ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

Yarra Valley Water proudly acknowledges Australia’s First Peoples and the people of the Kulin Nations as the original custodians of the land and water on which we rely and operate. We pay our deepest respects to their Elders past, present and future.

We acknowledge the cultural, social and spiritual connections that Aboriginal and Torres Strait Islander people have with the lands and waters, and recognise and value that the Traditional Owner groups have cared for and protected them for thousands of generations.

We also recognise and value the continuing rich cultures and contribution of Aboriginal and Torres Strait Islander people and communities to the Victorian community.

IMAGE LEFT: Merri Creek, Brunswick East

Yarra Valley Water recognises that for the Wurundjeri Woi wurrung community, the natural world is also a cultural world; therefore, people have a special interest in preserving not just cultural objects, but the natural landscapes of cultural importance. The acknowledgement of broader attributes of the landscape as cultural values that require protection, such as Merri Creek, is essential to the identity and wellbeing of the Wurundjeri Woi wurrung people.

ABOUT THIS REPORT

Planet, People, Prosperity 2019 is Yarra Valley Water’s second annual sustainability report and tracks our performance in relation to the Sustainable Development Goals (SDGs). This year, we have focused our reporting on 10 sustainability areas and the related SDGs that we and our stakeholders identified as the most ‘material’ for our business. We also describe the practical actions we have undertaken to advance the United Nations’ Global Compact’s key principles, to which we have committed.

This report is aligned with the Global Reporting Initiative (GRI) Sustainability Reporting Standards: Core Option and we have used the GRI Reporting Principles to guide us in our how we report on the 10 most material sustainability topics for Yarra Valley Water.

We have structured our report, as we did in 2018, around the Stockholm Resilience Centre’s Planet, People, Prosperity SDG model, to ensure we clearly communicate our activities and impacts.

This report describes our activities for the 2018-19 financial reporting year and, where possible, provides historical data for comparability.

OBTAINING COPIES OF THIS REPORT

You can obtain a copy of this report from yvw.com.au. For any questions regarding the content of this report, please contact media@yvw.com.au.
I am proud to present our second Planet, People, Prosperity report, which reaffirms our sustainability commitments, tracks our progress and shapes our future aspirations.

Today’s world faces unprecedented environmental and social challenges affecting the quality of life for people and our planet; the natural environment which sustains us all. For the water sector in Australia, issues such as a hotter, drier climate and population growth call for a different way of thinking to meet society’s needs now and in the future. Planning amidst rapid change and uncertainty has become our new normal.

Our commitment to the United Nations Sustainable Development Goals (SDGs) is strongly linked to our core purpose as a water utility providing an essential service that supports community health and wellbeing. Embedding the SDGs into our planning provides a global context for how our activities and operations contribute to achieving these goals. Governments can’t build a better world on their own. Businesses have a responsibility to help meet the goals, and at Yarra Valley Water, this is exactly what we are doing.

This year we have made good progress against performance targets set as part of our 2020 Strategy, which will come to an end soon, after seven years guiding the business. We are committed to finishing this strategy powerfully and positioning our organisation for the years to come. There will be many challenges ahead for the water industry.

Our new strategy will reflect the responsibility we have to respond to changing community expectations and environmental requirements. We’ve moved beyond a restorative approach to the environment and shifted the dial to regenerative work so we can play our part in helping to conserve healthy ecosystems and maintain biodiversity.

Our priority areas in 2018-19 included addressing the impacts of climate change, improving customer and community outcomes, delivering water for Aboriginal cultural, spiritual and economic value, contributing to resilient and liveable towns and cities and demonstrating leadership and financial sustainability. This year we started delivering on our customer commitments for 2018-19. We launched our Community Rebate Scheme, a world-leading initiative which will combine integrated water management and best practice planning to create a vibrant and connected community.

We’ve also joined 12 other leading Victorian water corporations in launching a new energy partnership comprising a large-scale investment in solar energy that will help to minimise greenhouse gas emissions and maintain affordable water bills. This deal is a smart and innovative way of doing business that will help to prevent our operating costs from increasing, so that we can keep prices affordable for customers.

Water security, climate change and financial vulnerability are all closely linked and we are strongly committed to caring for customers experiencing hardship. Along with our work in water conservation, environmental health, water quality and customer satisfaction, we also focus on helping customers in need through our role in the Thriving Communities Partnership (TCP).

We participated in a national roundtable on organisational responses to family violence and took part in OurWatch training so staff could lead in-house sessions focusing on workplace family violence prevention and response. We contributed our experiences and learnings to Victoria’s Essential Services Commission workshops for the retail energy sector on family violence and financial vulnerability.

We are strong believers in collaboration, learning from others and providing industry leadership. No single water utility has all the answers, but we look forward to working with others to solve the challenges we all face. It’s our focus in these areas that led to our induction into the Leading Utilities of the World network in May this year. We were recognised for becoming an environmentally restorative water utility, building resilience to sustain Melbourne’s livability, forging deep engagement with the community, particularly through our Citizens’ Jury process, and beginning our digital transformation to improve services.

This couldn’t have been achieved without our nationally recognised high performing culture, which we believe is key to accomplishing great outcomes and our organisational purpose. Our committed team of employees all work hard to ensure Yarra Valley Water continues to create value and make a positive difference. We look forward to serving our customers, the community and all of our stakeholders in the years ahead.

Pat McCafferty
Managing Director
WE ARE YARRA VALLEY WATER

Clean drinking water and sanitation are basic human rights. Everyone is entitled to safe and affordable water for personal and domestic uses.

WHAT WE DO

We are one of Australia’s largest water utilities, providing essential water and sanitation services to around two million people, including more than 57,000 business customers in the northern and eastern suburbs of Melbourne. Our assets spread across approximately 4,000 square kilometres and we are owned by the Victorian Government.

We provide, construct, operate, manage and maintain systems and services for our customers. We employ over 700 people – engineers, technical and IT specialists, customer service professionals, managers, accountants, and customer experience and communication professionals.

WE SUPPLY DRINKING WATER AND RECYCLED WATER

WE COLLECT, TRANSFER, TREAT AND DISPOSE OF SEWAGE AND TRADE WASTE

OUR ASSETS

9,807 KMS OF SEWER MAINS
10,057 KMS OF WATER SUPPLY MAINS
137 WATER PRESSURE REDUCING STATIONS
105 SEWAGE PUMPING STATIONS
44 WATER SERVICE RESERVOIRS
65 WATER PUMPING STATIONS
10 SEWAGE TREATMENT PLANTS

OUR PEOPLE

WE ARE ONE OF AUSTRALIA’S LARGEST WATER UTILITIES, PROVIDING ESSENTIAL WATER AND SANITATION SERVICES TO AROUND TWO MILLION PEOPLE

WE SUPPLY DRINKING WATER AND RECYCLED WATER

WE COLLECT, TRANSFER, TREAT AND DISPOSE OF SEWAGE AND TRADE WASTE

OUR ASSETS

2 million POPULATION SERVED
764,589 RESIDENTIAL PROPERTIES
57,145 BUSINESS CUSTOMERS
$5 billion ASSET BASE

KEY STATISTICS

OUR PEOPLE

EMPLOYMENT TYPE BY GENDER

CASUAL
35 % M
65 % F

PART-TIME
10 % M
90 % F

FULL-TIME
58 % M
42 % F

FIXED TERM
35 % M
65 % F

FIXED TERM
59 % M
41 % F

PERMANENT
46 % M
54 % F

0 100 200 300 400 500 600 PEOPLE
M F

FEMALE MALE
CULTURE AND PURPOSE

Since the start of the millennium, developing our constructive and purpose-driven culture has been one of our highest priorities.

Our purpose is: “To provide exemplary water and sanitation services that contribute to the health and wellbeing of current and future generations.”

This purpose has provided the foundation for our 2020 strategy and sets the tone for sustainability thinking, now and for the future. Successfully achieving our purpose and outstanding outcomes for our planet, people and prosperity has helped foster the purpose-driven nature of our culture.

With this foundation, we were the first water business in Australia to become a signatory to the United Nations Global Compact (UNGC) and Sustainable Development Goals (SDGs), and have pursued sustainable operations beyond community expectations.

Our Code of Conduct and “Our Way”, a definition of the culture we stand for, articulate the behaviours and beliefs that guide us to be constructive and achievement-oriented. This engenders increased productivity, innovation and wellbeing. We believe that a high-performing culture is the key to accomplishing remarkable outcomes.

In 2019 we embarked on a new journey to define a positive risk culture, through the World Class Risks Management Program. We are exploring how this will support us to pursue and implement innovative sustainability practices.

Our culture is embedded at every level of the organisation from the front line through to the Board. We have a strong vision and drive to be a forward-thinking organisation that goes beyond business as usual to create additional value for our planet and its people. Our Board and Executive constantly look to the future and the implications for our business, the community, our stakeholder groups, and generations to come.

We have worked hard to build our reputation with customers, stakeholders and the wider community. We don’t take our responsibilities lightly, and will continue to work with them to ensure a sustainable future. As we embark on planning for our next strategy, we are looking at how our purpose and values need to evolve to ensure we remain responsible custodians for our customers, community and the environment.

2020 STRATEGY AND BEYOND

We are entering the final year of our 2020 Strategy, which sets out the six commitments at the heart of our business.

We are committed to finishing the strategy powerfully and setting Yarra Valley Water up well for the next set of strategic commitments.

As we plan our strategy for the next decade, we are keenly aware of the opportunities and challenges on the horizon:

› increasing weather variation and a changing climate
› a growing population and a diverse community
› the need to maintain public trust
› addressing affordability and financial vulnerability
› a changing information security landscape
› heightened customer expectations.

Alongside these challenges are opportunities for collaboration and partnership with our communities and stakeholders to adapt to changing needs. We are expanding both our physical network and our network of influence to build capacity so that we are well equipped for the future.

STRATEGIC OPERATING CONTEXT

To deliver for current and future generations, we need to be resilient to social and environmental change. Melbourne is currently experiencing strong population growth, an infrastructure boom and a changing climate that is hotter and drier. Our community is diverse and growing with constantly evolving customer and community expectations.

Planning for future infrastructure needs to take into account our changing environment. We need to be vigilant about water security and continue to diversify our portfolio of sources beyond traditional rainfall-reliant supply. We also need to maintain focus on saving water and keeping abreast of customer needs through consistent community engagement and responsive customer service.

We’re building capacity for our growing city with initiatives such as recycled water, waste to energy to power our operations and our network of influence to build capacity so that we are well equipped for the future.

With this foundation, we were the first water business in Australia to become a signatory to the United Nations Global Compact (UNGC) and Sustainable Development Goals (SDGs), and have pursued sustainable operations beyond community expectations.

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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
**OUR STRATEGIC DRIVERS**

**GOVERNMENT POLICY DIRECTION**

**CUSTOMER COMMITMENTS**

**OUR PURPOSE & 2020 STRATEGY**

**SUSTAINABLE DEVELOPMENT GOALS**

**PRIORITY POLICY AREAS**

- Climate Change
- Customer & Community Outcomes
- Water for Aboriginal Cultural, Spiritual, & Economic Values
- Resilient & Liveable Cities and Towns
- Leadership & Culture
- Financial Sustainability
- Recreational Values

**CUSTOMERS EXPECT**

- Safe Drinking Water
- Reliable Water & Sewerage Services
- Timely Response & Restoration

**CUSTOMERS VALUE**

- Fair Access & Assistance for All
- Water Availability & Conservation
- Modern Flexible Service
- Care for & Protect the Environment

**PRIORITY POLICY AREAS**

- Climate Change
- Customer & Community Outcomes
- Water for Aboriginal Cultural, Spiritual, & Economic Values
- Resilient & Liveable Cities and Towns
- Leadership & Culture
- Financial Sustainability
- Recreational Values

**GOVERNMENT POLICY**

As a State Government owned organisation, we are accountable to Victoria's Minister for Water. The Minister communicates the Government’s priorities for the water sector with a Letter of Expectations. In early 2017, all 19 Victorian water corporations received communication from the Minister for Water that outlined seven priority policy areas that all water corporations should focus on to improve performance.

**CUSTOMER COMMITMENTS**

Every five years all Victorian water businesses undergo a Water Price Review process run by Victoria’s Essential Services Commission, the independent economic regulator for water in Victoria.

The most recent review took place in 2018, with the price we charge customers set for the years 2018-23. We are one full year into implementation of the determination.

**SUSTAINABLE DEVELOPMENT GOALS (SDGs)**

As an organisation that aspires to creating shared value for all, we are committed to aligning our business model with the SDGs. This commitment is strongly linked to our core purpose as a water utility in providing an essential service that supports community health and well-being. Embedding the SDGs into our planning provides a global context for how our activities contribute to these goals.

**SUSTAINABLE DEVELOPMENT GOALS**

**2020 STRATEGY**

- Exemplary Service
- Harmony with the Environment
- Thriving Communities
- Extraordinary Performance
- Every Cent Counts
- We Are Safe

**CUSTOMER COMMITMENTS**

- Safe drinking water
- Reliable water and sanitation
- Timely response and restoration
- Modern flexible service
- Care for and protect the environment
- Fair access and assistance for all

**GOVERNMENT POLICY DIRECTION**

<table>
<thead>
<tr>
<th>CR1</th>
<th>CR2</th>
<th>CR3</th>
<th>CR4</th>
<th>C1</th>
<th>C2</th>
<th>C3</th>
<th>C4</th>
<th>L1</th>
<th>L2</th>
<th>L3</th>
<th>L4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water quality complaints</td>
<td>Customer satisfaction</td>
<td>Adaptation to climate change and variability</td>
<td>Billing payment issues</td>
<td>Customer community engagement</td>
<td>Payment management and hardship</td>
<td>Engagement of Aboriginal communities</td>
<td>Engagement of Traditional Owners</td>
<td>Integrated water management</td>
<td>Water efficiency</td>
<td>Water bills</td>
<td>Board performance review</td>
</tr>
</tbody>
</table>

**G1** - Diversity and Inclusion
**G2** - Board performance review
**G3** - Health and safety

**F1-8** - Financial Indicators

**Figure 6:** Yarra Valley Water’s strategic drivers.
WE PROVIDE EXEMPLARY WATER AND SANITATION SERVICES THAT CONTRIBUTE TO THE HEALTH AND WELLBEING OF CURRENT AND FUTURE GENERATIONS

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

WE DISCHARGE SOME TREATED WATER BACK INTO THE ENVIRONMENT

MELBOURNE WATER MANAGES AND PROTECTS MELBOURNE’S MAJOR WATER RESOURCES AND WATERWAYS

COLLECT AND TRANSFER

TREAT

WE TREAT THE WASTE TO A HIGH STANDARD

WE TRANSFER WASTE TO OUR 10 SEWAGE TREATMENT PLANTS AND TO MELBOURNE WATER FOR PROCESSING

WE TAKE SEWAGE AND LIQUID WASTE FROM HOUSEHOLDS AND BUSINESSES

WE TAKE SEWAGE AND LIQUID WASTE FROM HOUSEHOLDS AND BUSINESSES

GREENHOUSE GAS

OUR ACTIVITIES PRODUCE GREENHOUSE GAS EMISSIONS THAT CONTRIBUTE TO CLIMATE CHANGE AND WE OFFSET THESE EMISSIONS

CO2

WE TRANSFER WASTE TO OUR 10 SEWAGE TREATMENT PLANTS AND TO MELBOURNE WATER FOR PROCESSING

WE TREAT THE WASTE TO A HIGH STANDARD

WE DISCHARGE SOME TREATED WATER BACK INTO THE ENVIRONMENT

ENERGY GENERATION AND USE

WE PROCESS FOOD WASTE AND USE SOLAR SYSTEMS TO PRODUCE RENEWABLE ENERGY, WHICH WE USE ALONGSIDE ENERGY FROM THE GRID

WE RELY ON RAIN TO FILL OUR CATCHMENTS
HOW WE ENGAGE WITH STAKEHOLDERS

We work with a broad range of stakeholders, including government, regulators, community groups, water industry organisations, developers, research organisations, community advocates and the private sector. We also work to include stakeholders and Traditional Owners in decision making, as part of our approach to ethical governance.

