional \$6 million investment over five years to improve awareness of and access to our services among disadvantaged customer segments.

### WaterCare and our Financial Inclusion Action Plan (FIAP)

Our well-established WaterCare program is a holistic support initiative designed to be responsive to the complex issues facing customers experiencing vulnerability. It focuses on early identification of financial vulnerability, visibility of the support available for those who might need it, and help for at-risk customers and those already experiencing hardship.

Since it launched in 2013, the program has had a measurable impact on customers' lives, and on Yarra Valley Water's finances. The number of customers transitioning back to mainstream payment plans has increased by 168 per cent, and 91 per cent of WaterCare customers are meeting their agreed payment plans.

Our research demonstrates that the social return on investment from our WaterCare program is significant – for every dollar we spend, we deliver an additional \$3 to \$11 in social value to the community.

In 2017 we became one of the first water organisations to support Good Shepherd Microfinance's FIAP program, building on our strong foundation of support for customers experiencing vulnerability, and with a view to developing a holistic, integrated approach to addressing financial inclusion across the business.

The quality of these services is best measured by the percentage of customers who believe that Yarra Valley Water helps customers who have trouble paying for their water and sewerage. We ask this question in our twice-yearly customer insights program, but have started regularly asking it in our customer support program for the first time, with a result of 89 per cent.

### Family Violence

One form of family violence in households is economic abuse. Recognising this, we have increased our capability to support those experiencing family violence and economic abuse.

Along with other water utilities and family violence experts, we collaborated with the ESC to develop changes to the customer service code. We also improved our internal customer support systems to include a 'safety flag' to identify and provide greater safety assistance to people at risk of family violence. In addition, members of our customer support team have received professional training to help them assist customers who may be affected by family violence.

Over the last two years we delivered company-wide awareness training for all staff, including our Board and Executive teams. In addition, all people managers at Yarra Valley Water were trained in how to respond to suspected or disclosed family violence among employees. This training supports our new Family Violence Guidelines.

We will continue to develop, enhance and promote our policies, protocol and support programs to ensure we can address family violence as a trigger for financial exclusion and that our customers are aware of the support available.



We proudly support the work of WaterAid, which enables the world's poorest people to gain access to clean water, functional sanitation services and good hygiene

### INTERNATIONAL PARTNERSHIPS

We proudly support the work of WaterAid, which enables the world's poorest people to gain access to clean water, functional sanitation services and good hygiene. We supported the charity to set up in Australia for the first time, housing its first offices at our premises. We have continued to provide both financial and non-financial support to WaterAid – for example including its staff in our training and providing HR expertise and support for its fundraising activities.

Over the last three years we have participated in Wateraid's Innovators Global Challenge, where teams compete from across the world to solve a real challenge from Wateraid's work. This year the challenge is aimed at solving water, sanitation and hygiene challenges in India.

In recent years we have participated in mentoring programs in Vietnam and Sri Lanka run by the Asian Development Bank and WaterLinks. This complements the work of our Water Quality Specialist, Asoka Jayaratne, whose part-time role with the World Health Organisation (WHO) sees him provide training around water safety in countries such as Sri Lanka, Malaysia and the Philippines.

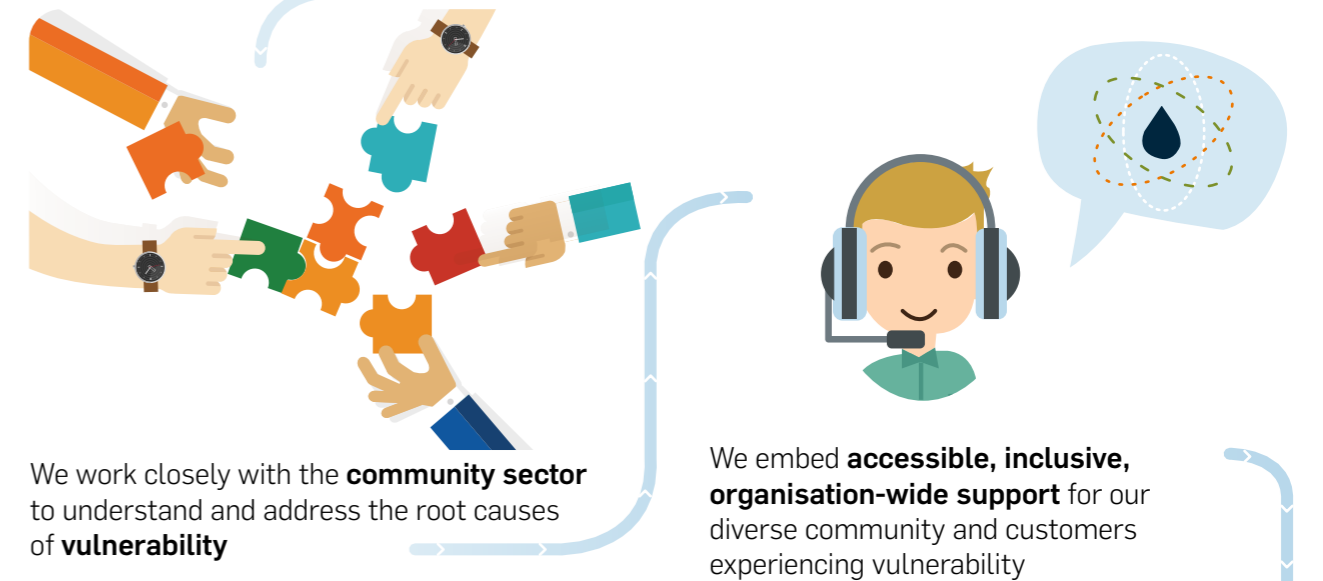
Access to water and sanitation has far-reaching impacts, with a disproportionate impact on women, and is a clear example of how interconnected the SDGs are – having access to these essential services enables people to unlock their potential and creates fairer, more productive and healthier communities.

IMAGE: Courtesy of WaterAid / Kim Hak. Oar Lay, 60 years old, cook at Koh Thom hospital, collects filtered water from the sink



## WE AIM TO PROVIDE A FAIR GO FOR EVERYONE

### OUR CUSTOMERS PROVIDE DIRECTION AND PRIORITY THROUGH OUR COMMUNITY PARTICIPATION PROGRAMS



### OUR THRIVING COMMUNITIES PARTNERSHIP HELPS US EXTEND OUR REACH, DELIVERING A HOLISTIC, CROSS-SECTOR APPROACH TO VULNERABILITY



ABOUT US  
IMAGINING A SUSTAINABLE FUTURE  
WORKING WITH OTHERS  
PLANET  
PEOPLE  
PROSPERITY  
SUSTAINABLE DEVELOPMENT GOALS  
GRI CONTENT INDEX  
UN GLOBAL COMPACT INDEX

# CASE STUDY

17 PARTNERSHIPS FOR THE GOALS



"THE REAL STRENGTH TO THE TCP IS THAT IT IS CROSS-SECTORAL. IF WE CAN BRING OUR COLLECTIVE KNOWLEDGE AND ENERGY TOGETHER TO COLLABORATE ON THE UNDERLYING ISSUES, I SEE A REAL STRENGTH AND A REAL OPPORTUNITY."

