



**Water Utilities
Australia**

Sustainability Report

1 July 2018 to 30 June 2019



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Cover image: Quarry Road Dam, Willunga Basin Water



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Abbreviations

\$	Australian Dollars
ARCC	Audit, Risk, and Compliance Committee
EPA-NSW	NSW Environment Protection Authority
EPA-SA	Environment Protection Authority of South Australia
ERM	Enterprise Risk Management
ESCOSA	Essential Services Commission of South Australia
FAI	First Aid Injury
FY19 or 2019	the reporting period of 1 July 2018 to 30 June 2019
IMS	Integrated Management System
IPART	Independent Pricing and Regulatory Tribunal of New South Wales
KIWS	the Kooragang Industrial Water Scheme
Kooragang Water	Kooragang Water Pty Ltd
Lightsview ReWater / LRSC	Lightsview ReWater Supply Co Pty Ltd
Lightsview Scheme	the Lightsview ReWater Scheme
LTI	Lost Time Injury
ML	Megalitres (1,000,000 litres)
MTI	Medical Treatment Injury
MWh	Megawatt hour
OTR	Office of the Technical Regulator (South Australia)
SDGs	United Nations Sustainable Development Goals
SRMTMP	Safety, Reliability, Maintenance and Technical Management Plan
Willunga Basin Scheme	the Willunga Basin Recycled Water Scheme
Willunga Basin Water / WBWC	Willunga Basin Water Co. Pty Ltd
WUA	Water Utilities Australia

About this Report

This Sustainability Report has been developed by Water Utilities Australia with the purpose of reporting its environmental, economic and social impacts for the period of 1 July 2018 to 30 June 2019. This is the first annual Sustainability Report prepared by Water Utilities Australia and as such, there are nil restatements of information to report.

WUA is the name given to the Water Utilities Australia group of companies that is headed by WUA TopCo Pty Ltd. The companies that formed the Water Utilities Australia group in the reporting period are:

- WUA TopCo Pty Ltd;
- WUA MidCo Pty Ltd;
- Water Utilities Australia Pty Ltd;
- Willunga Basin Water Co Pty Ltd;
- Lightsview Re-Water Supply Co Pty Ltd;
- Lightsview Re-Water Infrastructure Pty Ltd;
- Kooragang Water Pty Ltd;
- Water Utilities Australia Investment Pty Ltd;
- WUA No. 1 Pty Ltd;
- WUA WA Holdings Pty Ltd; and
- WUA Sydney Holdings Pty Ltd.

Questions about this report

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Message from the Chair



Water Utilities Australia is a business that thrives, in part, on its approach to sustainability matters and we are pleased to share with you our progress in this, our 2019 and inaugural Sustainability Report.

The majority shareholder of Water Utilities Australia is the Global Diversified Infrastructure Fund. The Fund is a supportive shareholder and members of the First Sentier Investors team, primarily through their participation on the board of directors, help shape the strategic direction of the Water Utilities Australia business, including with respect to sustainability.

Our vision for Water Utilities Australia’s sustainability outcomes is for genuinely better decision-making, at all levels of the organisation, in regards to managing the environmental, social and governance issues that impact the business and those that business contributes to. Or as we like to say: “ESG issues matter.”

The supply of water in the driest country on earth is a critical endeavour; and becomes only more so as the world adopts to the effects of a changing climate, with the prospect of hotter weather and potentially more intense drought-like conditions. The Water Utilities Australia business has its reason for being in the response to this critical need. The ability to increase the utilisation of recycled water will help contribute to the sustainability of our cities and regions, and Water Utilities Australia’s commitment to its customers, from agricultural, industrial to residential users, sees this through at the practical level.

In addition to the emerging macro themes, we seek to embed in our way of life at Water Utilities Australia a sustainable approach to matters that we need to perform well at every day. Things like employee engagement and safety, good governance, and working in an efficient way with our natural and other resources, all contribute to the positive sustainability outcomes for the Water Utilities Australia business and our stakeholders.