CUSTOMER ENGAGEMENT

We have established a pioneering role in customer engagement in the water industry. Our Community Advisory Group explores customers’ needs and expectations. Our deliberative forums analyse issues and through our Citizens’ Jury process in 2016-17, we engaged our customers in determining what we charge them based on the outcomes we seek to achieve. The results have had far-reaching implications in 2018-19. These initiatives demonstrate the breadth and depth of our commitment to involving customers in our decision-making processes and keeping them abreast of everything we do.

We’ll embed this approach to community engagement so that it will inform future work.

COMMUNITY INCLUSION

We are developing a holistic approach to ensure that all areas of our business operate using the common principles of community inclusion. Accessibility and awareness are vital ingredients in encouraging full participation and inclusion. We are committed to improving awareness of our programs, particularly among groups with a higher risk of vulnerability (such as Victorians from culturally and linguistically diverse backgrounds, concession card holders and those needing emergency relief) and offering tailored support.

We’re working to improve awareness and access to services with a focus on building and strengthening partnerships with community organisations to help improve our reach. We’re creating tailored communication campaigns to different parts of the community, including Aboriginal and Torres Strait Islander peoples, customers from culturally and linguistically diverse backgrounds and older Victorians. We will continue to test and trial our programs and approaches and monitor success.

TRADITIONAL OWNER RELATIONSHIPS

We committed to a transformative approach to deepen understanding and strengthen how we engage and work with Aboriginal and Torres Strait Islander peoples and organisations and Traditional Owner groups.

The focus of our inaugural Reconciliation Action Plan (RAP) 2017-19 has been on the foundational measures of building relationships and capability and deepening our understanding of how we can meaningfully contribute to reconciliation.

We are currently developing our second RAP, with the aim of launching in early 2020 which will embed learnings from our first RAP into our business. This involves reflecting on our progress to date and seeking feedback from the community.

We will continue to do this in collaboration with Aboriginal and Torres Strait Islander peoples and Traditional Owners to ensure that our RAP is meaningful and responsive to their needs and aspirations.

During 2018-19 we significantly increased our level of engagement with Traditional Owners across Melbourne. We appointed an Aboriginal Partnership and Business Development Manager whose role is to work with Traditional Owners in our service area, building capacity of all parties involved and enabling participation in water planning and management.

This role embeds Traditional Owner engagement in business as usual and is a significant step forward in integrating inclusion within our planning and management frameworks. The role will be instrumental in developing joint business plans and identifying other opportunities for collaboration. Wurundjeri Woi-wurrung’s Water Officer joined our Reconciliation Leadership Committee, a forum to ensure the active involvement of leaders from the Aboriginal community. The Committee assesses the overall direction and effectiveness of outcomes being achieved and guiding the delivery of actions within our RAP.

Cultural flows assessments are being facilitated with Traditional Owners in two sub-catchment areas. This trial project will become mandatory in future sub-catchment Integrated Water Management planning. This pilot program will include Traditional Owners in the water industry and enable collaboration with the aim of creating a future where Aboriginal water allocations are embedded within Australia’s water planning and management framework. This will deliver cultural, social, spiritual, environmental and economic benefit to communities across Australia.

Find our Reconciliation Action Plan online at yvw.com.au
**KEY ENGAGEMENT ACTIVITIES**

**UPPER MERRI CREEK INTEGRATED WATER MANAGEMENT (IWM) PLANNING PILOT**

**STAKEHOLDER GROUPS**
- Traditional Custodians the Wurrundjeri-Woi-wurrung Cultural Heritage Aboriginal Corporation;
- Local governments - Mitchell Shire Council, City of Whittlesea and Hume City Council;
- Melbourne Water and the Victorian Planning Authority, land developers, Merri Creek Management Committee; community

**HOW WE ENGAGED**
- IWM Forums; working groups; in-depth conversations

**WHAT STAKEHOLDERS TOLD US**
- Preferences for how water resources can shape the future in existing and emerging communities

**OUR RESPONSE**
- We now understand stakeholder preferences to shape our trial

**OUTCOMES**
- An evidence base for our commitments, a collective vision for building assets and providing services in line with community expectations, and ways to measure our success

**WATER CONSERVATION**

**STAKEHOLDER GROUPS**
- Essential Services Commission (ESC); customers; community; Water Services Association of Australia (WSAA); Department of Environment, Land, Water and Planning (DELWP); other water corporations

**HOW WE ENGAGED**
- Customer and community research

**WHAT STAKEHOLDERS TOLD US**
- Water conservation and improvement and innovation around alternative water sources are important

**OUR RESPONSE**
- Target set for 155 litres per person per day for residential water use. Targets set for 221 litres of water per day for capita water use in 2018-19 and 210 litres/day for 2023-2024; continuation of the Choose Tap program (encouraging use of tap water over bottled water); Target 155 schools program

**OUTCOMES**
- Achieved 233 litres water usage/day (exceeded target); continued implementation of the statewide Water Efficiency Strategy

**FAMILY VIOLENCE**

**STAKEHOLDER GROUPS**
- Essential Services Commission (ESC); Thriving Communities Partnership (TCP); Women’s Information Referral Exchange (WIRE); Corporate; Government; Community Groups; Customers

**HOW WE ENGAGED**
- ESC run workshops for the retail energy sector; TCP and WIRE Roundtable; Yarra Valley Water run information sessions and presentations to community organisations

**WHAT STAKEHOLDERS TOLD US**
- Family violence survivors often experience financial exclusion

**OUR RESPONSE**
- Continued development and enhancement of our policies, protocols, and programs to address family violence as a trigger for financial exclusion; engage with customers about available support

**OUTCOMES**
- Fostering and maintaining community partnerships enables us to raise awareness for the support programs we offer those customers experiencing family violence. This includes with emergency relief agencies, health promotion organisations, financial counsellors, community lawyers and family violence case managers right through to front line health services. We also worked with AFL Outer East, Eastern Health and Sports and Life Training (SALT) to deliver training sessions around respectful relationships to local communities.

**MANAGING MELBOURNE’S SEWERAGE SYSTEM – 50-YEAR PLAN**

**STAKEHOLDER GROUPS**
- Victorian Government; water industry

**HOW WE ENGAGED**
- Industry-wide working group

**WHAT STAKEHOLDERS TOLD US**
- We need to plan adaptively, use resources wisely, enhance liveability and support the economy while ensuring the system protects intergenerational equity and remains affordable to the broader community. We must do all this against an increasingly complex background of population growth, technological development, changing customer expectations, urban densification and the need to safeguard the environment.

**OUR RESPONSE**
- We support the strategy which goes hand-in-hand with our planning for growth and change

**OUTCOMES**
- Melbourne Sewerage Strategy completed

**OUR MEMBERSHIPS**

To foster partnerships and collaboration, we are members of various industry organisations. These include the Water Services Association of Australia (WSAA), which represents members across Australia and New Zealand, and VicWater, the peak body for the Victorian water sector. We are also active members of Global Compact Network Australia, which supports our ongoing commitment to the United Nations Global Compact.

We founded the Thriving Communities Partnership, a cross-sector collaboration which works to ensure everybody has fair access to the modern essential services they need to thrive in contemporary Australia.

To support social outcomes in our procurement, in 2018 we became members of Kinway Chamber of Commerce, which supports and accredits Aboriginal owned businesses and Social Traders, which supports and accredits social enterprises.

**SUSTAINABLE DEVELOPMENT GOALS**

**OUR SUSTAINABLE DEVELOPMENT GOAL COMMITMENTS AND TARGETS**

We have the greatest impact on SDG 6 – Clean Water and Sanitation. While we can map our impacts to all SDGs, 12 out of 17 SDGs most relevant to our material topics are:

These key SDGs and how they link to our material topics and our measures and targets are presented in our Year in Review.

To see our impacts on the above SDGs, see pages 23, 42-43, 60-61 and 72-73.
From an in-house aspiration to a national cross-sector collaboration starting in October 2016, the Thriving Communities Partnership (TCP) has rapidly expanded to become a 170-organisation strong and independent movement.

While challenging, the TCP’s remit is critical - to ensure everybody has fair access to the modern essential services they need to thrive in contemporary Australia. TCP strives to create simple, common approaches that are empathetic to customers. For customers in hardship, it’s distressing having to tell your story repeatedly to each service provider. This becomes an emotional burden and a barrier that the TCP aims to dissolve with the One Stop One Story Hub.

For further information on the Thriving Community Partnership visit thriving.org.au
HOW WE REPORT ON SUSTAINABILITY

This assessment used the online Materiality Assessment Tool (MAT), customised by consultants. The process started with an extensive literature review to identify potential material topics. Literature reviewed included previous research and projects; our corporate documents; and a media analysis of key issues. It also included an analysis of the relative importance of our impacts to the Sustainable Development Goals (SDGs), building on the work we showcased in Planet, People, Prosperity 2018 (see yvw.com.au). Stakeholder feedback for the assessment, which was collected in the MAT, was provided by:

- 162 of our people through a survey
- 320 customers through a survey
- 17 external stakeholders through interviews and a further 32 through a survey, representing a number of sectors including government, the water industry and regulators.

Read Planet, People Prosperity 2018 online at yvw.com.au

TOP 10 MATERIAL TOPICS

1. CLIMATE CHANGE MITIGATION
2. DIVERSE WATER SOURCES & CLIMATE CHANGE RESILIENCE
3. ENVIRONMENTAL HEALTH
4. WATER CONSERVATION
5. WATER & SANITATION AFFORDABILITY
6. LIVEABLE CITIES
7. HEALTHY WATERWAYS
8. CUSTOMER SATISFACTION & TRUST
9. ETHICAL GOVERNANCE
10. ETHICAL GOVERNANCE

YEAR IN REVIEW

While our Annual Report provides details of how we have performed against our many responsibilities, our commitments and performance relating to sustainability material topics are presented below.

We are also proud that in 2018-19, Yarra Valley Water was announced as one of the newest members of the ‘Leading Utilities of the World’ network, a global alliance of the world’s most successful and innovative water and wastewater utilities.

Find our Annual Report online at yvw.com.au/aboutus/reports

<table>
<thead>
<tr>
<th>MATERIAL TOPIC</th>
<th>MEASURE</th>
<th>2018-19 TARGETS</th>
<th>PROGRESS IN 2018-19</th>
<th>RELEVANT SDGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CLIMATE CHANGE MITIGATION</td>
<td>Reduction in carbon emissions (cumulative) (baseline is 34,083 tonnes CO2e in 2016-17)</td>
<td>4.0% from 2016-18 levels</td>
<td>4.3%</td>
<td></td>
</tr>
<tr>
<td>2. DIVERSE WATER SOURCES AND CLIMATE CHANGE RESILIENCE</td>
<td>Percentage of effluent re-used</td>
<td>26.8%</td>
<td>Constructed 87km of recycled water mains and connected 11,767 properties to Class A recycled water</td>
<td></td>
</tr>
<tr>
<td>3. ENVIRONMENTAL HEALTH</td>
<td>Complying with requirements of our Environmental Licenses</td>
<td>No non-compliances</td>
<td>No non-compliances</td>
<td></td>
</tr>
<tr>
<td>4. WATER CONSERVATION</td>
<td>Total water usage (litres/per person/per day)</td>
<td>221</td>
<td>233*</td>
<td></td>
</tr>
<tr>
<td>5. WATER &amp; SANITATION AFFORDABILITY</td>
<td>Customers who, having accessed its support programs, believe Yarra Valley Water helps customers having difficulty paying their bills</td>
<td>89%</td>
<td>89%*</td>
<td></td>
</tr>
<tr>
<td>6. LIVEABLE CITIES</td>
<td>Number of customers experiencing three or more water or sewerage interruptions for 2019</td>
<td>Maximum of 0.96%</td>
<td>0.94%*</td>
<td></td>
</tr>
<tr>
<td>7. HEALTHY WATERWAYS</td>
<td>Water quality complaints per 1,000</td>
<td>3.20</td>
<td>4.95</td>
<td></td>
</tr>
<tr>
<td>8. CUSTOMER SATISFACTION AND TRUST</td>
<td>Customers satisfied with their most recent interaction</td>
<td>86%</td>
<td>82%</td>
<td></td>
</tr>
<tr>
<td>9. ETHICAL GOVERNANCE</td>
<td>Ensuring a robust Corporate Governance Framework is in place and aligns with best practice</td>
<td>None</td>
<td>Internally facilitated a Performance Review of the Board</td>
<td></td>
</tr>
<tr>
<td>10. WASTE MANAGEMENT</td>
<td>Divert food waste from landfill through our ReWaste facility</td>
<td>None</td>
<td>Diverted 33,000 tonnes of food waste from landfill</td>
<td></td>
</tr>
</tbody>
</table>
Our planet section reports on how we manage our environmental material topics and the related SDGs, and our activities and performance in 2018-19. These topics include:

- Climate Change Mitigation
- Environmental Health
- Water Conservation
- Waste Management
- Healthy Waterways
We rely on the health of the environment – harvesting water from it and discharging treated wastewater back into it. The Stockholm Resilience Centre planetary boundaries model defines a ‘safe operating space for humanity’. Humanity has overstepped four of the nine boundaries we rely on, including nitrogen and phosphorous flows and climate change.

Our restorative approach to the environment recognises that we must not only maintain but also improve the natural ecosystems on which we depend. We must work for positive change across inter-related areas of environmental impacts including greenhouse gas emissions and energy usage, biodiversity, efficient discharge, and waste. This means moving beyond operating within the ‘carrying capacity of nature’ towards a proactive model where we are doing more good, not less bad.

