



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON ECONOMY AND GENDER AND ECONOMIC EQUALITY

Ms Nicole Lawder MLA (Chair), Ms Suzanne Orr MLA (Deputy Chair),

Mr Johnathan Davis MLA

Standing Committee on Economy and Gender and Economic Equality

Inquiries into Annual and Financial Reports 2019–2020 and ACT Budget 2020–2021

Responses to **questions taken on notice** at public hearing of 22 February 2021

Treasury portfolio—Icon Water

ACT Standing Committee on Economy and Gender and Economic Equality

Inquiries into Annual and Financial reports 2019–20 and ACT Budget 2020–21

Index QToN—Public hearing—22 February 2021

Treasury portfolio—Icon Water

No.	Date	Member	Subject	Minister	Answered
Icon 1	22 Feb 21	Orr	Annual Report—Case Study—'Say no to modern slavery' (p. 89). Provide information re how to access the Modern Slavery statement.	Treasurer	1 March 21
Icon 2	22 Feb 21	Coe	Smart water metering research—conducted by Specialist Consultant to complete a market assessment—name of consultant that conducted the research.	Treasurer	1 March 21
Icon 3	22 Feb 21	Davis	Smart water metering research—what was the approximate cost for smart water meters as conveyed to participants in the research?	Treasurer	1 March 21



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

QTON No. 1

STANDING COMMITTEE ON ECONOMY AND GENDER AND ECONOMIC EQUALITY

MS NICOLE LAWDER MLA (CHAIR), MS SUZANNE ORR MLA (DEPUTY CHAIR), MR JOHNATHAN DAVIS MLA

Inquiries into Annual and Financial Reports 2019–20 and ACT Budget 2020–21
ANSWER TO QUESTION TAKEN ON NOTICE
22 February 2021

Asked by SUZANNE ORR MLA:

In relation to:

Mr Hezkial: Thank you. Ray Hezkial, managing director, Icon Water. So we are actually quite proud of what we have done in this space this year. We have produced our first modern slavery statement and we have also done some activities within the business to raise awareness around the risks of modern slavery.

We have done some concrete things, such as improving our policies and our publications to include requirements to consider impacts of modern slavery. We have also done some training and capacity building across the business to make sure that team members within Icon Water who are involved in undertaking procurement activities are paying due consideration to the risks of modern slavery.

But probably one of the most important pieces of work that we have done so far is what I would describe as in supply chain due diligence. And we have taken a risk based approach to looking at the risk of modern slavery. And so our approach has been to basically look at our—what we describe as our tier 1 suppliers across that whole cohort.

And what we have basically come to the conclusion of is that 99.9 per cent of our procurement typically is sourced from within Australia, but we have identified two key risk areas in that cohort of tier 1 suppliers and that is related to apparel, so safety equipment, overalls, vests, gloves, and also electronics are probably the two key areas of risk for us.

Some of the other things we have done is we have also updated a lot of our contract templates around procurement to make sure that we are very clear when we are procuring any goods or services from a company that they understand our requirements to make sure that their own supply chains are meeting the minimum requirements that we would expect for compliance with the modern slavery statement.

And we are also—we put some more information on our website so that any sort of prospective suppliers to Icon Water understand what our expectations are around modern slavery should they wish to do business with us, so.



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

QTON No. 1

STANDING COMMITTEE ON ECONOMY AND GENDER AND ECONOMIC EQUALITY

MS NICOLE LAWDER MLA (CHAIR), MS SUZANNE ORR MLA (DEPUTY CHAIR), MR JOHNATHAN DAVIS MLA

MS ORR: Yes, great. So it says in the annual report you will be publishing that in December 2020. Seeing as it has been published, would you be able to provide the committee with a copy of the statement? Or is it online or—

Mr Hezkial: It is. I can provide that statement, but it also on our website, yes.

ANDREW BARR MLA: Icon Water has provided the answer to the Member's question as follows:—

Icon Water's 2019-20 Addressing Modern Slavery risks in our business: Our Modern Slavery Statement is at Attachment A. The Statement is also available on the Icon Water website (www.iconwater.com.au) and the link is <https://www.iconwater.com.au/~media/files/icon-water/reports-archive/modern-slavery-report-2019-20.pdf?dl=true&dl=true>.