Jasbir Mahal – SUNCORP



SDG17

STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALISE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT -

encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

"IT SAVES BUSINESS MONEY. THE PURSUIT OF VULNERABLE PEOPLE FOR DEBT IS A LOSER FROM EVERYONE'S PERSPECTIVE."

Denis Nelthorpe – WEST JUSTICE

# THE THRIVING COMMUNITIES PARTNERSHIP (TCP):

## PARTNERING FOR THE GOALS

Recent research tells us that financial and social inequality (referred to by SDG10, which addresses equal opportunity and inequality of outcome) are growing in Australia. Despite an estimated \$500 billion being spent annually on health, welfare, education and housing, millions of Australians are still living in, or on the edge of, financial vulnerability or poverty.

As our population grows and our economy shifts gears, it's becoming harder for Australians to achieve a quality of life that allows them and their families to thrive. This affects our health and life expectancy, our social and economic participation, our financial resilience and the ability of our businesses to grow and prosper sustainably.

For business, the impacts of growing inequality include:

- greater volatility and declining levels of public trust in institutions, including business
- increasing rates of customer hardship and vulnerability driving up debt and the cost to serve
- greater demand on vulnerability support services, putting upward pressure on taxes

- increased complexity in the regulation landscape
- unmet stakeholder expectations for responsible businesses to drive solutions
- impact on frontline workers who deal with increasingly complex and confronting customer situations.

Yarra Valley Water is directly contributing to SDG17 both by changing our own approach and by leveraging relationships to maximise our reach. In 2016, we convened the Vulnerability Roundtable, which brought together 130 participants from across government, business and the community sector to discuss how we can improve access to the modern essential services that all Australians need to participate in and contribute to society.

The Thriving Communities Partnership, a cross-sector alliance to address systemic issues relating to hardship and vulnerability, evolved from these discussions.

Complex problems call for collective action. The Thriving Communities Partnership brings together diverse thinking and practice from leading Australian organisations. It creates social and financial capital by mitigating negative impacts for both the people experiencing financial vulnerability and hardship and the businesses serving them.



Thriving Communities Partnership



# PROSPERITY

“WHAT IS GROWTH FOR IF NOT TO HELP ORDINARY PEOPLE THRIVE”

WINNIE BYANYIMA  
EXECUTIVE DIRECTOR, OXFAM INTERNATIONAL



INVESTING RESPONSIBLY



EFFICIENT & AFFORDABLE SERVICES



DIVERSITY CAPABILITY & ENGAGEMENT



SUSTAINABLE PROCUREMENT

**SUSTAINABLE DEVELOPMENT GOALS**

We are an organisation that values responsible investment, dynamic planning and diversity. Our culture, opportunities and innovative environmental and social projects are widely recognised and attract quality talent. This in turn increases our capacity to generate intellectual capital. We foster a vibrant and inclusive culture by investing in our employees' wellbeing and developing strong workplace practices and constructive behaviours.

A sustainable business supports a strong economy, providing decent work for all (SDG8), quality education and training (SDG4) and responsible production and consumption of goods and services (SDG12) across its value chain.

We are dedicated to investing responsibly. We are innovative and flexible in our search for the best outcomes for the community, while maintaining a risk-conscious approach to our challenges and possible solutions.

Our high-performing, productive workplace culture is an important part of the way we create value. We foster open and innovative thinking across the organisation.

This open, inclusive atmosphere contributes to productivity and performance by improving employee resilience, engagement, attraction and retention. Individuals benefit from

opportunities to develop their potential as well as the economic boost that employment provides.

Our high-performing culture is reflected in the financially responsible and efficient way we conduct our business, which helps us to keep the pressure off customer bills.

We support the safety and wellbeing of our staff by investing in safe systems and wellbeing programs and providing a workplace that recognises their lives beyond work.

Our research shows that we create employee benefits worth \$14 million through our training, development and safety programs.

We are an accredited Aon Hewitt Best Employer – indicating high levels of staff engagement, which benefits our employees, business, customers and community.

We are working towards:

- **responsible investment:** working to ensure we are safeguarding intergenerational equity, productivity and future water security with every decision we make
- **diversity, capability and engagement:** tracking behavioural working styles and staff engagement so we can continue to improve, building staff capabilities for better personal and company outcomes and pursuing a diverse and inclusive workforce
- **sustainable procurement:** ensuring that we maximise positive social and environmental outcomes through our purchasing



**MATERIAL ISSUES**

- HIGH-PERFORMING WORKPLACE
- DIVERSITY, INCLUSION, SAFETY & WELLBEING
- FINANCIAL SUSTAINABILITY & EFFICIENCY

**INVESTING RESPONSIBLY**

Over the next 50 years, we expect to be servicing twice the population we do today. Combined with increased water scarcity and the impacts of climate change, this population growth could seriously impact the security, sustainability and affordability of our services if we don't adapt and plan effectively.

Most of our investment decisions are long-term, and we have an obligation to make financial decisions that optimise community value and intergenerational equity over decades rather than months or years. Our commitment to long-term planning is showcased by:

- our Urban Water Strategy
- the water industry's Water for a Future-Thriving Melbourne
- our participation in collaborative long-term planning projects (including the Long-Term Water Resource Assessment and the Central Region Sustainable Water Strategy)
- Integrated Water Management (IWM) forums
- growth strategies (the Northern Growth Corridor, for example), and
- the Metropolitan Sewerage Strategy.

Over the next five years we will be increasing the capacity of our network in growth areas via a range of key infrastructure projects. We are also engaged in long-term planning and modelling to optimise the performance of our water and sewerage networks and preventative maintenance of our assets to ensure their reliability.

We are planning our investments in growth areas to support our financial sustainability, recognising that environmental and financial resilience are intertwined for our business. We work with the water sector, government and communities to plan and deliver water and sanitation services in a water-sensitive way, ensuring the security of our supply for future generations.



In 2016-17, climatic conditions contributed to an increase of 9% in our emergency maintenance volumes



Water efficiency programs deliver \$32 in value for every dollar invested

As we plan for the short, medium and longer-term we will engage with Traditional Owners to incorporate their objectives and aspirations into what we do. This includes in the long-term strategies, and specific projects and programs that may also provide opportunities, such as accessing land or supporting economic opportunities.

**Climate Change Adaptation**

In recent years, climatic conditions have contributed to an increase in our emergency maintenance volumes. This is strong evidence of the potential impact of a changing climate on our business. We will need to adapt and consider the costs of these events to ensure business sustainability in coming years.

To manage long-term water availability we take an adaptive approach, applying the latest climate change scenarios in accordance with water industry guidelines. We are also developing an organisation-wide plan to consider the broader business impacts of climate change and ensure we address these risks appropriately – including impacts on assets and our workplace. We work closely with industry colleagues in developing our adaptation plans, including participating in the development of the government's Water Sector Climate Change Adaptation Action Plan.

**Fostering innovation**

A culture of innovation is embedded into the way we work. Our Innovation Collective is comprised of employees from across the business and supported by advisers who are accountable for innovation, and provides the tools and support to help Yarra Valley Water staff explore and develop new ideas. *The Hub* innovation portal, an online staff forum, allows any staff member to contribute ideas, vote for the best solutions and collaborate with other users on issues such as customer service, liveability and safety.