EMISSION REDUCTIONS AND RENEWABLE ENERGY

We rely on electricity to pump and treat water and wastewater making it fundamental to the operation of our business. We operate close to 400 network connection points that consume electricity. Given the carbon intensity of the Victorian grid, this consumption remains the single largest contributor to greenhouse gas emissions in our business.

We serve a growing population, which translates to increased demand for our services. This leads to higher greenhouse gas emissions under a business as usual scenario.

We have implemented an emissions reduction strategy, which pledges to reduce carbon emissions by investing in:

- energy efficiency to directly reduce emissions
- renewable energy to avoid indirect grid emissions
- carbon abatement to offset any remaining emissions.

We aspire to be 100 per cent renewable, generating all our own energy by 2025, supported by a pledge to reduce greenhouse gas emissions by 64 per cent by 2025. Our strategy supports the delivery of the Water for Victoria emissions reduction targets, which calls for water corporations in Melbourne to be net zero by 2030 (see: water.vic.gov.au).

Our Greenhouse Gas and Energy Specialist leads our emissions reductions efforts, net zero commitments, and renewable energy strategy.

By 1 July 2025 we pledge that our emissions reduction initiatives will have reduced our annual emissions to no more than 11,664 tonnes of carbon dioxide equivalents (tCO2e). To measure our performance, we set a target of emitting no more than 32,727 tCO2e in 2018-19 – an approximate 4 per cent reduction from our baseline of 34,083 tCO2e in 2016-17. We achieved the target through a combination of energy efficiency measures and increased renewable energy use.

To achieve net zero emissions for the tenth year in a row, we offset the reported emissions through a voluntary surrender of Certified Emission Reduction credits. We report our emissions under the National Greenhouse Gas Emissions Reporting Act, and our submission is independently audited. Please refer to the section of this report, Additional Performance Data, for further information on our emissions and energy use since 2014.

ENERGY EFFICIENCY

Over the last 12 months, we reduced our electricity consumption by 20.7 per cent at our largest waste water treatment plant due to energy efficiency measures. We decommissioned gas turbines that provided combined cooling, heating and power generation at head office and reduced natural gas consumption to only account for building heating. However, this was partially offset by an increase in grid electricity consumption to compensate for the building’s cooling and power requirements.

We are committed to reducing emissions across our business and working constructively with our business partners and suppliers to encourage them to reduce their emissions year on year.

WASTE TO ENERGY

As well as being an excellent example of shared value creation, our waste to energy facility, ReWaste, located at Wollert in the north of Melbourne, has been a success on all measures. It powers itself and our adjacent Aurora Sewage Treatment Plant, and exports around 70 per cent of the energy it produces to the grid.

In 2018-19, the facility generated around 25 per cent of our overall electricity requirements and saved us $60,000 per month on power bills.

The electricity generated by the facility has saved us $1 million on energy so far, allowing us to invest in other sustainable projects and to maintain affordable customer bills, at a time when the cost of living is a key concern for the community.

In January 2019 alone, we were able to transfer 4.5MWh of electricity to the power grid, with a market value of $62,400. Generating more power than expected, ReWaste is allowing us to consider options such as heat recovery or an extra turbine to maximise our use of the biogas it generates.

We are confirming the conceptual design for a second, larger waste to energy facility to produce almost 40 per cent of our energy needs.
SOLAR ENERGY

Our solar energy initiatives reflect our efforts to seize optimum land-use opportunities. In June 2019, we completed the solar staff carpark at our Mitcham office, which will yield 408 megawatt hours annually (generating close to 30 per cent of our onsite energy needs) through 1080 solar panels.

We have also implemented ground mounted solar systems at our Upper Yarra, Healesville and Whittlesea sewage treatment plants, which contribute to our solar energy yield. The 100 kilowatt systems have contributed to each plant consuming in excess of 95 per cent of the solar energy produced, with excess returned to the grid.

BATTERY STORAGE

We are also exploring battery storage solutions that could soak up excess solar generation and make this renewable energy available at night.

POWER PROCUREMENT

In October 2018, we entered into a joint venture arrangement with 12 other Victorian water corporations for power procurement – the VicWater Large Scale Renewable Energy Project, established as Zero Emissions Water Ltd. The water industry is investing in solar energy derived from a large solar farm near Mildura, in north-west Victoria. Our aim is to source 25 per cent of our future energy needs from this farm. Power from this source is competitively priced and we benefit from renewable energy certificates, which we can elect to surrender or keep.
Our customers told us through our inaugural Citizens’ Jury (2016-17) they support us spending an extra $1 million a year on water conservation activities. The investment will focus on helping customers save water, including greater use of alternative sources, encouraging efficient use and reducing water losses in our network.

We are also aware of the need to manage our own water consumption and implement water efficiencies.

**COMMUNITY WATER CONSERVATION**

We support our customers and the community to use water sensibly for the things they value. We are developing campaigns to encourage and maintain water-saving behaviours in our community. We know from our extensive customer research that water conservation is important to customers, and that they are prepared to support these efforts even if there is a cost.

Since 1997, we have had an increasing customer base, however we have worked with customers to reduce their water consumption, introduced recycled water and worked to reduce non-revenue water volumes (water lost before it reaches the customer). Since 1997, total water use has declined, despite the population growing by about 140 per cent.

Water conservation is best measured by total water use per person per day which includes leakage. We are targeting a total water use reduction per property from 221 litres per person per day in 2018-19 to 210 litres in 2023-24. In 2018-19, actual consumption was at 233 litres per day.

We have had a relatively stable level of per capita water usage over the past five years which is comparable with the metropolitan average. We will continue to work to promote sensible and efficient residential water use through our education programs which help schools and early learning centres to integrate water as a topic into the curriculum, implementation of the Schools Water Efficiency Program, and assisting businesses and local government to become more water efficient and explore alternative water sources.

In 2018-19 we worked with Victoria’s Department of Environment, Land, Water and Planning (DELWP) and other Victorian water corporations to continue to communicate the Target 155 message and implement the overarching statewide water efficiency strategy, Water for Victoria.

An additional $57 million has been approved for district metering and to check meter installation on private water mains to reduce non-revenue water by 2.5 gigalitres per year. We are trialling digital meters which can provide more granular data on water loss and empower us and our customers to proactively address leaks.

**OUR WATER USE**

Water use for our own operations varies depending on the plants and assets we are operating per year.

Please refer to the section of this report, Additional Performance Data, for further information on our operational water use since 2014.
Our core business depends on the health of the environment. We take water from the environment and we discharge it back into waterways via treated water, including treated sewage, trade waste and organic waste. Sewage and liquid waste from households and businesses is discharged into our sewerage system. We transfer this waste into waterways via treated water, including treated sewage, trade waste and organic waste.

AVOIDING WATERWAY POLLUTION

Our commitment is to never compromise the health of the environment in delivering our service, to reduce our demands on nature and take action to make a restorative, net-positive contribution to the health of the planet.

The way we manage the environment and biodiversity are areas we focus on getting right, both for our operations and those of our contractors.

ENVIRONMENTAL MANAGEMENT

We operate within a highly regulated, compliance and evidence-based environment, with well-articulated environmental and management system requirements from our regulatory stakeholders.

Our operations are subject to environmental regulation; we held a Corporate Licence issued by the Environment Protection Authority Victoria under the Victorian Environment Protection Act 1970. The licence imposes conditions relating to discharges, reporting obligations and other matters concerning the operation of our 10 sewage treatment plants. During the 2018-19 financial year, we complied with all licence conditions. We also maintained our certified Environment Management System, currently certified to ISO14001:2015, which establishes an organisation-wide framework for improving environmental performance. This has been in place since 1996.

Biodiversity

Since European settlement, over 50 per cent of Victoria’s native vegetation has been cleared, surpassing all other Australian states. With current and forecast climate change and increased weather variability, biodiversity is facing increasing threats.

We have an ongoing commitment to working in harmony with the environment and providing our services within the carrying capacity of nature. However, the operation and construction of our assets has the potential to cause negative impacts to biodiversity.

As a Victorian Government entity, we follow the directive of ‘Victoria’s Native Vegetation Management: A Framework for Action’, which was developed as an offset measure to support the Victorian Biodiversity Strategy: Protecting Victoria’s Environment – Biodiversity 2037.

Biodiversity and ecology assessments are completed for all projects at the functional design stage. During the design process, we seek to avoid negative impacts to native vegetation, trees and threatened species, and, where this is unavoidable, we obtain relevant approvals to offset impacts.

We also liaise with stakeholders such as Victoria’s Department of Environment, Land, Water and Planning, the Department of Sustainability, Environment, Water, Buildings and Communities, the National Parks, Wildlife and Environment Commission, the Native Vegetation Council and the Division of Land Tenure and Resource Management.

Our ongoing commitment to biodiversity is clear in our Statement of Obligations. We undertake regular sampling of water samples at each of our sewage treatment plants to ensure they comply with our EPA Corporate Licence Requirements. In preparation for transition to the Environment Protection Amendment Act 2018 and corresponding licence reform, we also completed desktop risk assessments of all waterway discharges and commenced detailed ecological risk assessments (ERAs) for those deemed to be high risk. The findings from these ERAs will form the basis for compliance criteria for the new licence.

A summary of our sewage treatment plants’ performance is reported to EPA on an annual basis. Additionally, water quality and flow data relating to waterways is reported to Victoria’s Essential Services Commission and Australia’s National Pollutant Inventory and the Bureau of Meteorology.
GENERATING OFFSETS
Through revegetation projects, we have the potential to generate carbon offsets and other co-benefits.

Water and Planning, local governments, and other water utilities often work together to determine how best to conserve Victoria’s biodiversity.

In 2018-19, we initiated a trial to revegetate landscapes to capture carbon and improve environmental outcomes such as emissions reduction, through increasing biodiversity. In partnership with the Port Phillip and Westernport Catchment Management Authority and other Victorian water retailers, we set out to understand whether there was an opportunity to develop a multi-benefit approach to establishing carbon offsets through local revegetation projects.

The ability to self-generate offsets presents co-benefit opportunities for catchment management through the sale of offsets to others. This includes support for the implementation of regional catchment strategies, improving biodiversity and water quality, reducing catchment erosion and providing social benefits for local communities.

The project also contributes to the water sector’s emissions reduction obligations to help achieve Victoria’s long-term emissions reduction target of net-zero greenhouse gas emissions by 2050.

ENDANGERED SPECIES
Our Craigieburn sewage treatment plant discharges treated sewage into the Merri Creek, in Melbourne’s north. The Merri Creek is home to the Growling Grass Frog which is listed as threatened under the Victorian Flora and Fauna Guarantee Act 1988, vulnerable under the Australian Government Environment Protection and Biodiversity Conservation Act 1999 and endangered in the IUCN Red List.

We are investigating whether the relatively warmer water being discharged from the treatment plant is improving habitat conditions for the Growling Grass Frog.

WASTE MANAGEMENT
Managing waste generated through our operations and activities is important to us as we strive to work in harmony with the environment.

Four areas where we need to reduce and ensure appropriate management of our waste are:

- Asset creation operations
- Sewer operations
- Treatment plants
- Office operations.

We are also exploring our role in managing Melbourne’s waste, having launched our first food waste to energy facility, ReWaste, in May 2017. After its first year of operation, we considered ReWaste a success and we’re now planning to build a second, larger facility.

SEWER OPERATIONS
We aim to avoid and minimise any negative impacts to waterways from treatment plant failures, spills or discharges.

Sewer spills can occur through overflows from manholes, emergency relief structures and sewage pumping stations. These spills may be caused by various problems including sewerage blockages generated from rag build-up or tree roots, or surcharges caused by rainy weather or asset failure. Similar spills may also occur on private property.

There are several ways we find out about sewer spills, including direct notification from customers to our Fault Centre, and automated monitoring and control sewer network alarms.

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We are investigating whether the relatively warmer water being discharged from the treatment plant is improving habitat conditions for the Growling Grass Frog.

ASSET CREATION
We manage all aspects of maintenance, demolition and construction of our water and sewer assets. Waste generated includes pipes (some may contain asbestos), asphalt and rock, soil and fill (some of which may be contaminated), and contaminated spoils.

Waste is managed by contractors on a project by project basis.

SEWAGE
We manage sewage, which makes up a large component of Melbourne’s waste.

IMAGE: Staff planting trees at a Yarra Valley Water volunteer day
Suspected spills require immediate response. We work with our maintenance contractor to respond swiftly with containment and rectification works to prevent spills from entering a waterway. Work order requirements are provided to contractors to ensure they dispose of any contaminated materials in an environmentally responsible manner. Responsibilities towards restoring the environment if a spill occurs include:

- Clean-up and decontamination of the affected area
- Environmental monitoring to assess the impact and determine whether further clean-up actions are required
- Notification of relevant affected parties, including the Environment Protection Authority Victoria
- Ensure corrective actions are implemented to prevent the likelihood of reoccurrence.

Environmental monitoring of impacted waterways and natural surroundings is required following a sewer spill. If sampling results indicate poor water or soil quality compared to background levels, further clean-up actions must be undertaken. This may include bunding, flushing and eduction of contaminated water from impacted waterways, and removal of soil.

Results from environmental monitoring are retained in the report completed by our Sewer Operations division. From the nine reportable sewer spills during 2018-19, seven required follow-up works and sampling. Following the audits, we publish an annual report on the number and volume of spills.

Examples of actions we undertook in 2018-19 following incident debriefs include improvements to the sewer spill notification process and response procedure.

Our Residential Customer Charter and Business Customer Charter outline our commitments to responding to sewer spills and conserving the environment. We are committed to meeting the sustainable standards of environmental care, while addressing the expectations of customers, the community and government.

Please refer to the section of this report, Additional Performance Data, for further information on EPA reportable sewer spills since 2014.

SEWAGE TREATMENT PLANTS

We operate 10 treatment plants, which treat water to a tertiary standard. The main sources of waste generation at treatment plants are screenings (for example, wipes, tampons, sanitary pads and condoms, which are items that should not be flushed) and gross solids removed from the incoming sewage flow.

While we don’t have direct control over what is flushed, we can encourage behaviour change. In June 2018, we rolled out our ‘Wet Wipes’ education campaign, targeting Lilydale and Chirnside Park residents about what can and can’t be flushed in the toilet. The campaign aimed to create awareness of the impact of wet wipes and other non-degradable materials on the water systems, and over time, drive behavioural change for the better. A post campaign survey (489 respondents) confirmed a high 39 per cent recalled the campaign.

- Of those who had self-reported flushing wet wipes in the past (2 per cent), 8 in 10 who recall the campaign were unlikely to flush a wet wipe again.
- 8 in 10 people who recall the campaign but didn’t report flushing wet wipes in the past are unlikely to do so in the future.