Approved for circulation to the Standing Committee on Economy and Gender and Economic Equality

Signature: 

Date: 1.3.21

By the Treasurer, Andrew Barr MLA

2019–20

ADDRESSING MODERN SLAVERY RISKS IN OUR BUSINESS

OUR MODERN SLAVERY STATEMENT



Our commitment

Icon Water respects human rights and considers modern slavery in any form to be unacceptable. As an employer, Icon Water is committed to providing a safe work environment free from modern slavery. We are also committed to working with suppliers to identify and tackle any modern slavery throughout their operations and supply chains.



CONTENTS

Introduction	2
Our approach	2
Our business	4
Our structure	6
Our supply chains	7
Risks of modern slavery practices	8
Our progress	10
Assessment and effectiveness	11
Looking ahead	11

INTRODUCTION

Icon Water Limited (Icon Water) is Canberra's supplier of essential water and sewerage services. We play a fundamental role in our community, which we have been part of for over 100 years. We provide essential services that contribute to public health and the future prosperity and liveability of the region. We also recognise that part of our role is to show a sense of social responsibility by having regard to community expectations in relation to important social issues such as modern slavery.

Icon Water considers modern slavery in any form to be unacceptable. We are committed to providing a

safe work environment free from modern slavery and working with our suppliers to identify and tackle any modern slavery throughout their operations and supply chains. Our commitment strongly aligns with our vision to be a valued partner in our community.

Modern slavery refers to situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. This includes human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and child