We have incorporated the Agile methodology into our delivery approach for IT projects over the last 18 months and are now using it in the way we conduct our business planning. Agile embraces adaptive planning, enabling project solutions and requirements to evolve continually throughout a project.

**AGILE METHODOLOGY**

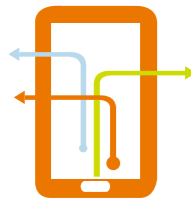


### DELIVERING OUR SERVICES EFFICIENTLY AND AFFORDABLY

Since our formation in 1995, efficiency has been core to our strategy – we have an important role in sustaining Victoria's productivity and a responsibility to deliver our services as efficiently as possible. Our strategy commitment is to 'make every cent count'. We do this by increasing productivity, reducing waste, managing our finances end ensuring our prices are fair and reasonable. We are committed to business efficiency savings of 2.5 per cent per year to enable us to keep bills down.

Our efficiency gains allow us to reduce the pressure on household budgets and ensure our prices do not impact our business customers' competitiveness. Our approved price submission ensures that the average bill for a typical household will not change between 2017-18 and 2018-19. From 2019-20 to 2022-23, the average annual price change will be 1.0 per cent below inflation. This bill freeze applies to business customers too.

We are further improving productivity through online services such as our customer self-service platform, Yarra Valley Online Water (YVOW), which has reduced interactions with our Customer Contact Centre by 36.9 per cent since 2012-13. This helps to improve productivity and meet customer self-service expectations.



We are committed to business efficiency savings of 2.5% per year to enable us to keep bills down

We expect 40 per cent of everyday customer transactions to be conducted via YVOW by the end of the 2017-18 financial year, significantly reducing the cost of handling these transactions.

#### Accountability

We recently changed the way we assess customer satisfaction to improve our accountability. Previously, our performance was monitored internally (by management) and externally through mechanisms such as our Annual Report, the ESC Annual Performance Report and the Bureau of Meteorology's National Performance Report. This provides reputational incentives, but does not result in any financial consequences for underperformance.

From 1 June 2018, under new arrangements negotiated with our customers, we will assess our performance annually. If we have not met the target for any of the seven outcome measures identified as important by our citizens' jury, we will return \$1.5 million for each target missed to our customers via price reductions through our purchasing beyond the value of the goods or services being procured.



VALUE CREATION

## WE AIM TO INVEST WISELY AND RESPONSIBLY



WE LOOK FOR OPPORTUNITIES TO ENHANCE OUTCOMES FOR PEOPLE AND THE ENVIRONMENT IN A COST-EFFECTIVE WAY



Effective long-term planning underpins our financial sustainability and safeguards intergenerational equity



We maintain a values-driven culture of prudent and ethical behaviour to meet government and community expectations



WE ARE COMMITTED TO A 2.5% ANNUAL EFFICIENCY TARGET

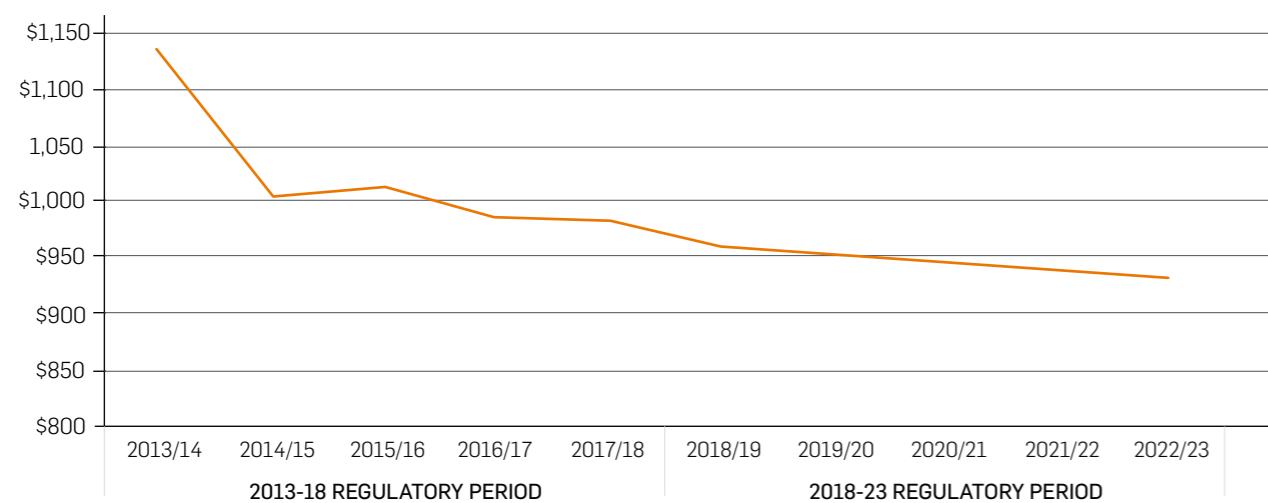


This allows us to keep bills affordable, with prices rising below inflation over the next five years



AND WE RETURN DIVIDENDS TO GOVERNMENT TO FUND OTHER SERVICES INCLUDING HEALTH, EDUCATION AND COMMUNITY INFRASTRUCTURE

### TYPICAL RESIDENTIAL BILL\* IN REAL TERMS



\* Adjusted to remove the effect of inflation

— BILL (in 2013/14 dollars)



## DIVERSITY, CAPABILITY AND ENGAGEMENT

At Yarra Valley Water, it all starts with our culture. We encourage collaboration, candour and confidence, foster leaders who support breakthrough performance, and employ highly productive, innovative, and capable people. Our 2020 Strategy commits us to a way of working that encourages extraordinary performance across the organisation.

Over the last decade, we have developed a high-performance culture, high levels of staff engagement and effective workplace practices. These can be measured by improved staff satisfaction, reduced employee turnover and increased stakeholder and customer satisfaction, and we monitor these closely. We use several internationally recognised benchmarking tools to track our progress and develop targeted strategies to improve our culture and engagement, including:

- The Human Synergistics Organizational Culture Inventory (OCI), which measures an organisation's prevalent styles. Our 2015 OCI results set new Australian records for Role Clarity, Customer Focus and Employee Satisfaction.
- Human Synergistics' Management Impact (MI), Leadership Impact (LI) and Life Styles Inventory (LSI), which measure managers' overall effectiveness and interaction with those around them.
- The Aon Hewitt Best Employer Engagement

Survey, which measures staff engagement and the effectiveness of workplace practices. In 2017 our overall engagement score was 83 per cent, and we were recognised as a national Aon Hewitt Best Employer.

### Diversity and inclusion

A diverse workforce delivers economic and social value to an organisation and society, increasing innovation and the opportunities for partnerships we can forge with diverse communities.

Our diverse workforce provides a reflection of our customer base, consolidating the many perspectives, life experiences, skills and capabilities of modern Australian society.

Our priorities are to improve gender balance in leadership and technical roles, train managers to recognise unconscious biases, and conduct a wholesale review of people policies, processes and practices. We have also appointed a Diversity and Inclusion Manager and changed our job advertising to broaden the pool of potential candidates.