Our sewage treatment process uses activated sludge, filtration and disinfection, with the treated water quality equivalent to class B recycled water. All treatment plants discharge treated water to waterways, which we manage in accordance with discharge licences issued by the Environment Protection Authority Victoria. License conditions are established to protect environmental health and values. We prepare Annual Performance Statements against our conditions each year and outline individual plant performance. Our treatment plants do not discharge to any nationally or internationally protected areas.

About 34 per cent of all sewage treated at Yarra Valley Water treatment plants was reused as recycled water.

No sewage spills from treatment plants occurred in 2018-19, and all treatment plants achieved 100 per cent compliance.
### SEWAGE TREATMENT PLANTS’ EFFLUENT DISCHARGE AND RECYCLED WATER

<table>
<thead>
<tr>
<th>SEWAGE TREATMENT PLANT</th>
<th>DISCHARGE DESTINATION</th>
<th>ORGANISATIONS THAT USE RECYCLED WATER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brushy Creek</td>
<td>Brushy Creek</td>
<td>• Dryden North Tennis Club</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Griff Hunt Reserve</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Hughes Park</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• The Range Estate</td>
</tr>
<tr>
<td>Craigieburn</td>
<td>Merri Creek</td>
<td>• Craigieburn Public Golf Course</td>
</tr>
<tr>
<td>Healesville</td>
<td>Merri Creek</td>
<td>• Chirnside Golf Course</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Mt Lilydale Mercy College</td>
</tr>
<tr>
<td>Lilydale</td>
<td>Merri Creek</td>
<td>• Cammerons Lane Lots 8 and 9</td>
</tr>
<tr>
<td>Monbulk</td>
<td>Olinda Creek</td>
<td>• Sassafras Creek</td>
</tr>
<tr>
<td>Upper Yarra</td>
<td>Olinda Creek</td>
<td>• Sassafras Creek</td>
</tr>
<tr>
<td>Wallan</td>
<td>Olinda Creek</td>
<td>• Sassafras Creek</td>
</tr>
</tbody>
</table>

### TREATMENT PLANT DISCHARGE - EFFLUENT LEVELS

#### EFFLUENT DISCHARGE ML

<table>
<thead>
<tr>
<th>Year</th>
<th>Brushy Creek</th>
<th>Craigieburn</th>
<th>Healesville</th>
<th>Lilydale</th>
<th>Monbulk</th>
<th>Upper Yarra</th>
<th>Wallan</th>
<th>Whittlesea Recycled Reservoir Storage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2014-2015</strong></td>
<td>4,004,738</td>
<td>860,144</td>
<td>342,561</td>
<td>1,830,075</td>
<td>23,893</td>
<td>749,930</td>
<td>0</td>
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<tr>
<td><strong>2015-2016</strong></td>
<td>4,109,393</td>
<td>509,257</td>
<td>334,102</td>
<td>2,410,332</td>
<td>24,019</td>
<td>718,440</td>
<td>0</td>
<td>0</td>
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<tr>
<td><strong>2016-2017</strong></td>
<td>3,926,272</td>
<td>703,323</td>
<td>372,884</td>
<td>2,197,725</td>
<td>21,922</td>
<td>771,113</td>
<td>0</td>
<td>0</td>
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<tr>
<td><strong>2017-2018</strong></td>
<td>2,929,295</td>
<td>801,245</td>
<td>386,475</td>
<td>1,802,812</td>
<td>24,686</td>
<td>738,609</td>
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<tr>
<td><strong>2018-2019</strong></td>
<td>2,899,633</td>
<td>502,243</td>
<td>350,118</td>
<td>1,713,160</td>
<td>25,566</td>
<td>660,075</td>
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### TREATMENT PLANT DISCHARGE - TONES

<table>
<thead>
<tr>
<th>Year</th>
<th>TONES</th>
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</thead>
<tbody>
<tr>
<td>2014-2015</td>
<td>174</td>
</tr>
<tr>
<td>2015-2016</td>
<td>267</td>
</tr>
<tr>
<td>2016-2017</td>
<td>185</td>
</tr>
<tr>
<td>2017-2018</td>
<td>235</td>
</tr>
<tr>
<td>FY 18/19</td>
<td>243</td>
</tr>
</tbody>
</table>
OFFICE OPERATIONS
We have a green office strategy and always try to minimise the amount of waste we generate. This waste is disposed of through landfill, compost and recycling, and we educate staff about how to reduce waste. We recycle batteries and light globes (predominantly fluorescent tubes) where possible.

OFFICE WASTE

<table>
<thead>
<tr>
<th>Year</th>
<th>Recycling</th>
<th>Composting</th>
<th>Landfill</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>218</td>
<td>478</td>
<td>361</td>
</tr>
<tr>
<td>2015-16</td>
<td>343</td>
<td>317</td>
<td>33.3</td>
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<tr>
<td>2016-17</td>
<td>1,547</td>
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<td>2017-18</td>
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</tr>
<tr>
<td>2018-19</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

CASE STUDY
WASTE TO ENERGY

Our ReWaste facility is Australia’s first large scale dedicated food waste to energy facility. The facility processes commercial food waste via anaerobic digesters (large, sealed tanks) to produce biogas, which is used to fuel electricity generators. As a by-product, nutrient-rich organic waste (digestate) is also produced and has great potential for use in agriculture, allowing nutrients to be returned to the soil.

Since its launch in May 2017, the facility has transformed more than 45,000 tonnes of food waste into 10,000 megawatt hours of clean energy capable of powering over 2,000 homes. It is now operating at near full capacity, processing on average 2,700 tonnes of organic waste per month.

In 2018-19, the facility diverted 33,000 tonnes of food waste from landfill, produced minimal greenhouse gas emissions, generated around 25 per cent of Yarra Valley Water’s overall electricity requirements, and saved $60,000 per month on power bills.

We have partnered with over 20 businesses, which provide spoiled food waste ranging from fruit and vegetables and grease trap waste to shopping centre and restaurant food waste. One of the facility’s biggest suppliers is the Melbourne Market Authority which supplied over 1460 tonnes of food waste in 2018-19.

Following the success of Rewaste, we plan to construct a second larger facility to transform up to 150 tonnes of waste per day into 33,000 kWh of renewable energy. When fully operational, the second facility will generate a further 30 per cent of our energy needs. This means that together, our two Waste to Energy facilities will ultimately generate more than half of our overall energy needs.
This graphic presents an overview of material topics that directly impact on the planet. It shows what we use and rely on for our business, the negative and positive impacts of our activities, and what we are striving to achieve. Our strategic commitments are the foundation for our activities and the outcomes we pursue.

**Input**
- **Commercial Food Waste**: Energy from a range of inputs, including our generated renewable energy.
- **We take water from the environment**
- **We take sewage from customers**
- **Materials and Land Use**

**Activity**
- **Positive Activity**: Investing in energy efficiency and renewable energy.
- **Supporting customers to use water wisely**
- **Self-imposed cap on the nutrients we discharge to Port Phillip Bay**
- **Meeting environmental licence obligations for our sewage treatment plants**
- **Encouraging people to choose tap water**
- **Collecting organic waste to turn into renewable energy**

**Material Topic**
- **Energy from a range of inputs, including our generated renewable energy**
- **Water conservation**
- **Healthy waterways**
- **Environmental health**
- **Waste management**

**Commitment**
- **Positive activity**
  - **Greenhouse gas emissions**: Carbon offsetting.
  - **Discharging treated waste water to waterways**
  - **Using chemicals during water and wastewater treatment**
  - **Producing waste from construction and maintenance**

- **Negative activity**
  - **Spilling wastewater to the environment**
  - **Using chemicals during water and wastewater treatment**
  - **Producing waste from construction and maintenance**

- **Response**
  - **Proactive maintenance and monitoring of our assets and addressing reasons for spills**
  - **Optimising chemical usage**
  - **Our suppliers work according to environmental management systems**
  - **Low impact construction methods**

**Outcomes we seek to achieve**
- **The outcomes we seek to achieve**
- **The foundations of the positive outcomes we work towards**
Our people section reports on how we manage our social material topics and the related SDGs, and our activities and performance in 2018-19. These topics include:

- Diverse water sources and climate change
- Liveable cities
- Customer satisfaction and trust
We are proud of our role in making Melbourne one of the world’s most liveable cities and ensuring essential water and sanitation services are accessible to customers.

Our purpose, ‘to contribute to the health and wellbeing of current and future generations’, has at its foundation an intent to deepen our understanding of how we can improve social outcomes for customers.

Our main challenges in managing water availability over the next five decades are: climate change and variability (periodic droughts and floods) and population growth.

By measuring social capital we can also make strategic decisions based on, for example, determining the actual social capital of water recycling, or where we should focus our efforts in greenfield development.

We have undertaken in-depth research to provide us with a clearer understanding of how our activities contribute to the health and wellbeing of the customers we service. This includes monitoring the affordability of our water bills.

Our Climate Resilience Plan, finalised in November 2018, sets out key actions that build our capacity, reduce our vulnerabilities and support long-term planning for an uncertain future. The plan focuses on adaptation to build our resilience to climate change. It complements our mitigation activities to reduce our emissions (see: yvw.com.au).

In 2018-19 we implemented key actions from this plan, including:

- trialling long-term adaptive planning techniques in a high priority region
- analysing our current and future service vulnerabilities to climate change in a high priority region
- benchmarking our resilience to ensure we meet best practice standards across the organisation
- supporting actions arising from Victoria’s Department of Environment, Land, Water and Planning’s Pilot Water Sector Climate Change Adaptation Action Plan. These include the development of sewerage guidelines, considering climate risks in Integrated Water Management (IWM) forums, reviewing emergency management plans and taking part in industry knowledge sharing forums to discuss impacts on our water supply and sewerage networks.

According to the Bureau of Meteorology, 2018 was the third hottest year on record for Australia.

**Climate Change Resilience**

Climate change projections from the Bureau of Meteorology predict a hotter and drier climate over the long term, lower stream flows to reservoirs, and greater climate variability, including an increased number of storm events. These challenges will require new approaches in the way we plan and provide our services to the community.

By 2040, temperatures across the region are expected to rise by an average of 3.3°C under a medium climate change scenario (see: water.vic.gov.au).

We aim to increase resilience across a range of possible scenarios. We recognise the impact of climate variability on our assets and are planning for dynamic and detailed responses to potential issues. We are responding by monitoring impacts, identifying key decision points and being ready to act. This includes building resilience into our services to enable us to onboard crews at short notice and respond to our data with richer analytics.

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**Diverse Water Sources and Climate Change Resilience**

Our main challenges in managing water availability over the next five decades are: climate change and variability (periodic droughts and floods) and population growth.

We are already delivering our services against a backdrop of increased climate variation. The risks these present to our ability to deliver safe water and sanitation are broad ranging. These risks relate to water availability and quality, asset performance, customers and staff, supply chains and financial performance. There are also uncertainties around timing and severity of impacts, how these affect customers, and how they interact with other societal factors such as population growth, value shifts, politics and economics.

We’re also servicing an expanding city. One of the challenges we have is safeguarding water availability for our growing population.

According to the Bureau of Meteorology, 2018 was the third hottest year on record for Australia.
Through these actions we have embedded climate change considerations more deeply into our decision-making processes across asset planning functions, water and sewerage resource planning and product delivery functions. We have also worked closely with industry colleagues to ensure our actions are aligned with broader adaptation actions being undertaken across the industry.

In 2019-20 we will continue to build on these actions as outlined in our plan. We will:

- further develop our adaptive planning techniques and embed what we learn into our planning, modelling and asset management business processes
- analyse our service vulnerabilities to climate change and develop actions to address any risks
- use resilience benchmarking as a pathway to further industry collaboration that will benefit both our customers and the broader community
- contribute to the development of Victoria’s Department of Environment, Land, Water and Planning’s Water Sector Climate Change Adaptation Action Plan (commencing October 2019)

URBAN WATER STRATEGY AND CLIMATE CHANGE

We have embraced the Victorian Government’s vision for long-term water management in developing our 50-year Urban Water Strategy. Our Urban Water Strategy and Drought Preparedness Plan apply guidelines from Victoria’s Department of Environment, Land, Water and Planning for forecasting the impacts of climate change on water supplies, and we have been monitoring progress against these.

Consideration of climate change impacts has also been embedded in the recently completed Melbourne Sewerage Strategy, a collaboration between the five urban water organisations in Greater Melbourne, including Yarra Valley Water. Climate change risks for sewerage management in the face of increasing extreme weather events include environmental and public health risks, increased groundwater salinity and tree root intrusion into pipes through drought impact.

EXPANDING MELBOURNE

We’re delivering vital services to some of the fastest-growing suburbs in Australia. As Melbourne’s population continues to grow, we will build new water, sewer and recycled water infrastructure to keep pace with development.

The completed Craigieburn Sewage Transfer Hub in Melbourne’s north will service 100,000 new homes and over 300,000 people in the northern growth corridor. We are spending more than $450 million over the next five years to ensure that this area is well-serviced in the future.

INTEGRATED WATER MANAGEMENT (IWM)

Strong collaboration between the water industry and the community in relation to water cycle management and planning is crucial to help us enhance Melbourne’s liveability amid the challenges of population growth, climate change and weather variability.

We take a leading role in Victoria’s Department of Environment, Land, Water and Planning’s Integrated Water Management (IWM) forums in the Yarra River, Dandenong Creek and Maribyrnong River catchments.

The forums bring key agencies – including planners and local councils – together to identify, prioritise and oversee shared value projects with liveability benefits. IWM participants each identify opportunities to collaborate and form partnerships to deliver integrated servicing solutions and bring those to forums for consideration. The IWM forums then prioritise opportunities. The majority of our service area is included in the Yarra

**Impact of IWM Opportunities on the Forum’s Strategic Outcomes**

**4. Integrated Water Management (IWM)**

<table>
<thead>
<tr>
<th>Location</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doncaster Hill Recycled Water Project</td>
<td>Improving Sanitation through on-site Wastewater Management</td>
</tr>
<tr>
<td>Marri Creek Upper IWM Sub-Catchment Plan Pilot</td>
<td>Wallan Restorative Project</td>
</tr>
<tr>
<td>Whittlesea Community Farm</td>
<td></td>
</tr>
</tbody>
</table>

**Relative Impact on Strategic Outcomes (Highest Total Impact = 1)**

- Safe, secure and affordable supplies in an uncertain future
- Opportunities are optimised to manage existing and future flood risks and impacts
- Healthy and valued urban and rural landscapes
- Jobs, economic growth and innovation
- Effective and affordable wastewater systems
- Healthy and valued waterways and marine environments
- Community values are reflected in place-based planning
GROWING MELBOURNE

Recycled water is central to our plans for a growing Melbourne.

Catchment forum. Each forum has developed a draft Strategic Directions Statement (SDS), containing a jointly agreed vision and strategic outcomes, a schedule of priority policies and frameworks to enable IWM outcomes, and a schedule of priority projects. We play a lead or supporting role in many of these projects. This is in response to the release by the Minister for Water’s Strategic Direction Statements (SDSs) for the five metropolitan IWM forums in October 2018.