labour. Modern slavery and human trafficking are crimes and a violation of a person's fundamental human rights.

The purpose of this statement is to outline Icon Water's approach to identifying and addressing modern slavery risks in our business operations and supply chains. Assessment and management of modern slavery risks in Icon Water's investments in the local energy businesses is provided by ActewAGL.

Our core values



Safety

Accepting personal responsibility to ensure a safe workplace and contribute to a safe community.



Openness

Building strong relationships by acting with integrity and being receptive to the views of others.



Excellence

Involving the right people at the right time to get a result we can be proud of.

OUR APPROACH

To effectively tackle modern slavery and achieve sustainable change across our business operations and supply chains, we must be proactive in addressing the root causes of modern slavery. We are implementing a three phased approach to modern slavery which focuses on our policies and

publications, training and capacity building and supply chain due diligence as shown in Diagram 1. Our approach to tackling modern slavery aligns with our core values of safety, openness and excellence. Diagram 1 provides an overview of this phased approach, however the particular activities to be undertaken

in phases two and three may differ from those shown. We are committed to continuing to evolve our approach as needed based on our increasing awareness of modern slavery risks within our business operations and supply chains.

Diagram 1



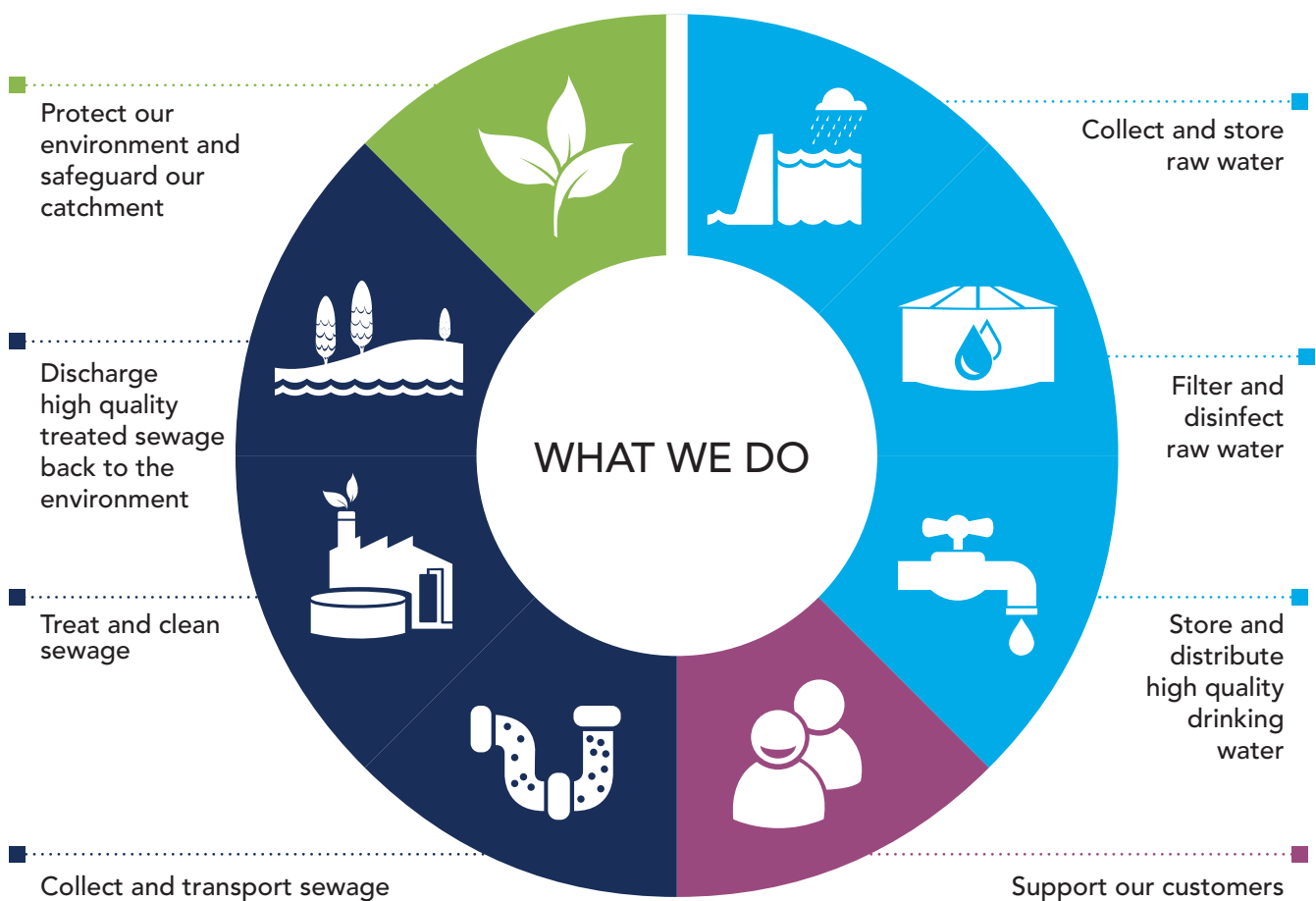
Diagram 1 provides an overview of Icon Water's proposed approach. However, the particular activities to be undertaken may differ from those shown.