We carry out an annual anonymous staff census to track the diversity of our workforce. The surveys are completed by a large proportion of our workforce. As a result, we know that:

- 0.75% of our workforce are Aboriginal
- 8% speak a language other than English at home
- 10% of our workforce arrived in Australia in the last 10 years
- 7% of people identify as LGBTIQ+



In 2017 we were recognised as an AON Hewitt Best Employer



We recently updated our employment conditions to offer paid family violence leave for all staff members



We're making clear progress on gender diversity. The number of women shortlisted for positions in the last two years – 50.5 per cent this year – has shown consistent improvement since 2015-16, when it was 28 per cent. Women represent 56 per cent of directors and 50 per cent of executives at Yarra Valley Water – by contrast, our Executive Team was only 12.5 per cent women in 2014-15. We are now working towards gender parity across the wider leadership team and in technical roles.

We are continuing to promote diversity and inclusion in our workplace by establishing diversity employee working groups across six areas: gender diversity, cultural diversity, disability and access, flexible working, life stages and generational diversity, LGBTIQ+ diversity and Aboriginal and Torres Strait Islander reconciliation.

Our 2018 diversity census showed that the percentage of our workforce identifying as LGBTIQ+ has nearly doubled since 2015, possibly a direct result of the presence of an LGBTIQ+ working group, which has worked towards creating a sense of community and inclusion for many LGBTIQ+ staff.

We are also working to provide a positive work-life balance for all staff. This is reflected in our new Enterprise Bargaining Agreement, which introduces parental leave for all new parents regardless of gender. As in broader society, parental leave is primarily taken by women. We are actively working to support and encourage all staff to take the full range of flexible working and parental leave options that are available.

Providing a culturally safe workplace is crucial in the attraction and retention of Aboriginal and Torres Strait Islander staff. This includes visible

demonstration of our respect, cultural awareness training and a staff network for Aboriginal and Torres Strait Islander staff members.

### Family violence training for staff

The SDGs stress the need to end family violence, the victims of which are overwhelmingly women and girls. SDGs 5.1 and 5.2 focus on eliminating all forms of violence and discrimination against women and girls.

All Yarra Valley Water staff have completed mandatory family violence training to help them understand the impacts of this issue. People managers undertook additional training in how to respond when they know or suspect an employee might be experiencing family violence. The training was delivered by external experts who have experience dealing with victims and perpetrators.

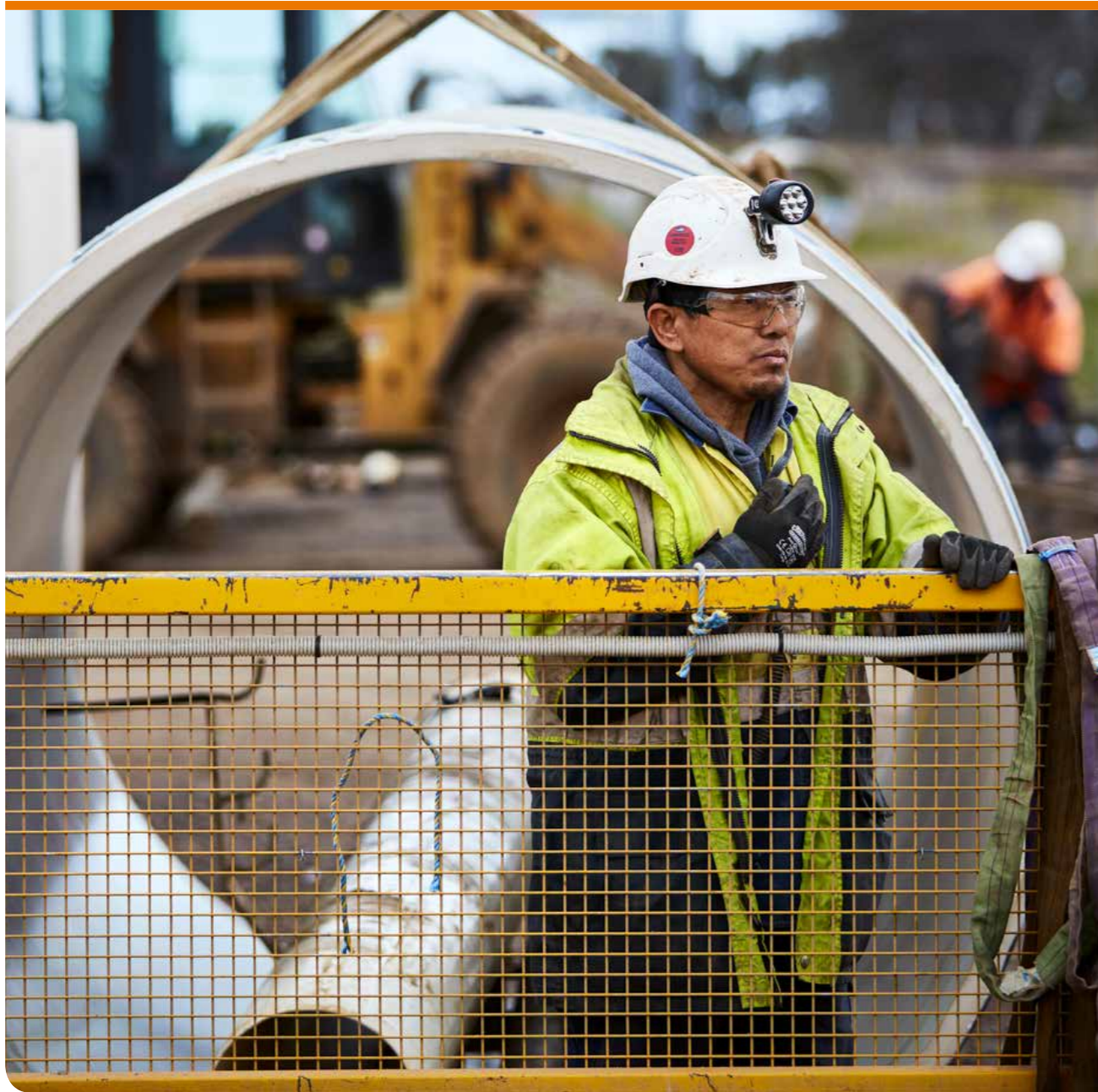
We also recently updated our employment conditions to offer paid family violence leave for all staff members.

### Safety and wellbeing

The safety and wellbeing of our staff and contractors is paramount. Over the last few years we focused strongly on leadership, systems and capability, and have seen a strong improvement in safety culture results.

In the last year, we broadened our thinking about safety to incorporate both physical and mental health and wellbeing. Our staff get involved in important conversations about safety through our safety and wellbeing advocates and community forums chaired by General Managers.

A full picture of our safety record can be found in our [Annual Report](#).



**IMAGE:** We are building the 18-kilometre Amaroo main sewer



Our Supplier Code of Practice helps us understand how our suppliers work in key social and environmental areas

### SUSTAINABLE PROCUREMENT

Our relationships with suppliers provide significant opportunities to influence positive change. Approximately 65 per cent of our operating costs are associated with partner organisations delivering services on our behalf, with our top 10 vendors accounting for 57 per cent of our contestable spend on maintenance, design, and construction and metering services.