The Water Utilities Australia business continues to grow with the acquisition of the Kooragang Island Industrial Water Scheme in 2017, adding to the foundation businesses of the Willunga Basin Recycled Water Scheme and Lightsview ReWater Scheme, means the business delivers 25ML (equivalent of 10 Olympic sized swimming pools) of water to 1,689 customers every day. Along with this increased volume, the business continues to increase its commitment to sustainability. The production of this Sustainability Report demonstrates our approach, including our commitment to transparently providing this suite of information to our stakeholders. The business, along with others in the portfolio of the Global Diversified Infrastructure Fund, has also pledged to support the United Nations Sustainable Development Goals. With goals for clean water and sanitation; industry, innovation and infrastructure; sustainable cities; and responsible consumption, there are some obvious areas where the Water Utilities Australia business can contribute. There may also be some less obvious areas, like the goals for quality education and gender equality, with the business developing its detailed strategy for supporting the Sustainable Development Goals in practice.

The business has performed well in its approach to sustainability matters but there remains much work to do. Against this background, it is my pleasure to commend to you this 2019 Sustainability Report for Water Utilities Australia.



Danny Latham
Chair, Water Utilities Australia

Message from the CEO



The supply of water for human needs, liveability, agriculture and industry is becoming more challenging as natural rainfall declines, population in cities increases and liveability criteria are embraced in urban planning. Therefore, it is of paramount importance, and a core of Water Utilities Australia's business, that water supplies are increasingly more reliable and sustainable in the face of these challenges. This is achieved by recycling and reusing water at every possible opportunity. As an extra environmental benefit, harvesting water for reuse from flow paths that would otherwise go to the ocean reduces or even eliminates polluting discharges to the marine environment. Water Utilities Australia therefore strives to make every part of its business environmentally, socially and economically sustainable. We do this by focusing on four key elements: People; Places; Products; and, Practices.

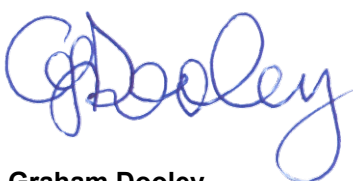
People are of the utmost importance to Water Utilities Australia, be they our employees, customers, contractors, or the communities in which we operate. We aim to treat all people honestly, with dignity and safely.

Places encompass both the physical environment and the communities that are impacted by our operations. Water Utilities Australia strives to ensure that these places are in a better position than they were before we became a part of that place, be that economically or by reversing environmental harm.

Products are the services and materials we supply to our customers. Water Utilities Australia supplies these products reliably, safely, and with the quality expected by our customers and the community.

Practices incorporates the systems, policies, and procedures established across the Water Utilities Australia business to ensure we exceed the expectations of society of being a good corporate citizen.

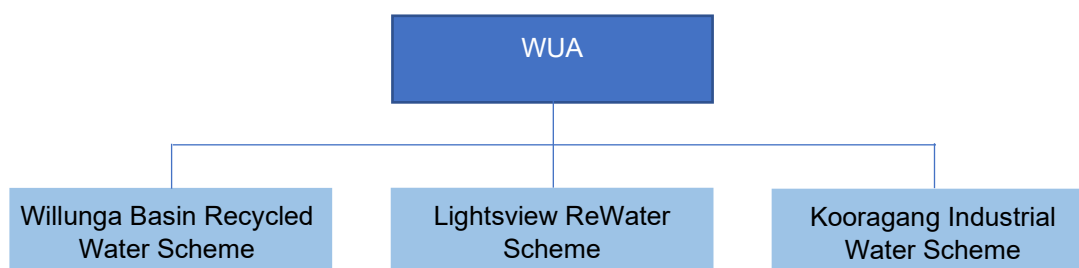
I am pleased to share with you this first annual Sustainability Report for the period 1 July 2018 to 30 June 2019. This report has been established to set the benchmark of Water Utilities Australia's current sustainability practices. This will enable us to track our own performance over the coming years as we focus on continual improvement.



Graham Dooley
Chief Executive Officer

About Us

Water Utilities Australia (**'WUA'**) is a privately owned water infrastructure company headquartered in Adelaide, South Australia, and with three Australian areas of operation.



Vision, Purpose and Strategic Direction

Vision

The vision of WUA is to be a privately owned, vertically integrated, national water utility with a customer focus.

Purpose

The purpose of WUA is twofold:

One, to invest in water utilities and infrastructure to deliver a long term, sustainable and reliable return stream comprising both yield and capital growth to our shareholders.

Two, to manage the businesses in an environmentally and socially responsible manner, to deliver water services for municipal, agricultural, industry and residential sectors which are compliant with water standards, other applicable laws and regulations, while meeting all customer service expectations.