OUR BUSINESS

Icon Water is a utility in the ACT that owns, operates and manages the water and sewerage infrastructure, supplying the community with essential water and sewerage services. We source, treat and supply water to approximately 460,000 people including the supply

of bulk water to the Queanbeyan community. We operate Australia's largest inland sewage treatment plant, which returns approximately 80 per cent of the water Canberra uses to the Murrumbidgee River system as high quality environmental flows.

Our assets are valued at around \$2.6 billion and include the region's network of dams, water treatment plants, sewage treatment plants, reservoirs, water and sewerage pumping stations, pipes and other related infrastructure.



OUR ASSETS

\$2.6 billion

of water and sewerage related assets



278 GL

Combined
dam capacity



3,300km

Network
of water pipes



24

Water
pumping
stations



2

Water
treatment
plants



48

Reservoirs



3,300km

Network
of sewer
pipes



26

Sewage
pumping
stations



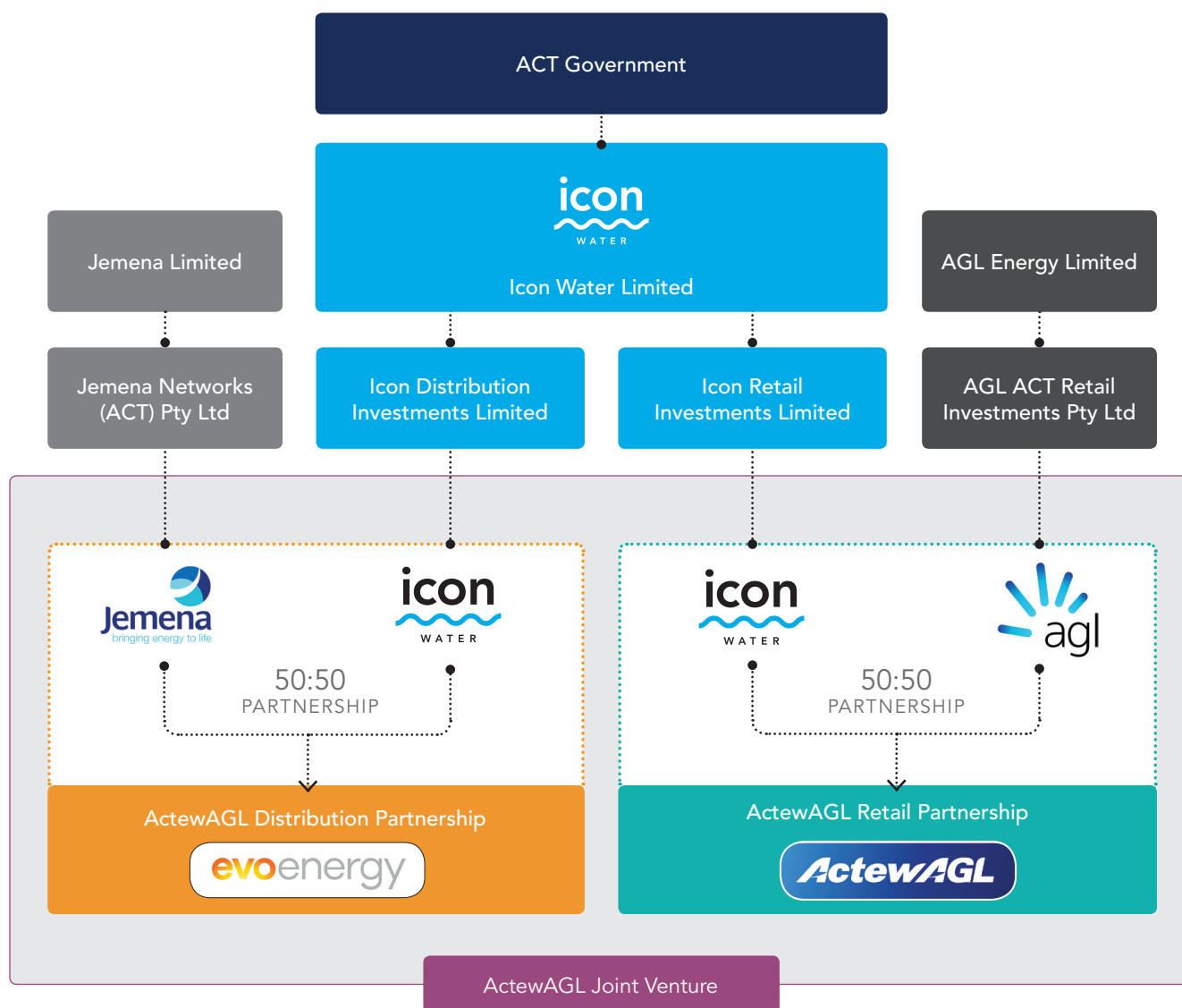
4

Sewage
treatment
plants

As a territory-owned corporation with over 400 employees, we are governed by an independent board of directors which is responsible for the governance of Icon Water and its controlled entities. Our directors bring valuable skills and diversity to the governance and

Icon Water also manages an investment in the local energy businesses, Evoenergy and ActewAGL Retail through our participation in the ActewAGL joint venture. This investment is valued

- ActewAGL Distribution – owns and operates the electricity network in the ACT and the gas network in the ACT and in certain adjacent regional centres
- ActewAGL Retail – sells electricity and gas to residential, commercial and government customers in the ACT and surrounding region.



6

OUR SUPPLY CHAINS

Icon Water procures a variety of goods and services to ensure that we provide a reliable supply of high quality drinking water and efficient sewerage services. In 2019–20, approximately 2,500 suppliers provided goods and services to Icon Water, with the majority based in Australia. Key areas of procurement include chemicals for the treatment of water and sewage, network infrastructure such as pipes and components, technology such as hardware, software and cloud services, apparel and personal protective equipment. Icon Water also secures work from contractors including labour hire companies, consultants and plant and equipment providers.