In 2018-19 we have put this collaborative approach into practice as part of developing an IWM sub-catchment plan pilot for the Upper Merri Creek sub-catchment in Melbourne’s inner-north.

Our key commitments for Yarra Valley Water in the Yarra, Maribyrnong and Dandenong catchment SDSs are:

› Merri Creek Upper IWM sub-catchment plan pilot
› Doncaster Hill recycled water project
› Improving sanitation through on-site wastewater management including a trial in Park Orchards
› Wailian restorative project
› Whittlesea community farm initiative.

RECYCLED WATER

Recycled water is central to our plans for a growing Melbourne and will be part of the service we deliver to 100,000 new homes along the northern growth corridor. Recycled water is a drought-proof alternative to rainfall-reliant water sources and is vital to water security over the coming years. This year, we constructed 87km of recycled water mains and connected 11,787 properties to Class A recycled water. This brings the total number of properties we have connected to 26,325 - almost double the number of properties connected before June 2018.

We produced 11,071ML of recycled water at our sewage treatment plants in 2018-19, of which 3,721ML (33.6 per cent) was reused at the plants.

The proposed recycled water plant for our flagship infill development project at Doncaster Hill (in Melbourne’s east) demonstrates how we are building resilience into our communities. The project will sensitively integrate a recycled water plant into an urban community, giving more than 5,000 new households access to Class A recycled water via a third-pipe system. This third pipe will allow consumers to water their gardens, flush their toilets and wash their clothes with high-quality recycled water, saving 2.5 million litres of precious drinking water each week.

Our focus for the next five years is to continue to deliver more recycled water infrastructure as part of our commitment to servicing growth, to reduce our dependence on traditional catchment supplies and to conserve water so it’s available for the future.

LEAKS AND BURSTS

We face seasonal challenges attending to emergency bursts and leaks, which are increasingly prevalent with ongoing climate change. In 2018-19 we actively worked across our supply chain to ensure we had a dynamic and protective approach to responding to increasing maintenance.

We anticipate the next few years will continue to be challenging in this space as a changing climate means hotter and drier conditions which lead to increased bursts and leaks.
We play a key role in preserving Melbourne’s liveability, encouraging healthy and inclusive communities, and creating green, sustainable spaces. More than 30 per cent of Victorians are Yarra Valley Water customers, and our service area contains some of the fastest-growing suburbs in Australia. We anticipate that by 2036 we will be serving an additional 600,000 people – more than a quarter of our current customer base. This means that effective future planning is essential, so that we can meet service obligations.

We measure our success in delivering sewerage services through minimising the number of customers experiencing three or more water or sewerage service interruptions within a year. This year we targeted a maximum of 0.96 per cent of customers experiencing three or more water or sewerage service interruptions and achieved 0.94 per cent.

SAFE DRINKING WATER

In 2018-19, we achieved 100 per cent compliance with the Safe Drinking Water Regulations.

It recognises that, beyond protecting public health and the environment, we need to plan adaptively, use resources wisely, enhance liveability and support the economy while ensuring the system protects intergenerational equity and remains affordable to the broader community.

We must do all this against an increasingly complex background of population growth, technological development, changing customer expectations, urban densification and the need to safeguard the environment. Now that the strategy has been developed and noted, we are acting on its key areas of focus:

- Human health and wellbeing
- Enhancing the environment
- Leveraging resources
- Community stewardship
- An enabling policy and regulatory environment.

SAFE DRINKING WATER

Our customers tell us that the most important outcome we deliver is safe and pleasant drinking water. The measure that best addresses this priority is our compliance with Safe Drinking Water Regulations, based on parameters currently reported against in our Water Quality Annual Report.

Safe drinking water is our number one priority and we take nothing for granted in guaranteeing water safety and quality. In 2018-19, we achieved 100 per cent compliance with the Safe Drinking Water Regulations through a range of activities and by harnessing technology to identify maintenance and testing priorities. Our results are due to our proactive approach to maintaining the integrity of the system.

We use a risk-based tool to prioritise inspection and maintenance for each tank based on asset management and water quality parameters. Inspections are performed using a floating camera and simulation of a rainfall event – we then inspect our tanks to identify possible ingress points and conduct repairs. As a second line of defence, we use secondary chlorinators at high-risk tanks to ensure we maintain multiple barriers to contaminants.

In 2018-19, we installed three new permanent chlorinators and continuous chlorine monitoring equipment to maintain chlorine residuals in tanks and at the extremities of the water supply network.

We have developed and patented a device to install real-time monitoring equipment in the network via existing hydrants that can insert sensors to monitor parameters such as pressure, flow and a range of water quality indicators. This method is more cost effective and easier to install than tapping into the existing water main.

We have successfully trialled these devices to ensure their durability and suitability for use in the drinking water supply system. We intend to install more sensors in our Class A recycled water areas to detect potential cross connections. The program will begin rolling out this financial year (pending successful testing of changes to prototypes) and continue over the next three years. Each year an independent laboratory collects and tests more than 7,000 water samples.

In 2011, we trialled a water mains cleaning technology called ‘ice pigging’ and commenced a full scale program in 2013 to ice pig approximately 400km of water mains each year, for the next five years. Today we conduct ice pigging as part of our regular cleaning of the water main network. To date ice pigging has been shown to achieve a consistently high level of sediment removal and a significant decrease in water quality complaints.

See our Water Quality Annual Report for more information.

We will also manage and monitor other measures and indicators that are important to ensure the delivery of the overall customer outcome, including the number of water quality complaints per 1,000 customers. We expect our customers will notice some initial changes to their water supply as we install additional chlorinators around our network to improve our risk mitigation approach and as we see more frequent source supply changes, ensuring we maximise the use of water harvested from all of Melbourne’s reservoirs.

This year, we received 4.9 complaints for every 1,000 customers, against our target of 3.2 complaints. This was due to three significant water supply network issues and a change in how we report complaints. We also continued to improve the accuracy of our complaints reporting which contributed to the increase in complaint volumes. We achieved 90 per cent customer satisfaction with the overall quality of drinking water provided.

A change in source supply from Wonthaggi to Silvan Reservoir created increased water quality complaints in August 2018. We also experienced a water quality issue at Melbourne Water’s Greensvale Reservoir in March, April and early May 2019. In May 2019, a distribution main failed, resulting in increased localised water quality complaints in Craigieburn. We will ensure our works limit the cause of complaint wherever possible and we will communicate openly with our customers about changes that may impact them.
We have made sewerage available to 2,180 properties in the past five years.

Our Community Sewerage Program is an efficient, collaborative initiative that protects our waterways and human health. Many homes in northern and eastern Melbourne were built before sewerage infrastructure was available, and still use septic tanks to manage their wastewater. Many of these systems do not meet current environmental standards and pose a potential risk to public health and local waterways.

Community sewerage programs are currently underway in a number of service areas, including the Monbulk community (east of Melbourne) where we will deliver new sewerage services to 731 properties with poorly performing septic systems, in consultation with the community.

We invested $23.7 million in new sewerage services to service these properties in 2018-19, delivering sewerage services to 333 properties. During 2018-19, we continued to provide reticulated sewerage services to parts of Donvale while also commencing construction works for similar reticulation projects in Park Orchards, Yarra Junction, Kallista and The Patch. We also continued to plan for new sewerage services in Westburn, Don Valley, Launching Place, Eltham South, Lower Plenty, Lilydale and in the Dandenong Ranges at Sherbrooke and Monbulk.

Design and construction of the new sewerage system is targeted for completion by mid-2021 and is one of our Top 10 projects for delivery in this regulatory period. In 2019-20 we aim to service 805 properties of around 10,000 remaining properties on the community sewerage program.

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We are also undertaking groundbreaking work to harness grassroots support for sub-catchment planning with the Upper Merri Creek sub-catchment pilot plan. This is a priority project within the Yarra Catchment IWM forum and reflects the IWM planning approach we have adopted more broadly. Our IWM planning is an ongoing, structured, place-based process built on collaborative stakeholder and community engagement using waterway sub-catchments as the geo-spatial focus areas for planning across the Birrarung (Yarra Catchment).

The approach aims to deliver optimised management of drinking water, sewerage, stormwater and alternative water resources to create more resilient communities.

Our Community Sewerage Program is an efficient, collaborative initiative that protects our waterways and human health.

COOPERATIVE RESEARCH CENTRE FOR WATER SENSITIVE CITIES

We participate in projects with the Cooperative Research Centre for Water Sensitive Cities to explore innovative ways of creating water sensitive urban development sites:

**Kalkallo Stormwater Harvesting and Reuse Scheme**

Located in the greenfield development of Merrifield, next to the town of Kalkallo, in the City of Hume, the Kalkallo Stormwater Harvesting and Reuse Scheme is the first in Australia attempting to harvest and treat stormwater to a standard acceptable for direct injection into the drinking water system.

A 65 megalitre stormwater storage basin is located downstream of the 160ha Merrifield development. The stormwater collection system, wetlands and an accompanying treatment plant, is designed to process up to one megalitre per day to drinking water standards. The facility was completed in 2014, but is yet to start operating due to development delays which have impacted the amount of stormwater available.

**Park Orchards Community Sewerage Trial**

Our Community Sewerage Program seeks to provide a fit for purpose sewage system to properties that cannot contain wastewater via their own private septic systems. A trial of 100 properties in the Park Orchards area is underway.

We have commenced evaluation of the trial and will report findings by 2021. The trial will provide lessons to local government and the water industry about the benefits and risks of onsite wastewater treatment systems as an alternative to reticulated sewerage.

Technologies under evaluation include the use of upgraded onsite septic systems, with irrigation where possible, and the construction of a sewer network for remaining properties that cannot contain their wastewater onsite.

It is intended that the outcomes of this trial will inform the provision of a fit-for-purpose sewerage system for the broader Park Orchards Community Sewerage area, encompassing over 1,200 properties in Park Orchards and Ringwood North.
WHITTLESEA COMMUNITY FARM

Whittlesea Community Connections, City of Whittlesea, Melbourne Polytechnic and Yarra Valley Water are working in partnership to create the Whittlesea Community Farm & Food Collective. The project will incorporate sustainable farming systems at our Aurora treatment plant site.

The project will use renewable electricity and heat from the waste to energy facility, recycled water and land not suitable for development to produce fresh fruit and vegetables while using up to 90 per cent less water and significantly less nutrients, pesticides and energy than traditional farming operations.

The project will:

- Provide education/capacity building opportunities for the community to be trained in best practice farming systems and employment pathways into the future of Australia’s agriculture industry.
- Enhance community wellbeing and inclusion through volunteering, periodic employment, enterprise and group activities associated with farm operations.
- Improve access to fresh food and nutrition for households experiencing food insecurity.
- Demonstrate advanced farming techniques and the future of the agriculture industry in Australia through circular economy principles and effective use of land, water and energy.

While currently in concept planning and business case development stage, the project will demonstrate how circular economy principles in food systems can contribute to economic development, social connections and public health and wellbeing.

The planning stage includes partner and stakeholder engagement and development of an implementation plan for the next five years.

FARM HUB
1. Building a strong local economy through farming innovation and enterprise

- Farm inputs $ expertise and management
- Melbourne Polytechnic
- Yarra Valley Water
- City of Whittlesea industry and research partnerships
- Kind support local suppliers/businesses

FOOD HUB
2. Providing integrated and responsive support to people in the need

- Farm produce to Food Hub
- Farm produce (enterprises) research results, demonstration projects
- Food waste to energy facility, recycled water and land not suitable for development
- Value added products/ enterprises
- Local food retailers, manufacturers, distributors

PATHWAYS
3. Creating more supported volunteering, skills development, training and employment opportunities

LOCAL JOB SEEKER

SKILLS
Volunteer while training

JOB READY
Work experience casual jobs

We anticipate that by 2036 we will be serving an additional 600,000 people – more than a quarter of our current customer base.

CUSTOMER SATISFACTION AND TRUST

Our customers
We anticipate that by 2036 we will be serving an additional 600,000 people – more than a quarter of our current customer base.

There are significant variations in socioeconomic advantage and disadvantage among our customers. We have four of the five highest ranking and five of the nine lowest ranking council areas in Melbourne based on the Socio-Economic Index For Areas (SEIFA). Around 40 per cent of our customers say they have sometimes or always struggled to pay their bills during the past 12 months, showing household budgets are under pressure.

ENSURING WE MEET OUR CUSTOMERS’ EXPECTATIONS

We strive to put our customers at the centre. To achieve this we implement our customer insight program that continuously provides us with insights into our customers’ needs, preferences and values.

We use these insights to frame and improve our programs so we can deliver our services in a way that best meets customer needs and minimises risk exposure. Our insights are also garnered through internal data analysis and engagement using extensive market research, key stakeholder briefings and ongoing review and input from our community advisory group. Under the customer insight program, we discuss a range of issues with customers through focus groups, telephone interviews, community forums and social media, and monitor and measure the effectiveness of our risk mitigating controls.

THE FUTURE OF CUSTOMER SERVICE

We are committed to taking an approach to customer service that leaves no-one behind. Our planning accounts for a future of evolving customer values and expectations. To keep in step with customers we are reinforcing the fundamentals of our business – refining our systems and harnessing technology to ensure that we are flexible and responsive to customer needs.

We’re in the process of establishing a new customer promise, outlining the experiences we want to deliver across all touchpoints – retail, field, products and services, and community and environment.

We’re improving our front line response to service interruptions using a redesigned approach for our people and contractors and the tools they use. Enhanced technology will help ensure we continue to run an environmentally and financially sustainable business. We’re driving affordability by building efficiencies into our business that ensure downward pressure on bills. Behind all this is a workplace culture recognised as one of Australia’s best, which underpins our ability to deliver on our promises.
WORKING TOGETHER FOR THE GREATER GOOD

The service we provide to the community goes well beyond delivering exemplary water and sanitation services. We seek to make a broader, more holistic contribution to the health and wellbeing of our community by supporting those experiencing hardship and vulnerability, working to create thriving communities and green spaces, and maximising our social impact through partnerships and collaboration, including with Traditional Owners of the land.

We are moving beyond the traditional community expectations of water utilities, by considering the many ways we contribute value to society beyond our financial worth – across environmental and social domains – using internationally accepted standards such as the Sustainable Development Goals (SDGs) to measure our success.

We are demonstrating leadership on social and environmental issues with initiatives such as Choose Tap, which encourages consumers to consider tap water over bottled, and the Valley Water way – our customer experience vision, safety and efficiency values.

We are improving the centralisation, specialisation and responsiveness of the fault calls process. From 1 January 2019 we have set a target of 90 per cent of fault calls to be answered in 30 seconds. To achieve this, we have restructured our internal processes to provide a greater flow of information through the business. In the past, the contact centre might have handled fault calls without full context or visibility of the issue. Now our dedicated Service Response team can provide end-to-end customer service.