For certain types of work – particularly those that are integrated with our core business – we establish long-term arrangements with suppliers through an in-depth tendering process. Our procurement and contract governance system aims to ensure we obtain competitive rates while

managing our risks and acting in a fair, honest and transparent manner. As a government-owned corporation, we are subject to thorough regulation and are regularly audited to ensure compliance.

We have reviewed and strengthened our procurement processes over the last year and are implementing a new contract management system. The new system will help us better understand and monitor our procurement spend, including how much we spend on certain types of organisations (such as local providers or Aboriginal-owned businesses).

We have developed a sustainable approach to procurement that includes addressing risks in our supply chain and examining where we can have a positive impact through our purchasing beyond the value of the goods or services being procured.

## BUILDING ALIGNED VALUES: DO LESS HARM, DO MORE GOOD



SDG12 emphasises the importance of sustainable procurement as a means to deliver value across the goals through our supply chain.

In 2015 we launched our *Supplier Code of Conduct*, which articulates our expectations and helps us understand how our suppliers work in key social and environmental areas. We recently revised the code to reflect our focus on areas such as reconciliation and family violence, and will be launching the updated version in 2018. We ask our key suppliers to self-assess against the code and use it as part of our tendering process.

We are leading an industry working group to explore ways to unlock the social and environmental value in our procurement activities, such as supporting opportunities for Aboriginal and Torres Strait Islander-owned businesses. We are keen to work with suppliers who have a Reconciliation Action Plan (RAP), to support each other's RAP commitments.

We are also ensuring that small suppliers are not disadvantaged or discouraged from working with us. We have had success in this with our new cafeteria provider, Carlton Providers.

**IMAGE:** Staff volunteering at a tree planting day



# CASE STUDY



## RESPONSIBLE CONSUMPTION AND PRODUCTION

– promote public procurement practices that are sustainable, in accordance with national policies and priorities.

# PROCURING CARLTON PROVIDORES



In 2016-17, we tendered for a new cafeteria service provider. We had previously conducted this procurement on a large scale – after all, we have nearly 600 staff members to feed. But big isn't necessarily better: it can often mean the difference between a generic, impersonal chain supplier and a high-quality local provider.

We had noticed that people often left our office for lunch, so we resolved to make our in-house cafeteria a better experience for all. When we put the contract out to tender, we encouraged small, local businesses to apply. We made it clear that we wanted a local operator whose values aligned with ours, including a key focus on customer

satisfaction and the health and wellbeing of staff. We offered support to develop any processes, plans or insurances smaller operators might not have in place.

As a result, we contracted to Carlton Providores, a socially responsible employer with long-standing staff members who are treated well, including a staff member with a disability. Their food philosophy is to provide local, seasonal food that supports local growers, producers and communities. There are also cost savings for Yarra Valley Water – Carlton Providores turned out to be significantly cheaper than the previous provider (a national company) for milk and other consumables.

## GOVERNANCE, COMPLIANCE AND RISK MANAGEMENT

Yarra Valley Water is a regulated organisation that must meet ongoing benchmarks for service and behaviours. We go beyond that to foster a culture of transparency, integrity, accountability and access at every level of the business, to meet public and government expectations. This supports SDG16, which recognises the importance of effective, accountable and transparent institutions. We enter partnerships and engage with others with the expectation that their standards will align with ours.

Our staff Code of Conduct sets out minimum expectations of behaviour among Yarra Valley Water employees.

We continually re-evaluate our risk environment using a two-tiered approach that considers both immediate and long-term risks. Risk and innovation exist at the opposite ends of a continuum. We need to be extremely risk conscious when managing our water supply system, but also flexible when looking for innovative solutions to business problems. We pride ourselves on being an organisation that manages this dichotomy effectively.

### Governance

The Board of Directors sets our strategic direction, establishes goals for management and monitors their achievement. It is bound by a Directors' Code of Conduct as well as a charter that sets out roles, responsibilities and powers.

The Board and management team is subject to regular performance reviews. All directors, executives, senior managers and officers who can approve more than \$20,000 in expenditure have completed a declaration of private interests.

The Board has established three committees to consider complex issues within the business: the Risk Management and Audit Committee; the Sustainability, Planning, Infrastructure and Regulation Committee; and the People and Culture Committee.

Details of our corporate structure can be found on our website and in our Annual Report.

### Compliance

Yarra Valley Water needs to meet complex compliance obligations to government and our regulators within tight timeframes. Our Compliance Framework ensures we meet these expectations and service obligations in a timely manner.

We are also bound by the Privacy and Data Protection Act 2014, which regulates the way we handle customer and other sensitive data; the Protected Disclosure Act 2012, which addresses disclosures to the Independent Broad-based Anti-corruption Commission; and the Freedom of Information Act 1982, which ensures interested parties can access information.

### Risks and Opportunities

Yarra Valley Water examines two distinct horizons of risk. The Board and Executive Team use a five to 50-year risk horizon to identify megatrends that might impact our business in the long term. This is annually reviewed and feeds into our long-term planning processes. We also have a current horizon strategic risk register, which focuses on the next three to five years and includes risks that might affect our ability to achieve our 2020 Strategy. A detailed account of our risk management activities can be found in our Annual Report.

Risk profiling is a continuous and ever-changing process. We review the horizons we operate in to avoid surprises but are willing to embrace risk when the conditions are right. Our Board is currently monitoring 14 strategic risks.

Increased complexity in the way businesses procure suppliers has introduced a risk of poor practices – such as human rights violations – entering our supply chain. These issues are not always immediately apparent, and we are focusing our efforts on strengthening our work in this area.

As in other areas of our work, we are working within our sphere of influence to ensure that the values of our widening pool of partners align with our own – this will be a focus of further exploration in our future sustainability reporting.



## WE AIM TO MAINTAIN A HIGH-PERFORMING ORGANISATION



We foster a **vibrant and inclusive culture** that improves **safety, diversity and wellbeing**



We increase our **intellectual capital**, as our employees build expertise and **innovate**



**THIS ATTRACTS AND RETAINS STRONG TALENT**



A holistic focus on **health and wellbeing** fosters personal growth and development and **contributes to a healthy community**



**WE ENSURE THAT OUR VALUES EXTEND TO OUR SUPPLY CHAIN AND OUR SPHERE OF INFLUENCE**



We need to be extremely risk conscious when managing our water supply system, but also flexible when looking for innovative solutions to business problems

## CASE STUDY

8 DECENT WORK AND ECONOMIC GROWTH



PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL.

# THE JOURNEY TO BEST EMPLOYER

Yarra Valley Water was recognised as an Aon Hewitt best employer in 2017. But behind this accolade is a program of organisational change stretching back to 2001, when our company resolved to create a high-performance business culture.

We began by using Human Synergistics' Organizational Culture Inventory (OCI) to map out our existing problems before identifying a program of initiatives for change. We based this cultural overhaul on certain assumptions, including:

- people inherently want to do a good job given the right conditions and motivations
- personal responsibility, integrity, accountability and trust are crucial in work relationships
- it is important to link an individual's personal transformation journey to that of the organisation.