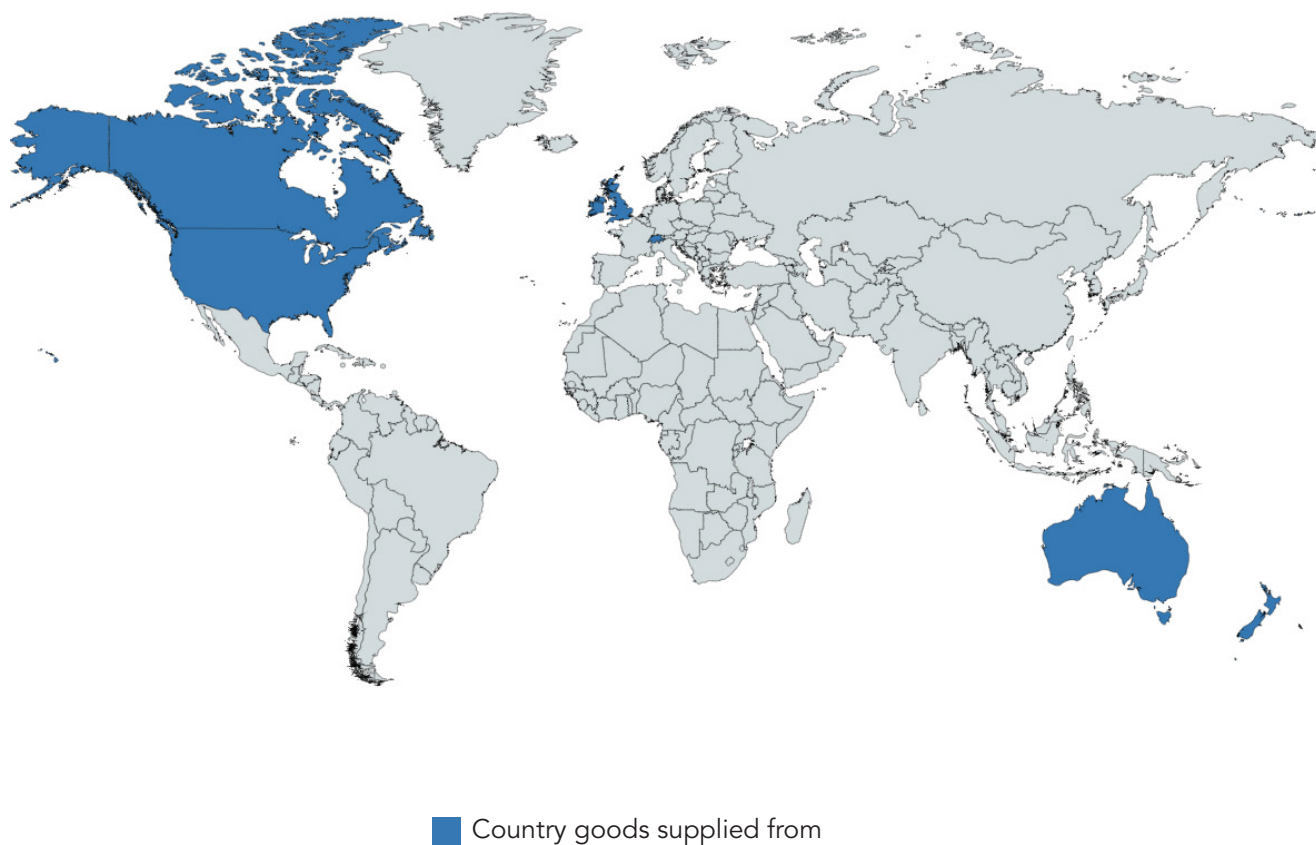
RISKS OF MODERN SLAVERY PRACTICES

Whilst we recognise that modern slavery may occur in our business operations and extended supply chains, the level of risk is influenced by factors such as vulnerable populations, product and service category, industry and geographical location. To ensure that we have a clear understanding of where our modern slavery risks lie and where our actions can have the biggest impact, a risk assessment was undertaken on tier one suppliers¹ utilising the 2018 Global Modern

Slavery Index published by the Walk Free Foundation (an initiative of the Mindaroo Foundation).

The risk assessment revealed that 99.9% of our procurement is sourced within Australia². The 2018 Global Slavery Index ranks Australia as 163 of 167 countries on estimated prevalence of modern slavery and 161 on estimated vulnerability to modern slavery. The limited international spend is in countries that also have low rankings in the

prevalence of and vulnerability to modern slavery. The risk assessment also identified that of all of the goods and services that we procure, the categories of apparel (gloves, vests and overalls) and electronics present an elevated risk of modern slavery.



¹Suppliers producing the final product for resale.

²The analysis utilised Icon Water Supplier master file which records the location of the suppliers registered office as opposed to the location of the manufacturing of goods.

Icon Water is committed to providing a safe work environment free of modern slavery.



OUR PROGRESS

Our approach to the detection of modern slavery in our business operations and supply chains is based on various factors. During 2019-20, we implemented a number of initiatives to strengthen our oversight and understanding of the risks of modern slavery.

Policies and publications

We believe that strong internal policies, processes and systems are an essential first step to informing the way we manage the risk of modern slavery in our business operations and supply chains. Icon Water has a robust corporate governance framework in place underpinned by policies, procedures and work instructions. We already focus on the rights and wellbeing of our employees with labour standards articulated through the Enterprise Agreement and staff support mechanisms such as the *Diversity and Inclusion Network and Employee Assistance Program*. Our commitment to modern slavery has been strengthened in the following key documents:

- People policy – outlines our commitment to providing a working environment where employees feel safe, valued and respected by being open, fair and listening to all.
- Code of conduct – demonstrates our commitment to observing high standards of honesty, integrity, ethical and law-abiding behaviours. Employees must observe human rights across all parts of Icon Water's business operations and supply chains and report any alleged human rights violations. They must also support Icon Water's commitment to tackling modern slavery.