We are improving customer satisfaction across emergency fault repairs, renewals and scheduled maintenance by empowering, authorising, and skilling front line staff. This includes implementation of timely decision making, providing our people with the tools they need, and authorising immediate interventions. This is true for a large range of projects, actions, and process improvements.

An example of this embedded responsiveness is our Summer Readiness Plan, which uses modelling of predetermined actions to avert hot weather network issues and focuses on flexible supply chain and workforce management.

We continually track our performance using a broad range of customer insight techniques including quarterly measures across all service channels. In addition, we conduct annual research with our stakeholders to understand their priorities and expectations, the strength of our relationships, and issues requiring resolution. While we did not meet our target of 90 per cent customer satisfaction, we expect to see improvements through implementation of the following activities:

- commencement of journey mapping to identify satisfaction levels and pain points throughout the customer lifecycle to identify priority areas for improvement
- greater focus on the significance of complaints as a driver for continuous improvement
- introduction of a post call survey in our Customer Care centre to capture and address immediate customer feedback
- development of a Complaint Handling Framework with the goal of elevating it to a national benchmark for the water industry.

BILLING PAYMENT ISSUES

Our dedicated Customer Relations team manages escalated enquiries and ensures we effectively address any issues to minimise the impact on customers. When we are not immediately able to resolve an enquiry, or if the customer wants to make a complaint, we escalate to our Customer Relations team. This team of specialist complaint resolution consultants resides within Customer Care.

They act as customer advocates and work across the organisation (if required) to get a resolution. At the end of the month, this team reports back to the Manager and General Manager on the types of complaints and makes recommendations to ensure issues raised do not continue to affect other customers.

We achieved our target for the number of billing and account complaints per 1,000 customers this year, indicating we are on track with our approach.

SEAMLESSLY RESPONSIVE SYSTEMS

We’re updating our systems to keep in step with our customers, using human-centred design to understand what they want from their service systems and how they like to interact with us – Yarra Valley Online Water, easyAccess and the outage map.

We want these systems and their interfaces to be accessible, intuitive and easy-to-use for customers – and streamlined, connected and automated for us. We’re building a customer digital experience platform (CDXP), which will pull all our data into a single, accessible platform that will streamline operations and provide us with cross-connectivity and visibility across billing, field and asset data.

Our existing systems are strong and reliable but we’re aiming for reduced manual intervention, which will drive efficiencies and allow us to respond to customer needs more rapidly and give customers better access to self-service options.

SERVICING OUR COMMERCIAL CUSTOMERS

We continue to examine ways we can deliver a more tailored service to high-value customers. This means managing their services with efficiency and consistency and ensuring customer satisfaction across this segment is comparable with other customers.

Historically, our business customer data has been framed by interactions around water, trade waste, compliance and billing.

We are refining our knowledge to provide a differentiated service that also considers how these customers use our services – for example, if they have multiple business locations – so that we can better understand their needs and provide consistent and effective service to high-value customers. This means managing their services with efficiency and consistency and ensuring customer satisfaction across this segment is comparable with other customers.

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This graphic presents an overview of material topics affecting people. It shows what we use and rely on for our business, the negative and positive impacts of our activities, and what we are striving to achieve. Our strategic commitments are the foundation for our activities and the outcomes we pursue.

**WHAT WE USE AND RELY ON**

- WE TAKE WATER FROM THE ENVIRONMENT TO SUPPLY TO CUSTOMERS FOR THEIR USE VIA OUR PIPELINES
  - Adaptive and community-based planning for assets, water supply and catchments
  - Innovative water supply and sewage treatment technologies
  - Community sewerage programs
  - Enhancing drought resilience of public green spaces

- WE TAKE SEWAGE FROM CUSTOMERS VIA OUR PIPELINE TO TREAT AND RECYCLE AT OUR TREATMENT PLANTS
  - Customers with septic tanks
    - Community sewerage program
  - Reliance on reservoirs
    - Delivering desalination plant and recycled water, and researching alternative water sources

**THE OUTCOMES WE SEEK TO ACHIEVE**

- POSITIVE ACTIVITY
  - Creating customer services that leave no-one behind
  - Delivering on our customer commitments
  - Improving our service response
  - Delivering recycled water and working with our customers on water conservation

- NEGATIVE ACTIVITY
  - Service disruptions
    - Improving our service response

**THE FOUNDATIONS OF THE POSITIVE OUTCOMES WE WORK TOWARDS**

- DIVERSE WATER SOURCES AND CLIMATE CHANGE RESILIENCE
- LIVEABLE CITIES
- EXEMPLARY SERVICE
- CUSTOMER SATISFACTION AND TRUST
- WE SUPPORT THRIVING COMMUNITY
This section reports on how we manage our economic material topics and related SDGs, and our activities and performance in 2018-19. These topics include:

- Water and Sanitation Affordability
- Ethical Governance
Being a regulated organisation, we must meet benchmarks for service and behaviours, but we strive to go beyond. We aim to foster a culture of transparency, integrity, accountability and access across the business, to meet public and government expectations. We expect our partners to align with our standards.

Our focus on culture ensures we continue to enable extraordinary performance. We are committed to further developing our achievement-oriented culture to create the best possible outcomes for our people and community. We have a responsibility to community and government to be financially responsible and sustainable and to operate as efficiently as possible to keep water and sanitation affordable, without reducing service standards or community outcomes.

Through our Citizens’ Jury process, which we undertook in 2016-17 to inform our current customer commitments, our customers told us they did not want bill increases. Nearly all customers told us that small annual bill changes are better than a single large change. We listened to them, devising an underlying price path that committed us to no bill increase in 2018-19, and annual bill increases below inflation for the remaining four years of the pricing period.

This approach underpins a price path that will mitigate the impacts of price increases associated with increased desalination water orders, which are needed to ensure water security as our reservoirs are subject to drier weather and greater demand. Our revenue cap price control minimises bill shocks and ensures that customers only pay what is necessary to meet our revenue requirement.

This measure has returned $29 million to customers over the course of the last regulatory period and will also offset the impact of the increased desalination order for 2019-20.

### ACCOUNTABLE TO OUR CUSTOMERS

As part of our current customer commitments (2018-23) we committed to achieving seven key service outcomes over the next five years. We also voluntarily committed to give money back to customers each year if we didn’t meet any of these service outcomes. Our Community Rebate Scheme delivers on our promise to return money each year if we miss targets and is a world-first innovation which holds us accountable for our performance.

This year, we’re proud to have achieved five of the seven outcomes, especially against the backdrop of a hotter and drier year which put extra strain on delivering water and sewerage services. In line with our customer commitments, we will return $3 million to our customers.

### PRICE STABILITY

We work hard to keep bills affordable for our customers and we have a price plan in place to keep bills stable.

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*Adjusted to remove the effect of inflation
FINANCIAL EXCLUSION THROUGH FAMILY VIOLENCE

As an essential service provider, we have an important role in supporting and protecting customers who are experiencing family violence.

In 2018-19 we contributed to Victoria’s Essential Services Commission’s workshops on family violence for the retail energy sector, sharing our experience and learnings in developing and implementing responses to address family violence within our workplaces. Collaboration is important across sectors, and we will continue to be actively involved in raising awareness and partnering with other organisations to develop the collective response to family violence. This year we further embedded our family violence policy throughout the organisation. All new staff, regardless of role, receive training in family violence and managers now undergo additional, tailored training; with two of our staff becoming accredited by OurWatch in 2019 to deliver two packages on workplace equality and respect and the prevention of violence against women.

In November as part of 16 Days of Activism, family violence survivor and advocate Lisa McAdams delivered a keynote to staff. This was part of our ongoing work to raise awareness amongst our people about the issue of family violence, as well as reiterating the availability of the support we offer for staff. We also participated in a range of activities, including the Walk against Family Violence and the 16 Days of Activism against Gender-Based Violence.

During 2019-20, we will continue to develop and enhance our policies, protocols and programs to address family violence as a trigger for financial exclusion, while ensuring that our customers are aware of support available. There will be continued focus on strengthening our processes and capabilities to protect private and confidential information and ensure we are working safely and effectively with those who use violence.

WATERCARE PROGRAM

Our WaterCare program remains a cornerstone of our efforts to support those experiencing financial difficulty. It helps customers facing complex issues such as vulnerability and hardship, focusing on early identification, community connection, outreach, engagement, education and access to the appropriate support.

The program has not only had a measurable impact on our customers’ lives – it has brought a positive financial benefit to our business. Since WaterCare’s establishment, we have seen a steady increase in the number of customers who have been able to transition out of the program, keep on track, and return to regular payment arrangements.

Through WaterCare, we offer water audits directly to residential customers experiencing vulnerability or hardship (Customer Rebate Program) and via not-for-profit community housing (the Community Housing Retrofit Program). Both programs are funded by Victoria’s Department of Environment, Land, Water and Planning (DELWP) on an annual basis, and we also contribute $100,000 to Water and Planning (DELWP) on an annual basis. One cornerstone of our efforts to support those facing family violence is the Community Housing Retrofit program. This program has not only had a measurable impact on our customers’ lives – it has brought a positive financial benefit to our business.

The Community Housing Retrofit program has a similar objective, however targets emergency and community housing owned or managed by community welfare agencies across Melbourne.

Beyond water efficiency, these programs also enable customers experiencing vulnerability and hardship to take action to reduce their water use, and, in turn, have greater control of their bill. In 2018-19, we engaged over 35,000 customers through our WaterCare programs and met our primary target of 89 per cent of customers accessing our services believing that we help those who are having difficulty paying for their water and sewerage services. Overall this year:

- Almost 11,793 customers were supported – 5.5 per cent more than the same time last year
- We worked with more than 6,900 new customers who experienced difficulty
- 91 per cent of customers met their agreed payment plans
- Over 4,628 customers were successfully transitioned to mainstream payments – a 9 per cent increase from the previous year.

Over 1,000 customer interactions occurred through shopping centre pop-ups, which resulted in:

- 18 customers receiving concessions
- 89 per cent of visitors finding the hub information useful
- 72 per cent of visitors wanted to learn more about saving water
- 88 per cent of visitors would speak to Yarra Valley Water if they had difficulty affording their bill.

CUSTOMER SUPPORT

Since 2011, we have successfully transitioned almost 25,000 customers experiencing financial hardship to mainstream payments.
We need to find new efficiencies in our water supply network and harness technology to reduce water waste. The introduction of digital metering is one way we can do this.

Digital meters can provide customers with daily information about their water consumption, enabling them to make informed choices about their water usage and avoid bill shock. This technology works well in many other large cities around the world.

Digital meters can also help us to pinpoint leaks within our water network, and at customer properties, in real time. This means they can be addressed quickly, saving water and money. This technology can take the form of a device attached to an existing meter, or a replacement meter.

We are trialling digital water meters at customer properties to provide daily information on their water consumption. We are investigating the best way to roll out digital metering. Alongside our metropolitan water partners, we are currently conducting thorough trials and assessments to ensure that the solution we deliver is the best outcome for customers. Each utility is trialling digital metering technologies with customers to confirm the benefits and value we can deliver, as well as the capabilities of the technology.

For our initial trials, in collaboration with City West Water and South East Water, we are installing about 1,600 digital water meters at properties in Vermont South. Trials will run for a year, and the results will inform discussions about the viability of digital metering. Ultimately, if we proceed with this technology, we need the support of our customers. This important collaboration will help us conserve our precious water supply. It’s critical that we develop a consistent approach across our sector now, to ensure that we take advantage of potential scale efficiencies in the future.

In 2018-19 two reports were released: the Australian Prudential Regulation Authority’s (APRA) Report – Prudential Inquiry into the Commonwealth Bank of Australia; and the Victorian Ombudsman Report – Investigation into allegations of improper conduct by Officers at Goulburn-Murray Water. The performance of our Board and organisation, and relevant policies and procedures of the organisation were mapped against recommendations in both reports to identify any improvement opportunities. The findings of both reviews were discussed by the Board during 2018-19 to reflect on the learnings and how they could relate to both the Yarra Valley Water board and management. The actions identified have been implemented during the 2018-19 financial year.

Our Board has established four Committees of Directors to assist with carrying out its responsibilities and to allow detailed consideration of complex issues. Each Board Committee has its own terms of reference, which set out the Committee’s objectives, duties and responsibilities, composition, meetings, authority and reporting responsibilities.

We are committed to ensuring a robust Corporate Governance Framework is in place for Yarra Valley Water.

Our Board has overall responsibility for Corporate Governance and is responsible for setting our strategic direction, establishing goals for management, and monitoring achievement and performance. It ensures that funds are used to deliver the best possible service to customers and financial returns to the State Government. The Board has also adopted a Directors’ Code of Conduct based on the Code of Conduct issued by the Public Sector Standards Commissioner.

Our Board has nine directors comprising a non-executive Chair, seven non-executive directors and one executive director (the Managing Director). The non-executive Chair and non-executive directors are appointed by the Minister for Water. The Managing Director is appointed by the Board.

We need to find new efficiencies in our water supply network and harness technology to reduce water waste. The introduction of digital metering is one way we can do this.
Every year we release the following publicly available reports:

- An Annual Report, which details our performance for the previous financial year which is tabled in State Parliament.
- A Drinking Water Quality Report, which provides our customers with information regarding the quality of the drinking water we supply.
- Our Planet, People, Prosperity Report, outlining our progress on sustainability performance and how we are tracking against the Sustainable Development Goals (SDGs). The report also acts as our Communications on Progress (CP) report for United Nations Global Compact reporting.

RISK MANAGEMENT

We are proud to have a strong risk management culture, and we are always examining ways to mature and evolve our risk framework. This year, we commenced the World Class Risk Management program to explore the cultivation of a positive risk culture.

Risk culture is an organisational mindset relating to risk-related topics, including enterprise risk management and risk versus opportunity. Achieving a positive risk culture over time will enable us to continue to be active and responsive, while promoting an innovative environment across the water industry.

We have used a human-centred design problem-solving approach to more deeply understand employees’ relationships to risk and how we can improve our programs.

A number of initiatives are underway, including the establishment of a risk subject matter expert network, simplification of tools and developing a risk culture survey so that progress can be measured.

The consideration of risk is the responsibility of all employees and partners. Our goal is to instil, encourage and embed a culture where risk management is owned by everyone and becomes second nature – making it a key consideration in all processes and decision-making. We actively promote a risk-aware culture by sharing and promoting information that raises awareness about risk management and statutory compliance obligations.

Implicit in the way we manage risk is our ongoing process of risk identification, quantification, control, monitoring and review. We maintain a number of risk registers including a Strategic Risk Profile, an Operational Risk Profile and various Functional Risk Profiles relating to risk areas such as safety, water, sewage quality, the environment and information technology.