We introduced measures to increase staff empowerment, such as skip-level interviews, which give staff the

opportunity to speak with the manager of their manager. Artificial or unnecessary delegation and approval processes were removed, and cross-functional teams were encouraged, increasing trust across the organisation and providing more opportunities for skill-sharing. Recruitment was centralised to improve visibility, integrity and consistency to the process, and 'cultural fit' became an important part of our assessment criteria.

We invested heavily in developing our people through training. We increased our focus on communication, which enhanced collaborative and constructive behaviours while breaking down silos within the organisation.

This painstaking, 15-year process has paid ongoing dividends to the organisation. We have an engaged and productive workforce with an open, constructive approach to decision-making and responsibility, and a workplace that progresses SDG8.



# OUR SUSTAINABLE DEVELOPMENT GOALS

The SDGs propel us to maximise the good we do – to increase our social contribution – and to minimise or eliminate where we have a negative impact. In this way we can make a measurable difference to a sustainable

future. This chart demonstrates our positive and negative impacts and sets out our responses and commitments against each of the 17 goals.

## POSITIVE IMPACT



Programs supporting customers experiencing vulnerability

Collaborating with other sectors on financial vulnerability and hardship

Encouraging people to Choose Tap water over bottled water to benefit their health, hip pocket and the environment

Purposeful work, a focus on self-development, a proactive safety focus and a supportive workplace culture

Enhancing drought resilience of public green spaces, which supports physical and mental wellbeing in the community

Providing traineeships and graduate programs with diversity objectives

Running water education programs in schools, reaching 33,500 children

Ongoing staff learning and development

Proactive diversity strategy

**COMMITMENT:**  
Gender parity within the management team by 2020

Reaching gender parity on our Executive and Board

Supporting Wateraid Australia – lack of water and sanitation impacts women and girls' education, livelihoods and personal safety

Taking a stand against family violence, providing training to staff and suppliers to better equip them to support those experiencing family violence

## NEGATIVE IMPACT



Delivering efficiency savings to help keep pressure off household bills

**COMMITMENT:**  
Bill freeze for 2018-19 followed by bill increases below inflation

Impact of costs of connecting to the sewer from existing septic systems

Inconsistent internal referral pathways for financially vulnerable customers

Financial burden on cafés and restaurants from installation of grease traps

**RESPONSE:**  
Providing a holistic approach to financial inclusion through our Financial Inclusion Action Plan (FIAP)

Workplace stress, sedentary behaviours in office environment, work-life balance

**RESPONSE:**  
Programs supporting staff mental health and wellbeing

Legacy of low representation of women at senior level and in some technical roles

Parental leave strongly skewed towards women, reinforcing stereotypes

**RESPONSE:**  
Implementation of a diversity strategy that identifies and addresses these issues

 <p><b>END POVERTY</b> Social protection systems, sound policy frameworks, economic inclusion</p>	 <p><b>ZERO HUNGER</b> Addressing malnutrition</p>	 <p><b>GOOD HEALTH &amp; WELLBEING</b> Mental health</p>	 <p><b>QUALITY EDUCATION</b> Technical and vocational skills for employment; equal access to education</p>	 <p><b>GENDER EQUALITY</b> End discrimination, equal representation at all levels, end violence</p>
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Delivering our core business of **safe, reliable water and sanitation services**

Investing in **recycled water** as an alternative water supply for certain uses

Supporting customers to **use water wisely**

Supporting **Wateraid's** work to help communities access safe water and sanitation

Participating in **mentoring programs** in Cambodia and Sri Lanka run by the Asian Development Bank and Waterlinks; and supporting our Water Quality Specialist to work part-time with World Health Organisation on water safety in countries such as Malaysia and the Philippines

**+** Supporting **Traditional Owners** to participate in water management

Investing in **energy efficiency** and renewable energy

Working with **Traditional Owners** and **Aboriginal and Torres Strait Islander** communities to support economic development opportunities

Our **high-performing culture** is reflected in the financially responsible and efficient way we work. Through efficiency savings of 2.5% per annum, we are committed to helping keep pressure off customer bills

Supporting **social enterprises** through our supply chain

Providing **reliable** water, sanitation and trade waste services for businesses

Adopting a proactive detect-and-respond approach to cyber security to maintain the integrity of our systems, data and assets

Integrating **climate change adaptation** into the way we manage our assets and plan for the future

Investing in **energy efficiency**, and research and development

**Funding research** through Water Research Australia and partnerships with universities

Working with the **broader water industry** to advance the adoption of innovative technologies

Advancing to reconciliation by providing employment and procurement opportunities for Aboriginal and Torres Strait Islander peoples and organisations

Recognising and celebrating diversity in our workplace and promoting inclusion through our culture, policies, diversity strategy and EBA

Offering an in-house Language Other than English (LOTE) service for customers of ethnically diverse background (Greek, Arabic, Mandarin, Cantonese)

Collaborating across sectors to address systemic issues relating to hardship and vulnerability

Embedding engagement of Aboriginal people in our planning processes

Adaptive planning approach to droughts and times of water shortages

Working with others to increase liveability and urban amenity through resilient green spaces that minimise the health impacts of heat stress from a warmer climate

Diverting food waste from land fill with our ReWaste facility

**6 CLEAN WATER AND SANITATION**  
**CLEAN WATER & SANITATION**  
 Clean water and sanitation for all, water efficiency, integrated water management, community involvement in decision making, wastewater treatment

**7 AFFORDABLE AND CLEAN ENERGY**  
**CLEAN & MODERN ENERGY**  
 Energy efficiency and renewable energy

**8 DECENT WORK AND ECONOMIC GROWTH**  
**DECENT WORK & ECONOMIC GROWTH**  
 Productivity, decent work, safe working environments

**9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**  
**INDUSTRY, INNOVATION & INFRASTRUCTURE**  
 Resilient, sustainable, efficient infrastructure

**10 REDUCED INEQUALITIES**  
**REDUCED INEQUALITIES**  
 Equal opportunities, eliminating discrimination

**11 SUSTAINABLE CITIES AND COMMUNITIES**  
**SUSTAINABLE CITIES & COMMUNITIES**  
 Safe, inclusive, accessible green open space, integrated planning, cultural heritage, waste management

**-**

- o Taking water from the environment  
**RESPONSE:**  
 Restorative approach – delivering services in a water-sensitive way and advocating for protection of environmental flows
- o Discharging treated wastewater to waterways  
**RESPONSE:**  
 Pursuing a restorative approach, by having no net impact on streams
- o Spilling wastewater to the environment  
**RESPONSE:**  
 Conducting proactive maintenance and monitoring of our assets and addressing reasons for spills

- o Our work is energy intensive - we currently rely on the grid for 75 per cent of our usage  
**RESPONSE:**  
 We are building capacity to generate our own energy – starting in 2017 with ReWaste
- o **COMMITMENT:**  
 We will produce enough renewable energy to meet our energy needs by 2025