- Modern slavery incident in the workplace and supply chain work instruction – supports our commitment to tackling modern slavery and minimising the risk of occurrence within the business operations and supply chains. It provides a set of principles to be upheld by our staff and suppliers, and also sets out the process for managing suspected cases of modern slavery and handling reported cases.
- Whistleblower policy – encourages individuals to speak up about any illegal and improper conduct occurring within Icon Water and ensures that it can be done in a safe and confidential environment without fear of reprisal or detrimental treatment.

Training and capacity building

It is important when addressing modern slavery risks to provide our people with the tools they need to identify, understand and respond to modern slavery risks in the most appropriate way.

In 2019–20, we focused our efforts on communicating modern slavery requirements to all staff and building awareness among the executive and key internal teams. 89% of employees completed the training which was designed to provide employees with a clear understanding of what modern slavery is, how to identify it and the process for managing suspected cases.

Supply chain due diligence

We strengthened our management of modern slavery by embedding modern slavery clauses into our procurement documents and contracts. Icon Water's commitment to modern slavery is included in the information on our public website for suppliers who are interested in doing business with Icon Water. This enables us to provide clear expectations to our suppliers on the management of modern slavery risks. We also amended procurement documentation so as to require an appropriate level of visibility on modern slavery as part of the procurement process. This helps to initiate discussion with prospective suppliers, particularly those in categories identified as higher risk. We view these changes as an important development to drive both contractual compliance within our supply chains and also reinforce our own commitment to support the abolition of modern slavery. We believe this will drive higher levels of awareness, engagement and compliance across our supply chains.

ASSESSMENT AND EFFECTIVENESS

We remain committed to improving our understanding and management of modern slavery risks over time. We are satisfied in both our progress and achievements in identifying and addressing the potential risk of modern slavery in our business operations and supply chains to date. However, we recognise that further work is required and we will continue to evolve as we learn from our risk reviews, refine our practices and continue to build capability in our business.

We demonstrate the effectiveness of our actions by:

- conducting an annual review of our response to modern slavery risks
- maintaining a modern slavery working group with representatives from across the business to enable regular engagement and feedback between key areas
- tracking the actions taken to address modern slavery risks and measure their impact.

LOOKING AHEAD

Identifying and addressing modern slavery risks in our business operations and supply chains requires long-term planning and vigilance.

In 2020–21 we will focus on:

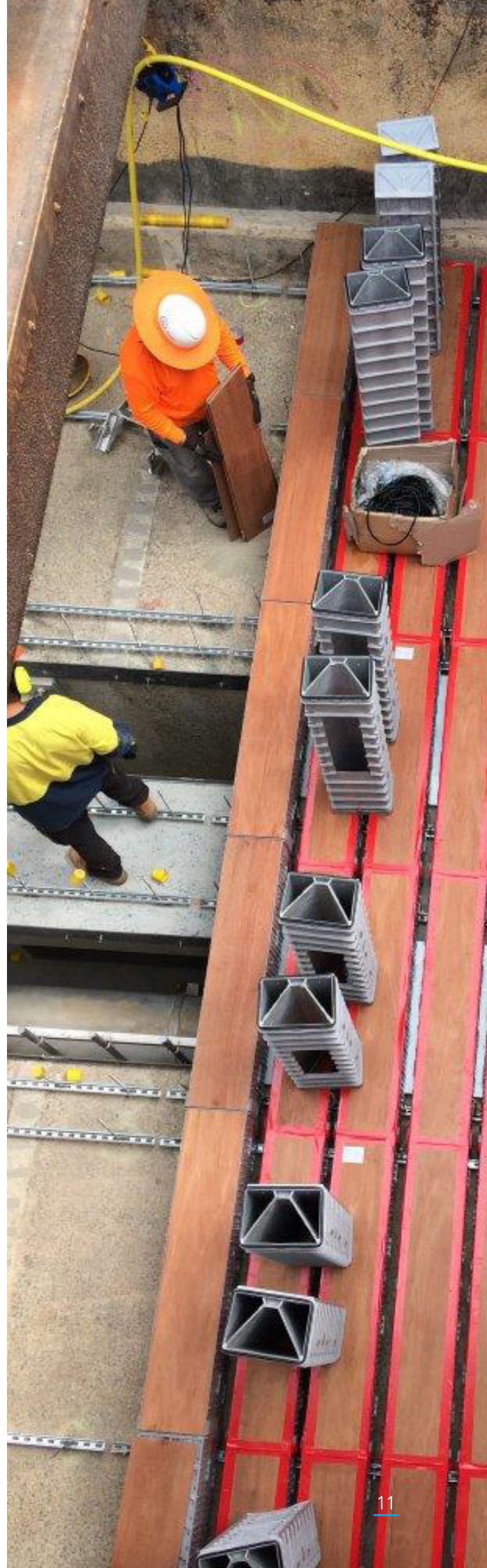
- promoting our commitment to providing a safe work environment free from modern slavery
- providing tailored modern slavery training
- engaging with contractors and suppliers to discuss modern slavery in potentially high risk areas.