Our risk management approach encompasses comprehensive, fully defined and clear accountability for risks, risk controls and risk mitigation tasks. A review of the risk universe is undertaken annually. For any emerging risks identified, if strategic in nature, a recommendation is made to the Risk Management and Audit Committee and Board for their inclusion in the Strategic Risk Profile. Comprehensive and frequent reporting on strategic risks, actively managed risks (strategic and operational) and the efficacy of their controls is part of our corporate governance framework.

We undertake an integrated risk-based internal audit program, which is developed annually and submitted to various Board committees for endorsement. In developing the program, we consider key risks within our risk profiles.

When our annual audit program is developed and endorsed, an assurance map is developed linking internal and external audit programs to the risks contained in the profiles. The purpose is to provide confidence that the total audit program reviews the controls of the organisation’s key risks.

We performed an internal audit on a range of our management systems across areas of health and safety, environment and quality. These were performed by our Safety, Health, Environment and Quality auditors, who will continue to deliver audits under our internal audit program, and ensure findings are addressed.

Our ongoing commitment to risk management is demonstrated through:

- full compliance with the attestation requirement of the Victorian Government Risk Management Framework
- contribution to the development of the annual Victorian Water Industry Risk Report
- continuous improvement of our processes by benchmarking against best practice and self-scrutiny.

OUR POLICIES

All policies can be viewed at yww.com.au.

YARRA VALLEY WATER | SUSTAINABILITY REPORT 2019 | PLANET | PEOPLE | PROSPERITY
This graphic presents an overview of material topics relating to ethical governance. For each material topic we show what we use or rely on for our business and what our relevant business activities are, each of which are directly related to Sustainable Development Goals. Our strategic commitments are the foundation for our activities and the outcomes we pursue.

**POSITIVE ACTIVITY**
- Delivering our core business of safe, reliable water and sanitation services
- Programs supporting customers experiencing vulnerability
- Collaborating with other sectors on financial vulnerability and hardship
- Keeping customer bills stable

**NEGATIVE ACTIVITY**
- Costs to customers for connecting to sewer
- Inconsistent internal referral pathways for customers experiencing vulnerability
- 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 (FIAPs)

**MATERIAL TOPIC**

**ETHICAL GOVERNANCE**

**INPUT**
- What we use and rely on

**ACTIVITY**
- Our activities, which have positive and negative impacts

**OVER 700 EMPLOYEES**

**INDEPENDENT BOARD**

**VICTORIAN GOVERNMENT**
- Our owner and shareholder

**PARTNERS AND STAKEHOLDERS**

**WHAT WE USE AND RELY ON**

**ACTIVITY**

**OVER 700 EMPLOYEES**

**INDEPENDENT BOARD**

**VICTORIAN GOVERNMENT**
- Our owner and shareholder

**PARTNERS AND STAKEHOLDERS**

**WE ARE SAFE**

**EXTRAORDINARY PERFORMANCE**

**EVERY CENT COUNTS**

**COMMITMENT**

**THE OUTCOMES WE SEEK TO ACHIEVE**

**THE FOUNDATIONS OF THE POSITIVE OUTCOMES WE WORK TOWARDS**

**WHAT WE USE AND RELY ON**

**ACTIVITY**
- Our activities, which have positive and negative impacts

**OVER 700 EMPLOYEES**

**INDEPENDENT BOARD**

**VICTORIAN GOVERNMENT**
- Our owner and shareholder

**PARTNERS AND STAKEHOLDERS**

**WE ARE SAFE**

**EXTRAORDINARY PERFORMANCE**

**EVERY CENT COUNTS**

**COMMITMENT**

**THE OUTCOMES WE SEEK TO ACHIEVE**

**THE FOUNDATIONS OF THE POSITIVE OUTCOMES WE WORK TOWARDS**
UN GLOBAL COMPACT PRINCIPLE | OUR ACTIONS | MORE INFORMATION

HUMAN RIGHTS

Businesses should:

Principle 1: Support and respect the protection of internationally proclaimed human rights.
External focus: Our engagement with Aboriginal and Torres Strait Islander people and organisations, and Traditional Owner groups has significantly increased in 2018-19. We appointed an Aboriginal Partnership and Business Development Manager whose role is to work with Traditional Owners in our service area, building capacity of all parties involved and enabling participation in water planning and management. We are currently working on our second Reconciliation Action Plan (RAP).
We updated our Supplier Code of Practice and became members of Social Traders, and Kinaway Chamber of Commerce.

Principle 2: Make sure that they are not complicit in human rights abuses.
Internal focus: We do not tolerate discrimination and take a proactive approach to ensure reasonable and proportionate measures are in place to monitor and improve practices and behaviours. All employees are required to comply with relevant federal and state legislation that establishes grounds on which discrimination is illegal including but not limited to the Acts relating to Occupational Health and Safety, Equal Employment Opportunity, Discrimination and Human Rights. Employees are required to complete discrimination awareness training which is renewed every two years. In December 2018, our Board reviewed and endorsed our second Diversity and Inclusion Strategy. The Diversity and Inclusion Strategy 2019-21 is the next phase in the continuous journey of diversity and inclusion with a roadmap of programs, policies, measures and targets that reflect the community we serve.

Principle 3: The freedom of association and the effective recognition of the right to collective bargaining.
We recognise the importance of employee rights for freedom of association and the right to collective bargaining. The Yarra Valley Water Enterprise Agreement (EA) 2016 came into effect on 13 June 2017. The EA sets the wages, terms and conditions of a Yarra Valley Water employee for a period of up to four years. To come into operation, the agreement must be supported by a majority of the employees who cast a vote to approve the agreement, and it must be approved by an independent authority, the Fair Work Commission.
We abide by the Fair Work Act 2009, which contains minimum standards called the National Employment Standards (NES), establishing minimum conditions for working Australians.
Yarra Valley Water’s Enterprise Agreement Monitoring Committee consists of management and employee representatives. Employee representatives are covered by the EA and chosen by employees. The committee has an ongoing role in monitoring the application and implementation of the EA and acts as the primary consultative forum.

LABOUR

Businesses should uphold:

Principle 10: Work against corruption in all its forms, including extortion and bribery.
We strive for a culture of transparency, integrity, accountability and access and are committed to ensuring a robust Corporate Governance Framework is in place and reviewing the framework regularly to ensure it aligns with best practice.
Our Directors’ Code of Conduct is based on the Code of Conduct issued by the Victorian Public Sector Standards Commissioner, and our Company Code of Conduct reflects the minimum standard of behaviour that we expect of each other.
Bonuses were phased out of remuneration packages in 2018-19 and incorporated into senior employee salaries.
We have a strong risk management culture, and this year, we commenced the World Class Risk Management program - a new journey in exploiting the cultivation of a positive risk culture.

UN GLOBAL COMPACT PRINCIPLE | OUR ACTIONS | MORE INFORMATION

ENVIRONMENT

Businesses should:

Principle 7: Support a precautionary approach to environmental challenges.
Our commitment is to never compromise the health of the environment in delivering our service, reduce our demands on nature and take action to make a restorational, net-positive contribution to the health of the planet.
We have undertaken many initiatives in the areas of climate change mitigation, emissions reduction and renewable energy; water conservation; healthy waters; biodiversity and waste management.

Principle 8: Undertake initiatives to promote greater environmental responsibility.
We updated our Supplier Code of Conduct to a Supplier Code of Practice with more comprehensive sustainability criteria, which includes a category on their environmental responsibility.
We updated our Supplier Code of Conduct to a Supplier Code of Practice with more comprehensive sustainability criteria, which includes a category on their environmental responsibility.

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.
We appointed an Aboriginal Partnership and Business Development Manager whose role is to work with Traditional Owners in our service area, building capacity of all parties involved and enabling participation in water planning and management. We are currently working on our second Reconciliation Action Plan (RAP).
We updated our Supplier Code of Practice and became members of Social Traders, and Kinaway Chamber of Commerce.

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We have a strong risk management culture, and this year, we commenced the World Class Risk Management program - a new journey in exploiting the cultivation of a positive risk culture.

Principle 6: The elimination of discrimination in respect of employment and occupation.
We stand for a fair and equitable society. We embrace diversity and inclusion in everything we do as we strive to reflect the community we serve.
Our Diversity and Inclusion Strategy 2019-21 launched in February 2019 to build on the progress made through implementing our first Diversity Strategy (2015-18). During 2015-18, we made significant progress in the areas of gender imbalance in leadership and technical roles, training staff, and ensuring the correct policies and processes are in place.
Our new strategy aims to drive a ‘whole of person’ and ‘whole of organisation’ approach to truly benefit from, and embrace, diversity and inclusion. The four key focus areas are: reflecting community; gender balance; Aboriginal and Torres Strait Islander participation and workforce flexibility.
To help implement our Strategy and achieve our vision, we developed the following working groups in March 2019: LGBTIQ+; gender balance; accessibility & diversity; workforce flexibility and cultural diversity.

We are a signatory to the United Nations Global Compact (UNGC) – the world’s largest corporate sustainability initiative. This commits us to ensuring our strategies and policies align with the compact’s 10 principles, which cover human rights, labour, the environment and anti-corruption.

As a signatory to the UNGC, we are committed to reporting our Communications on Progress (COP) to describe and measure our actions in these four areas. For 2018-2019, our actions and measurements for our COP are as follows (more detailed information is also available throughout this report):

In December 2018, our Board reviewed and endorsed our second Diversity and Inclusion Strategy. The Diversity and Inclusion Strategy 2019-21 is the next phase in the continuous journey of diversity and inclusion with a roadmap of programs, policies, measures and targets that reflect the community we serve.

We updated our Supplier Code of Practice and became members of Social Traders, and Kinaway Chamber of Commerce.

We appointed an Aboriginal Partnership and Business Development Manager whose role is to work with Traditional Owners in our service area, building capacity of all parties involved and enabling participation in water planning and management. We are currently working on our second Reconciliation Action Plan (RAP).

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YARRA VALLEY WATER | SUSTAINABILITY REPORT 2019 • PLANET • PEOPLE • PROSPERITY
Additional performance data on greenhouse gas emissions and energy are provided below, along with detailed additional data on our sewer spill history.

**GREENHOUSE GAS EMISSIONS**


- Water treatment and pumping 7,660 7,950 7,930 8,682 9,090
- Wastewater treatment 18,206 18,499 17,937 18,063 16,140
- Wastewater pumping 4,469 4,326 5,446 4,655 4,711
- Office use 1,927 1,959 1,735 1,699 1,607
- Vehicle fleet 993 1,038 1,035 1,072 1,136
- Total GHG emissions 33,255 33,762 34,083 34,171 32,684
- Offsets purchased - - - 34,171 32,684
- Other offsets 33,255 33,762 34,083 - -

**NOTE:** Emissions from Natural Gas have reduced since the base year. However, the estimate of fugitive emissions of Nitrous Oxide and Methane have risen since the base year. We have no ability to influence or reduce fugitive emissions under the current method of estimating fugitive emissions that are based on sampling and measuring catchment populations, water volumes, water flows and organic matter concentration levels.

**INDIRECT (SCOPE 2) GHG EMISSIONS**

- 26,712 28,357 28,641 27,985 28,223
- 25,500 26,000 27,000 28,000 29,000
- 24,250 24,750 25,750 26,750 27,750
- 23,000 23,500 24,500 25,500 26,500
- 21,750 22,250 23,250 24,250 25,250
- 20,500 21,000 22,000 23,000 24,000

**DIRECT (SCOPE 1) GHG EMISSIONS**

- 2,767 6,542 9,826 9,372 -
- 5,779 - - - -
- 5,442 5,779 9,826 - -

**TOTAL ENERGY CONSUMPTION (GJ)**

- 111,581,181 110,388,321 120,565,642 125,150,000 119,722,000

**CONSUMPTION FACTORS**

- Electricity consumption 86,103 89,157 94,595 102,353 99,842
- Heating Consumption 9,238 5,761 10,581 6,907 2,940
- Total Consumption 95,341 94,918 105,176 109,260 102,782
- Electricity Sold 0 0 0 8,944 13,560
- TOTAL SOLD 0 0 0 8,944 13,560

**Note 1:** Heating consumption is represented by total gas consumption at our head office at Mitcham. Submeters are not in place at the office to enable electricity usage to be split to inform cooling.

**Note 2:** Gases measured are carbon dioxide (CO₂); methane (CH₄) and nitrous oxide (NO₂); Note 2: Biogenic CO₂ is a neutral GHG under NGER technical guidelines. Note 3: FY2016-2017 was chosen as a base year in our G7 commitment to customers as it represented the current emissions when making a submission for our next pricing determination.
Adaptive planning
A means for managing and using natural resources such as water, especially in the context of integrated natural resource management, in a way that allows for changes in approach as unknowns of the future unfold.

AFL Outer East
An Australian rules football and netball organisation within Victoria.

Aquifer
A body of permeable rock which can contain or transmit groundwater.

Biogas
A gaseous fuel, often methane, produced by the fermentation of organic matter.

Bundling
An impervious embankment of material that provides a barrier to retain liquid.

Bureau of Meteorology
Australia’s national weather, climate and water agency.

Carbon abatement
The reduction of the amount of carbon dioxide that is produced when coal and oil are burned.

Carbon dioxide equivalent (CO2e)
A measure used to compare the emissions from various greenhouse gases based upon their global warming potential.

Carbon neutral
Making or resulting in no net release of carbon dioxide into the atmosphere, especially a result of carbon offsetting.

Catchment
An area where water is collected by the natural landscape.

Chlorinator
The application of chlorine or chlorine compounds to water or wastewater.

Class A recycled water
Treated water that is designated for high-exposure uses, including residential developments; irrigation where access is public and unrestricted; irrigation of edible crops intended for raw or unprocessed consumption.

Department of Environment, Land, Water and Planning (DELWP)
A State Government department in Victoria responsible for climate change, energy, environment, water, forests, planning, local government and emergency management functions.

Department of Health and Human Services (DHHS)
A State Government department in Victoria that is responsible for delivering policies, programs and services that support and enhance the health and wellbeing of Victorians.

Desalinated water order
An order by the State Government of Victoria to supplement Victoria’s water supply from the State’s desalination plant due to decreasing availability of water from other sources.

Eastern Health
A public health service in Melbourne’s metropolitan east.

Eduction
The process of pumping sewage from a body of water and transferring it to a point of disposal.

Environment Protection Authority (EPA) Victoria

Essential Services Commission (ESC)
An independent regulator that promotes the long-term interests of Victorian consumers with respect to the price, quality and reliability of essential services, including water.

Geo-spatial
Relating to or denoting data or information that is associated with a particular location relative to the earth.

Global Compact Network Australia (GCNA)
The Australian, business-led network of the United Nations Global Compact (UNGC) that brings together signatories to advance corporate sustainability and the private sector’s contribution to sustainable development.

Global Reporting Initiative (GRI)
An independent international organisation that has pioneered sustainability reporting. GRI helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social well-being.

Greenfield development
An area of land, or some other undeveloped site earmarked for commercial development or industrial projects.