- o Ageing infrastructure can be less reliable and more prone to bursts, leaks or blockages  
**RESPONSE:**  
 Ongoing maintenance and replacement of ageing water and sewerage pipes
- o Risk of exclusion of small suppliers from our procurement processes
- o Cost impact of our charges on small businesses  
**RESPONSE:**  
 Providing a holistic approach to financial inclusion through our Financial Inclusion Action Plan (FIAP)
- o High risk physical and mental work both in the field and at our call centre  
**RESPONSE:**  
 Robust safety systems and processes, supported by mental health and wellbeing programs

- o Risk of poor practice in our supply chain  
**RESPONSE:**  
 Sustainable procurement strategy
- o Inconsistent approach to supporting financially vulnerable customers  
**RESPONSE:**  
 Providing a holistic approach to financial inclusion through our Financial Inclusion Action Plan (FIAP)

- o Impact on cultural heritage during projects  
**RESPONSE:**  
 Working with Traditional Owners under Cultural Heritage Management Plans

Reducing the amount of plastic bottles that contribute to landfill by encouraging people to **choose tap water**

**Engaging with our suppliers** on issues such as gender equity, reconciliation and family violence

Working with the **Victorian water industry** on a joint approach that sets out aligned expectations for suppliers

Supporting **Aboriginal and Torres Strait Islander** owned businesses

Long-term commitment to maintaining our **greenhouse gas neutrality**

Building capacity to **generate our own energy**, starting in 2017 with Rewaste

Integrating **climate change adaptation** into asset management and future planning

Self-imposed cap on the nutrients we discharge to Port Phillip Bay

Meeting **environmental licence obligations** for our sewage treatment plants and in our networks

Delivering our **core business** of safe, reliable water and sanitation services

Our **community sewerage program** provides sewerage services to customers currently on poorly performing septic systems

**Maintaining a values-driven culture** of transparency, integrity and prudent and ethical behaviour

Involving customers and communities in **decision making**

**Taking a stand on family violence** for customers and staff, through training and policies


Adopting a **proactive detect-and-respond** approach to cyber security to maintain the integrity of our systems, data and assets

**Fostering strong stakeholder relationships** with stakeholders and looking for opportunities to partner to achieve greater outcomes for the community

Collaborating with other sectors through the TCP to **ensure fair access** to the modern essential services


**Working with Aboriginal and Torres Strait Islander communities** to jointly develop our capabilities for meaningful engagement

**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**  
 **RESPONSIBLE CONSUMPTION & PRODUCTION**  
 Sustainable natural resource management, reduce waste generation, sustainable public procurement

**13 CLIMATE ACTION**  
 **CLIMATE ACTION**  
 Resilience and adaptive capacity, mitigation

**14 LIFE BELOW WATER**  
 **LIFE BELOW WATER**  
 Nutrient pollution to marine environments

**15 LIFE ON LAND**  
 **LIFE ON LAND**  
 Protecting inland freshwater ecosystems

**16 PEACE, JUSTICE & STRONG INSTITUTIONS**  
 **PEACE, JUSTICE & STRONG INSTITUTIONS**  
 Inclusive, participatory decision-making; effective, accountable and transparent institutions

**17 PARTNERSHIPS FOR THE GOALS**  
 **PARTNERSHIPS FOR THE GOALS**  
 Encourage and promote effective partnerships

**-** Use of chemicals during water and wastewater treatment

**RESPONSE:**  
 Designing and operating our treatment plants to optimise chemical usage

Waste production from work construction and maintenance

**RESPONSE:**  
 Our suppliers work according to rigorous environmental management systems

Risk of poor practice in our supply chain

**RESPONSE:**  
 Sustainable procurement strategy

Historic, current and future greenhouse gas emissions

**RESPONSE:**  
 Offsetting our greenhouse gas emissions, including those of our suppliers, since 2007

Reducing emissions and building capacity to generate our own renewable energy

Discharging treated waste water to waterways

**COMMITMENT:**  
 Have no net impact on the streams we discharge to, and never compromise the environment by taking more water than is sustainable

Discharging treated waste water to waterways

**COMMITMENT:**  
 Have no net impact on the streams we discharge to, and never compromise the environment by taking more water than is sustainable

Impact of construction activities, e.g. vegetation removal

**RESPONSE:**  
 Using low impact construction methods such as drilling or boring where possible, conducting vegetation assessments and avoiding removal or re-planting

Limited reporting of our performance in nonfinancial areas

**RESPONSE:**  
 Building transparency through sustainability reporting

# GRI CONTENT INDEX

This report references the following 2017 GRI Standards:

<b>GENERAL DISCLOSURES</b>			102-27	Collective knowledge of highest governance body	P54
102-1	Name of the organisation	P6	102-28	Evaluating the highest governance body's performance	P54
102-2	Activities, brands, products, and services	P6	102-40	List of stakeholder groups	P15
102-3	Location of headquarters	P6	102-41	Collective bargaining agreements	p50
102-4	Location of operations	P6	102-42	Identifying and selecting stakeholders	P15
102-5	Ownership and legal form	P6	102-43	Approach to stakeholder engagement	P15
102-6	Markets served	P6	102-44	Key topics and concerns raised	P16-17
102-7	Scale of the organisation	P6	102-45	Entities included in the consolidated financial statements	Annual report, P42
102-8	Information on employees and other workers	Annual report P31	102-46	Defining report content and topic boundaries	p16-17
102-9	Supply chain	P51	102-47	List of material topics	p16-17
102-12	External initiatives	P7	102-49	Changes in reporting	P3
<b>STRATEGY</b>			102-50	Reporting period	P3
102-14	Statement from senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability	P7	102-52	Reporting cycle	P3
102-15	Key impacts, risks and opportunities	P54	102-53	Contact point for questions regarding the report	P3
<b>ETHICS AND INTEGRITY</b>			102-54	Claims of reporting in accordance with the GRI Standards	P66
102-16	Values, principles, standards and norms of behaviour	P54	102-55	GRI content index	P66
102-17	Mechanisms for advice and concern about ethics	P54	<b>ECONOMIC INDICATORS</b>		
<b>GOVERNANCE</b>			201-2	Financial implications and other risks and opportunities due to climate change	P14,46
102-18	Governance structure	P54	<b>PROCUREMENT PRACTICES</b>		
102-21	Consulting stakeholders on economic, environmental, and social topics	P15	204-1	Proportion of spending on local suppliers	P51
102-22	Composition of the highest governing body and its committees	P54	<b>ANTI-CORRUPTION</b>		
102-23	Chair of the highest governing body	P54	205-1	Operations assessed for risks related to corruption	P54
102-24	Nominating and selecting the highest governance body	P54	205-2	Communication and training about anti-corruption policies and procedures	P54
102-25	Conflicts of interest	P54	205-3	Confirmed incidents of corruption and actions taken	Annual report P32
102-26	Role of highest governance body in setting purpose, values, and strategy	P54	<b>ENVIRONMENTAL INDICATORS</b>		
			302-1	Energy consumption within the organisation	Annual report P98
			302-2	Energy consumption outside of the organisation	
			302-3	Energy intensity	
			302-4	Reduction of energy consumption	
			302-5	Reductions in energy requirements of products and services	
			<b>WATER</b>		
			303-1	Water withdrawal by source	Annual report P102
			303-2	Water sources significantly affected by withdrawal of water	
			303-3	Water recycled and reused	
			<b>BIODIVERSITY</b>		
			304-2	Significant impacts of activities, products and services on biodiversity	Annual report P96
			304-3	Habitats protected or restored	
			<b>EMISSIONS</b>		
			305-1	Direct (Scope 1) GHG emissions	Annual report P98
			305-2	Energy indirect (Scope 2) GHG emissions	
			305-3	Other indirect (Scope 3) GHG emissions	
			305-4	GHG emissions intensity	
			305-5	Reduction of GHG emissions	
			<b>EFFLUENT AND WASTE</b>		
			306-1	Water discharge by quality and destination	Annual report P97
			306-3	Significant spills	
			306-5	Water bodies affected by water discharges and/or runoff	
			<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>		
			308-1	New suppliers that were screened using environmental criteria	P51
			308-2	Negative environmental impacts in the supply chain and actions taken	P51
			<b>SOCIAL INDICATORS</b>		
			<b>EMPLOYMENT</b>		
			401-1	New employee hires and employee turnover	Annual report P31
			401-3	Parental leave	P50
			<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
			403-1	Workers representation in formal joint management-worker health and safety committees	Annual report P12
			403-2	Types and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	
			<b>TRAINING AND EDUCATION</b>		
			404-2	Programs for upgrading employee skills and transition assistance programs	P49
			<b>DIVERSITY AND EQUAL OPPORTUNITY</b>		
			405-1	Diversity of governance bodies and employees	P50
			<b>SUPPLIER SOCIAL ASSESSMENT</b>		
			414-1	New suppliers that were screened using social criteria	P51
			414-2	Negative social impacts in the supply chain and actions taken	P51
			<b>CUSTOMER HEALTH AND SAFETY</b>		
			416-1	Assessment of the health and safety impacts of product and service categories	Water quality reports
			416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	