We are confident these steps will help inform our continued multi-faceted approach to preventing and addressing modern slavery in our own business operations and across our supply chains. Through our actions, we will continue to seek progress on this global issue.

This statement is approved by the Board of Icon Water.



WENDY CAIRD
Chair
Icon Water



Principal Registered Office

Level 5, ActewAGL House
40 Bunda Street
Canberra ACT 2600

Mitchell Office

12 Hoskins Street
Mitchell ACT 2911

Postal address

Icon Water
GPO Box 366
Canberra ACT 2601

ACN: 069 381 960

ABN: 86 069 381 960

Talk to us

E talktous@iconwater.com.au

T (02) 6248 3111

 @iconwater

 @iconwater

iconwater.com.au

TTY for Hearing Impaired

133 677

Language assistance

13 14 50, 24 hours

للحصول على مساعدة لغوية، اتصل بالرقم أعلاه

如需语言方面的协助，请拨打上述号码

برای کمک زبانی به شماره بالا تلفن بنید

மொழிபெயர்ப்பாளர் உதவிக்கு மேலே உள்ள இலக்கத்தை அழையுங்கள்

Nếu cần thông dịch viên, hãy gọi đến số trên đây

© Icon Water Limited (Icon Water) 2020

This work is copyright. Excluding any use as permitted under the Copyright Act 1968, no part may be reproduced by any process without prior permission from Icon Water or its successors.

Requests and inquiries concerning reproduction rights should be directed to the Company Secretary, Icon Water Limited, GPO Box 366, Canberra ACT 2601.

Information about Icon Water and an electronic version of this report can be found at iconwater.com.au.





LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

QTON No. 2

STANDING COMMITTEE ON ECONOMY AND GENDER AND ECONOMIC EQUALITY

MS NICOLE LAWDER MLA (CHAIR), MS SUZANNE ORR MLA (DEPUTY CHAIR), MR JOHNATHAN DAVIS MLA

Inquiries into Annual and Financial Reports 2019–20 and ACT Budget 2020–21
ANSWER TO QUESTION TAKEN ON NOTICE
22 February 2021

Asked by ALISTAIR COE MLA:

In relation to:

MR COE: I hope it will be a quick one. With regard to the meter reading, water meter reading, are there any plans to put in place electronic transmitters to make that easier, make that more efficient? And therefore, get to a point where you actually do not need to put in estimates or averages and you can actually charge actuals?

Mr Hezkial: Thank you. I will get Joy to respond to that.

Ms Yau: Thank you. Yes, from a smart metering perspective, we conducted some research; it was in late 2016 but pretty much what that showed us was that customers have an interest in smart water meters, however, they had a very low level of willingness to actually pay for that. Since then, we have appointed a specialist consultant to complete a market assessment for us and we will be undertaking a trial to include deployment and testing of smart devices and the associated networks and that will likely take place in this year, next year. So it is certainly a space that we are working on and looking to do more in but we are conscious of the impact of bills and customers willingness to actually pay for that.

MR COE: Who is that consultant you have engaged for that project?

Ms Yau: I do not have that level of detail with me.

MR COE: All right.

THE CHAIR: Mr Davis has a supplementary.

MR COE: If you could provide that, that would be great.

THE CHAIR: Will you take that on notice?

Ms Yau: Thank you, yes.



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

QTON No. 2

STANDING COMMITTEE ON ECONOMY AND GENDER AND ECONOMIC EQUALITY

MS NICOLE LAWDER MLA (CHAIR), MS SUZANNE ORR MLA (DEPUTY CHAIR), MR JOHNATHAN DAVIS MLA

ANDREW BARR MLA: Icon Water has provided the answer to the Member's question as follows:–

In May 2017, Marchmont Hill Consulting (MHC) completed a market study of available smart meter technology and developed a financial model that can be updated as required by Icon Water to inform the assessment of the business case for a smart meter roll out.