Greenhouse gas
A gas that contributes to the greenhouse effect by absorbing infrared radiation, for example, carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O) and ozone (O3).

Infill development
Development of vacant parcels within previously built areas.

Ingress point
Entry point, for example of contaminated water into a tank.

Intergenerational equity
The Brundtland Commission’s central ethical principle behind sustainable development stating that governments and organisations should not reduce the ability of future generations to meet their needs.

Intergovernmental Panel on Climate Change (IPCC)
The United Nations body for assessing the science related to climate change.
Integrated Water Management
A process which promotes the co-ordinated development and management of water, land and related resources, in order to maximise economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems.

IUCN Red List
An inventory of the global conservation status of biological species.

Kinway Chamber of Commerce
An organisation dedicated to supporting Victorian Aboriginal and Torres Strait Islander business owners whose focus is to change Aboriginal and Torres Strait Islander people’s lives through a strength-based model of business ownership and participation in the Victorian economy.

Kilowatt (kW)
A standard unit of electrical power equal to 1000 watts.

Materiality Assessment Tool (MAT)
An online tool created by consultancies Awake and ZOOiD to assist organisations with their materiality assessments.

Melbourne Market Authority
The authority established under the Melbourne Market Act 1997 that administers the Melbourne Market.

Melbourne Water
A statutory authority owned by the Victorian Government whose role is to manage and protect Melbourne’s major water resources.

Merri Creek Management Committee
An environmental coordination and management agency that works to achieve a shared vision for the waterway corridors of the Merri Creek Catchment, in Victoria.

ML
Abbreviation for megalitre, a metric unit of capacity equal to a million litres.

MWh
Abbreviation for megawatt hour. A megawatt is equal to 1,000 Kilowatt hours.

National Pollutant Inventory
A function of the Australian Government’s Department of the Environment and Energy that tracks pollution across Australia and ensures that the community has access to information about the emission and transfer of toxic substances which may affect them locally.

Net zero emissions
Carbon dioxide and other greenhouse gas emissions are reduced 100 per cent to zero.

Nitrogen discharge
A type of nutrient from sewage in sewage treatment plants that is discharged as effluent into receiving waterways.

Nutrient discharge
The build-up of nutrients from sewage in wastewater treatment plants that is discharged as effluent into receiving waterways.

Port Phillip and Westernport Catchment Management Authority (PPW/CMCA)
A Victorian Government statutory authority established under the Catchment and Land Protection Act 1994 to promote and coordinate improved land, water and biodiversity management within its jurisdiction.

Renewable energy
Energy from a source that is not depleted when used, such as wind or solar power.

Renewable Energy Certificate (REC)
A form of renewable energy currency initiated by the Renewable Energy (Electricity) Act 2000. The certificate is proof that energy has been generated from renewable sources such as solar or wind power. Each REC represents the environmental benefits of 1MWh of renewable energy generation.

Restorative environmental management
An environmental management system that commits to fully embrace sustainability as part of the organisation’s core values, where the business is seen fully as part of a larger system and the entire business model is redesigned with sustainability in mind.

Reticulation
A network of pipes used in irrigation and water supply.

Septic system
An underground wastewater treatment structure, commonly used in rural areas without centralised sewer systems.

Social Traders
A not-for-profit organisation that exists to create jobs for disadvantaged Australians by linking business and government buyers with social enterprises.

Shared value creation
A business strategy focused on companies creating measurable economic benefit by identifying and addressing social problems that intersect with their business.

Social capital
Networks together with shared norms, values and understandings that facilitate co-operation within or among groups.

Sports and Life Training (SALT)
A not-for-profit health promotion organisation that delivers education, culture and leadership sessions into sporting clubs, schools and businesses.

Statement of Obligations
Under section 4l of the Water Industry Act 1994, the Minister for Water may make and issue statements of obligations to water corporations. These statements specify the obligations of Victoria’s water corporations in relation to the performance of their functions and the exercise of their powers.

Stockholm Resilience Centre
An international centre of excellence for resilience and sustainability science.

Sub-catchment
A division of a catchment, allowing runoff management as near to the source as is reasonable.

Sustainable Development Goals (SDGs)
A set of 17 goals and 189 targets set under the 2030 Agenda for Sustainable Development agreed to by United Nations member states in 2015 that address a broad range of sustainable development issues.

Tertiary treatment
Tertiary treatment is the final cleaning process that improves wastewater quality before it is reused, recycled or discharged to the environment.

Tonnes
A unit of weight in the metric system, equal to 1,000 kilograms.

United Nations Global Compact (UNGC)
A voluntary initiative based on business commitments to implement 10 universal sustainability principles in the areas of human rights, labour, the environment and anti-corruption.

Victorian Planning Authority (VPA)
A Victorian State Government statutory authority that reports to the Minister for Planning.

Water Services Association of Australia (WSAA)
Australia’s peak industry body representing the urban water industry.

Women’s Information Referral Exchange (WIRE)
Victoria-wide free information, support and referral service run by women and non-binary people for women, non-binary and gender-diverse people.

Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation
The official name of the Registered Aboriginal Party of the Wurundjeri community of Victoria.

The Global Reporting Initiative (GRI) Standards disclosures relating to these topics are the ones selected below.

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<th>GRI STANDARD</th>
<th>DISCLOSURE</th>
<th>INTERNAL/EXTERNAL BOUNDARY (I/E)</th>
<th>PAGE/REFERENCE/MORE INFORMATION</th>
<th>CORRESPONDING SUSTAINABLE DEVELOPMENT GOAL (SDG)</th>
<th>CORRESPONDING UNITED NATIONS GLOBAL COMPACT (UNC) PRINCIPLE</th>
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<td>Information on employees and other workers</td>
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<td>Some of our activities are outsourced to contractors, but we do not consider contractors to be a significant portion of our workforce. There were no significant variations in our workforce during the reporting year.</td>
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<tr>
<td>102-9</td>
<td>Supply chain</td>
<td>N/A</td>
<td>pp. 14-15, 60-61, 72-73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-10</td>
<td>Significant changes to the organisation and its supply chain</td>
<td>N/A</td>
<td>pp. 6, 11-13, 26-69</td>
<td>Principles 7, 8 &amp; 9</td>
<td></td>
</tr>
<tr>
<td>102-11</td>
<td>Precautionary Principle or approach</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-12</td>
<td>External initiatives</td>
<td>N/A</td>
<td>pp. 12, 13, 19-20, 29-30, 33, 34, 45, 47, 49, 50, 60, 54-66, 57, 76-77</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-13</td>
<td>Membership of associations</td>
<td>N/A</td>
<td>p. 19</td>
<td>Principles 1-10</td>
<td></td>
</tr>
<tr>
<td>103-3</td>
<td>Statement from senior decision-maker</td>
<td>N/A</td>
<td>pp. 6, 6</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>103-4</td>
<td>Values, principles, standards and norms of behaviour</td>
<td>N/A</td>
<td>pp. 10, 64, 70-71</td>
<td>Principles 1 &amp; 2</td>
<td></td>
</tr>
<tr>
<td>103-5</td>
<td>Governance structure</td>
<td>N/A</td>
<td>p. 69</td>
<td>Principle 10</td>
<td></td>
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### STAKEHOLDER ENGAGEMENT

<table>
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<th>CORRESPONDING UNITED NATIONS GLOBAL COMPACT (UNGCP) PRINCIPLE</th>
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<tbody>
<tr>
<td>102-40</td>
<td>List of stakeholder groups</td>
<td>N/A</td>
<td>pp. 16-17</td>
<td>N/A</td>
<td>Principles 3, 4 &amp; 6</td>
</tr>
<tr>
<td>102-41</td>
<td>Collective bargaining agreements</td>
<td>N/A</td>
<td>69% of staff are covered by Enterprise Bargaining Agreements</td>
<td>Principles 3, 4 &amp; 6</td>
<td></td>
</tr>
<tr>
<td>102-42</td>
<td>Identifying and selecting stakeholders</td>
<td>N/A</td>
<td>p. 18</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>102-43</td>
<td>Approach to stakeholder engagement</td>
<td>N/A</td>
<td>pp. 16-18, 66-67, 53, 54, 56-59</td>
<td>N/A</td>
<td></td>
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<tr>
<td>102-44</td>
<td>Key topics and concerns raised</td>
<td>N/A</td>
<td>pp. 18, 30, 52, 57-58</td>
<td>N/A</td>
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### REPORTING PRACTICE

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<tbody>
<tr>
<td>102-45</td>
<td>Entities included in the consolidated financial statements</td>
<td>N/A</td>
<td>Yarra Valley Water Corporation. See p. 83 in the Yarra Valley Water Annual Report 2018-19 for FY2019 financial information.</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>102-46</td>
<td>Defining report content and topic boundaries</td>
<td>N/A</td>
<td>We have clearly utilised the GRI Principles for report content as follows: Stakeholder Inclusiveness: An extensive range of stakeholder groups participated in our materiality assessment, and throughout the year through our formal stakeholder engagement program; Sustainability Context: We communicate in detail the impacts of our operational performance in the broader context of sustainability and sustainable development, and through discussion of our strategy, risks, opportunities and goals; Materiality: We conducted a Materiality Assessment with a range of stakeholder groups, the outcomes of which are presented in this report; and Completeness: We report on our top 10 material topics and support this with qualitative and quantitative data, including historical performance over time where that data is available.</td>
<td>N/A</td>
<td>N/A</td>
</tr>
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</table>

### SPECIFIC GRI DISCLOSURES RELATED TO OUR MATERIAL TOPICS.

**GRI 302: ENERGY 2016**

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<tr>
<td>103-1</td>
<td>Energy consumption within the organisation</td>
<td>I</td>
<td>pp. 26-28</td>
<td>Principles 7, 8 &amp; 9</td>
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**GRI 303: WATER AND EFFLUENTS 2018**

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<tr>
<td>103-2</td>
<td>Management of water discharge related impacts</td>
<td>I</td>
<td>pp. 32, 33, 35-38</td>
<td>Principles 7, 8 &amp; 9</td>
<td></td>
</tr>
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We report our emissions under the National Greenhouse Gas Emissions Reporting Act, and our submission is independently audited.
habitats in areas affected by operations

GRI 303: Water withdrawal

I

5,689 Ml water was supplied by the desalination plant (seawater). The Victorian Desalination Project (VDP) supplied a total of 21,587 ML (including 6,187 ML delivered in June 2019) to the Melbourne headworks system in 2018/19.

The financial year inflows to the four major harvesting storages (Thomson, Upper Yarra, Maroondah and D’Shanassy Reservoirs) (from July 2018 to Jun 2019) were 359 GL, which is 270% below the 30-year average for the same period.

Source Water (from Melbourne Water) to customer:
Yarra Valley Water is invoiced electronically weekly by Melbourne Water for the water that it is supplied with. Melbourne Water also provide a bill at the end of the year to take account of the change in charges at the start of the new financial year. Yarra Valley Water uses a checklist verification process to sign-off and approve the invoices before payment can be made to Melbourne Water. It uses a billing verification database to check the flows received from Melbourne Water and checks the meter reading data provided by Melbourne Water against its own meters in its supply zones.

Recycled water
The data used by Yarra Valley Water to report recycled water volumes is a combination of manual reads and SCADA data entered into the billing system. Yarra Valley Water has monthly data for the large recycled water customers. The data is taken from the flow meters at the Yarra Valley Water treatment plants supplying the recycled customers. Yarra Valley Water’s approach is based on the system input volume as opposed to the metered volumes used for billing each individual customer.

303-4: Water discharge
I

pp. 35-39

303-5: Water consumption
I

p. 31

103-3: Management Approach 2018: 103-1, 103-2, 103-3
I

pp. 26-28

GRI 304: BIODIVERSITY 2018

304-4: IUCN Red List species and national conservation list species with habitats in areas affected by operations
I

p. 34

Principles 7, 8 & 9

GRI 305: EMISSIONS 2016

GRI 103: Management Approach 2016: 103-1, 103-2, 103-3
I

pp. 26-28

305-1: Direct (Scope 1); GHG emissions
I

pp. 27, 78

Source of emission factors and global warming potential (GWP) rates used:
National Greenhouse Gas and Emissions Reporting Technical Guidelines. Our consolidation approach for emissions is to report on entities within our operational control. We report under the National Greenhouse Gas and Emissions Reporting Act.

305-2: Energy Indirect (Scope 2); GHG emissions
I/E

pp. 27, 78-79

The calculation tool used was the Energy and Emissions Reporting System (EERS) that is provided by the Clean Energy Regulator.

GRI 306: EFFLUENTS AND WASTE 2016

GRI 103: Management Approach 2016: 103-1, 103-2, 103-3
I

pp. 26, 32, 33, 35-37.

Statutory obligations:
- Essential Services Commission (ESC) Audit reports
- EPA license environmental monitoring
- Licenses are available at: www.epa.vic.gov.au

Relevant policies:
- EPA Victoria license for effluent discharged to the environment
- EPA guidelines 44A.2 and 168 (Guidelines for Environmental Management: Use of Reclaimed Water and Guidelines for Wastewater Irrigation)
- Effluent reuse scheme commitments
- Responsible Yarra Valley Water parties:
  - Policies and Licensing: Treatment Plant Planning
  - Compliance Safety Health Environment and Quality department
  - Operations and optimisation: Treatment Plant Operations

Additional management information
The ReWaste facility is the focus of multiple audits each year e.g. contract, billing, air, waste certificates
- Operational monitoring of treatment plant processes
- Organisational risk audits

306-3: Significant spills
I

pp. 37

Principles 7, 8 & 9

GRI 307: ENVIRONMENTAL COMPLIANCE 2016

GRI 103: Management Approach 2016: 103-1, 103-2, 103-3
I

pp. 26, 33, 53, 54

307-1: Non-compliance with environmental laws and regulations
I

pp. 21, 26, 37, 53, 54

Principles 7, 8 & 9
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<tbody>
<tr>
<td>Water &amp; sanitation affordability</td>
<td>GRI 103 Management Approach 2016: 103-1; 103-2; 103-3</td>
<td>I</td>
<td>pp. 65-68</td>
<td></td>
<td>Principles 1 &amp; 2</td>
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<td>Liveable cities</td>
<td>GRI 103 Management Approach 2016: 103-1; 103-2; 103-3</td>
<td>I</td>
<td>pp. 52-56</td>
<td></td>
<td>Principles 1 &amp; 2</td>
</tr>
<tr>
<td>Customer satisfaction &amp; trust</td>
<td>GRI 103 Management Approach 2016: 103-1; 103-2; 103-3</td>
<td>I</td>
<td>pp. 57-59</td>
<td></td>
<td>Principles 1 &amp; 2</td>
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<tr>
<td>Ethical governance</td>
<td>GRI 103 Management Approach 2016: 103-1; 103-2; 103-3</td>
<td>I</td>
<td>pp. 69-71</td>
<td></td>
<td>Principles 1, 2 &amp; 10</td>
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