ABOUT US  
IMAGINING A SUSTAINABLE FUTURE  
WORKING WITH OTHERS  
PLANET  
PEOPLE  
PROSPERITY  
SUSTAINABLE DEVELOPMENT GOALS  
GRI CONTENT INDEX  
UN GLOBAL COMPACT INDEX

# UN GLOBAL COMPACT INDEX

The following index shows where we have reported our policies, programs and actions that align with the 10 principles of the UN Global Compact within this report.

GLOBAL COMPACT PRINCIPLES	DESCRIPTION	SECTION REFERENCE
<b>HUMAN RIGHTS</b>		
1. Businesses should support and respect the protection of internationally proclaimed human rights	Over the last decade, Yarra Valley Water has invested in developing a strong, vibrant workplace culture with a focus on openness, collaboration and inclusion. Workplace safety and wellbeing (physical and mental health) are also fundamental to everything we do. These considerations are reflected in two of our six strategic commitments: 'the way we work enables extraordinary performance' and 'we are safe'.	People Prosperity
2. Make sure that they are not complicit in human rights abuses	We hold our customers' confidential and personal information, and are therefore conscious of the need to ensure it is protected and to prevent unauthorised access to and improper use of that information, in accordance with the <i>Victorian Privacy and Data Protection Act 2014</i> . Our privacy policy and code of practice for employees, contractors and agency staff help to ensure that customer information is protected.  This commitment is implemented through the following strategies and programs detailed within this report: <ul style="list-style-type: none"> <li>• A fair go for everyone</li> <li>• Social procurement</li> <li>• Diversity, capability and engagement</li> <li>• Reconciliation (case study)</li> <li>• Governance, compliance and risk management</li> </ul> Additional information: <ul style="list-style-type: none"> <li>• Annual report (safety performance)</li> </ul>	

GLOBAL COMPACT PRINCIPLES	DESCRIPTION	SECTION REFERENCE
<b>LABOUR</b>		
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Our Code of Conduct sets out the standard of behaviour we expect of each other, and the policies and guidelines to ensure these standards are met. It includes policies governing discrimination and fair treatment at work.  Yarra Valley Water employees within the officer and engineer classifications are covered by our Enterprise Agreement, last updated in 2017, which sets the wages and conditions of those employees for a period of up to four years and now includes parental leave for all new parents.	Prosperity
4. The elimination of all forms of forced and compulsory labour	This commitment is implemented through the following strategies and programs, detailed within this report:	
5. The effective abolition of child labour	<ul style="list-style-type: none"> <li>• Diversity, capability and engagement</li> </ul>	
6. The elimination of discrimination in respect of employment and occupation	<ul style="list-style-type: none"> <li>• Social procurement</li> <li>• Reconciliation (case study)</li> </ul> Additional information: <ul style="list-style-type: none"> <li>• Annual report</li> </ul>	

GLOBAL COMPACT PRINCIPLES	DESCRIPTION	SECTION REFERENCE
<b>ENVIRONMENT</b>		
7. Businesses should support a precautionary approach to environmental challenges	Our commitment is never to compromise the health of the environment in delivering our service – reducing our demands on nature and taking action to make a restorative, net-positive contribution to the health of the planet.  Our focus is on the three areas where we have most impact: greenhouse gas emissions, discharges to the environment, and water from the environment.	Planet
8. Undertake initiatives to promote greater environmental responsibility		
9. Encourage the development and diffusion of environmentally friendly technologies		

GLOBAL COMPACT PRINCIPLES	DESCRIPTION	SECTION REFERENCE
<b>ANTI-CORRUPTION</b>		
10. Businesses should work against corruption in all its forms, including extortion and bribery	We are committed to a high standard of governance, overseen by our Board. We have a rigorous program of audits and internal processes to identify opportunities for improvement and ensure our ongoing compliance with legislation and regulations that we are obliged or encouraged to comply with. These include the Victorian Government Purchasing Board Policy, the Freedom of Information Act 1982 and the Protected Disclosures Act 2012.  Our Code of Conduct, available on our intranet and as part of our frequently updated induction program, outlines to employees and contractors our requirements and obligations in relation to privacy and data protection, protected disclosures and freedom of information.  This commitment is implemented through the following strategies and programs, detailed within this report: <ul style="list-style-type: none"> <li>• Social procurement</li> <li>• Governance, compliance and risk management</li> </ul> Additional information: <p>Annual report – main corporate governance practices in place during the 2017-18 financial year.</p>	Prosperity

# ACRONYMS

DELWP	Department of Environment, Land, Water and Planning
DTF	Department of Treasury and Finance
EPA	Environmental Protection Authority
ESC	Essential Services Commission
FIAP	Financial Inclusion Action Plan
GRI	Global Reporting Index
IP&L	Integrated Profit and Loss
IR	Integrated Reporting
IWM	Integrated Water Management
LGBTIQ+	Lesbian, Gay, Bisexual, Trans, Intersex, Queer/Questioning
RAP	Reconciliation Action Plan
SDGs	Sustainable Development Goals
SWEP	Schools Water Education Program
TCP	Thriving Communities Partnership
UN	United Nations
WSAA	Water Services Association Australia

**IMAGE:** Early stages of the construction of the Craigieburn Transfer Hub



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