The study indicated that there are significant non-financial benefits but that a major investment in smart water meters and associated infrastructure does not break even over 25 years. GHD Pty Ltd completed an update on the MHC study in 2019 that included an assessment of the latest developments for different smart meter technology options and further segmented Icon Water's customer base. While the findings did not support the business case for a widespread rollout of smart meters, local studies and trials were recommended to further quantify potential benefits, test actual technological performance and validate costs.

Plans for a smart metering trial to test several technologies were put on hold during COVID-19 and are now expected to begin later this year.

Approved for circulation to the Standing Committee on Economy and Gender and Economic Equality

Signature: *Andrew Barr*

Date: 1.3.21

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

Icon Water

QTON No. 3

STANDING COMMITTEE ON ECONOMY AND GENDER AND ECONOMIC EQUALITY
MS NICOLE LAWDER MLA (CHAIR), MS SUZANNE ORR MLA (DEPUTY CHAIR), MR JOHNATHAN DAVIS MLA

Inquiries into Annual and Financial Reports 2019–20 and ACT Budget 2020–21
ANSWER TO QUESTION TAKEN ON NOTICE
22 February 2021

Asked by JOHNATHAN DAVIS MLA:

In relation to:

MR DAVIS: Just a quick one on Mr Coe's question. You said that you had done some research some time ago where the consumer was, if I can paraphrase, wanted the meter, did not want to pay for it. How much were they led to believe during that research project that a smart meter would cost?

Ms Yau: I do not have that level of detail with me at this point but it would certainly have been—at the time of that exercise, so 2016, it would have been, it would have reflected market rates at that time.

Now, obviously the smart meter market has moved on in that time. We do tend to, as part of our five year price review process, at the moment we are in our regulatory cycle, 2018 to 2023. Our next one will be 2023 to 2028. As part of that process, we will naturally consider what our customer would be seeking to engage with us on in terms of various topics and I suspect that smart metering would be one of those topics that we would again revisit to ensure that we are staying close to understanding what our customer's views are as well as us keeping a close eye on the broader market conditions and costs to actually supply.

MR DAVIS: I will not hold you to a figure but do you have an approximate cost of what those smart meters cost at the time?

Mr Hezkial: I obviously do not have that number on me but I think it is probably good to point out for context that when you are having these conversations with our consultative forums it is usually, to be clear, it is usually a trade-off conversation. So, if you had a dollar here or a dollar there, and you had a finite amount of resources, what would you attribute that dollar to? Would you rather X, Y or Z? And so, it is contextual because these conversations are quite complex particularly when you are trying to work out is it better to put your dollar here or over there? So those conversations with our community typically are at that level but we can certainly take it, take it on notice to come back with the actual price.



LEGISLATIVE ASSEMBLY

FOR THE AUSTRALIAN CAPITAL TERRITORY

QTON No. 3

STANDING COMMITTEE ON ECONOMY AND GENDER AND ECONOMIC EQUALITY

MS NICOLE LAWDER MLA (CHAIR), MS SUZANNE ORR MLA (DEPUTY CHAIR), MR JOHNATHAN DAVIS MLA

ANDREW BARR MLA: Icon Water has provided the answer to the Member's question as follows:—

As part of Icon's customer engagement for the pricing submission for 2018-23, willingness to pay for smart meters was tested with costs for more established investment areas such as water and sewer network service standards. For this particular topic a different approach was taken given it was expected the costs for smart metering would change as the technology matured.

No actual cost was provided to research participants. Instead to identify priorities and trade-offs regarding potential investment areas, customers were asked where they would spend a set amount of investment tokens. Most tokens were assigned to network maintenance and servicing, and environmental sustainability. Investing in new technologies (e.g. smart metering and new water/sewage treatment) was, on average, allocated a small proportion of tokens by residential, business and high-volume customer segments.

When new technologies were then subsequently explored with those who had allocated tokens to that category, smart meters ranked as the fourth priority out of seven technologies tested for all customer segments. Icon repeats this study annually to track any changes in customer priority and has not seen the results shift in any substantial way in relation to smart metering.

In Icon's ongoing research, affordable pricing continues to be a highly valued priority for customers which would be very difficult to sustain with a broad introduction of smart metering across its customer base. Based on the recommendations from previous market assessments, Icon will continue to progress trials and studies in a local context to prepare for the future.

Approved for circulation to the Standing Committee on Economy and Gender and Economic Equality

Signature: *Andrew Barr*

Date: 1.3.21

By the Treasurer, Andrew Barr MLA