Strategic Direction

The strategic direction of WUA is:

- to deliver reliable, stable, non-contentious, compliant and responsible services to all customers;
- to operate the business and maintain its assets in a sustainable manner;
- to expand each utility to meet growth demands, regulatory standards and customer needs; and
- to invest in additional utilities and infrastructure, as the market permits, to grow the business and increase the footprint of WUA across Australia.

Willunga Basin Recycled Water Scheme

The Willunga Basin Recycled Water Scheme (**‘Willunga Basin Scheme’**) is an agricultural irrigation scheme based in the McLaren Vale wine growing region in South Australia. The customers of Willunga Basin Water vary by size and sophistication, from a multinational viniculture and winemaking corporations, local government to small hobby farmers.

In 2019 Willunga Basin Water supplied 5,677.2 ML of water to 178 customers with water of treated effluent origin which is primarily used for drip irrigation of grape vines, nut trees, olive trees, and flowers. Willunga Basin Water also supplies some customers with water to be used for irrigation of open space such as golf courses and playing fields.

Willunga Basin Water receives treated effluent from four government-owned¹ wastewater treatment plants. Willunga Basin Water pumps the treated effluent through a network consisting of buried pipelines, pumping stations, and booster pump stations and stores treated effluent received in the winter months in storage dams, storage tanks and a managed aquifer recharge scheme.

Water taken from storage is filtered and then pumped to the customer’s property boundary where it is received by the customer at pressure, meaning that in many cases the customer does not need to rely on their own pumps to irrigate their crops.

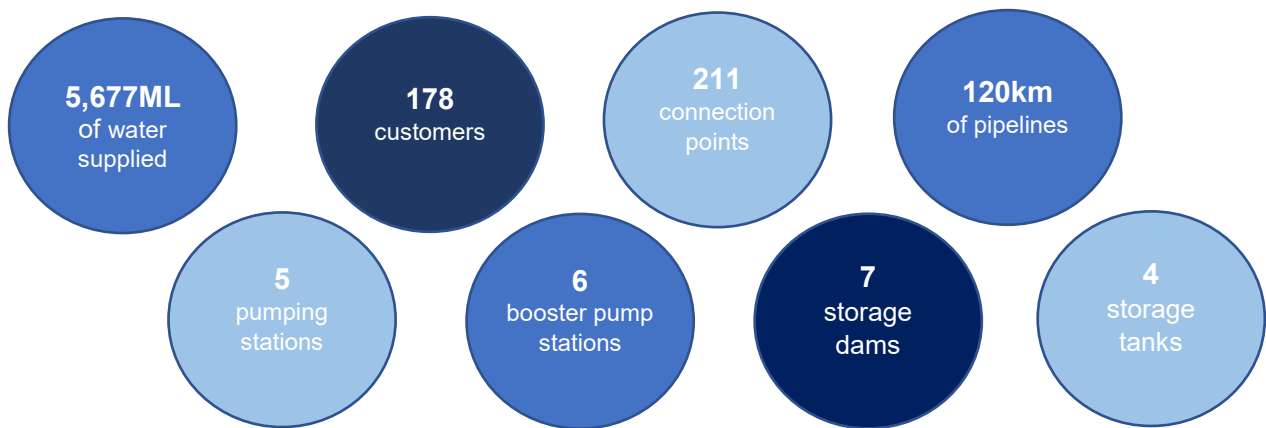


Image: Vineyard, McLaren Vale, South Australia

¹ Two of those wastewater treatment plants belonging to SA Water and two belonging to City of Onkaparinga.

Case Study – Winter Water

The prevalence of drier springs in South Australia has seen soil moisture drops in the McLaren Vale Wine Region leading into the summer growing season. As the vines grow their leaf canopy, bunches form, and ripening occurs the demand for water is high especially when there is a deficit in soil moisture at the end of spring. Willunga Basin Water has access to more recycled water during winter; however, growers were reluctant to use their current recycled water allocations which they were reserving for use in the peak irrigation period.

Having improved soil moisture levels at the start of the peak irrigation season has a significant number of benefits for Willunga Basin Water, such as it reduces the demand from the growers during the peak irrigation season as they are not needing to overcome the initial soil moisture deficit. Water



supplied during the off-peak period is cheaper to supply as it is not stored in large storage dams which reduces pumping costs, and sale of water during the off-peak period helps smooth some of the earnings volatility during the year.

After discussions with grower representatives Willunga Basin Water decided to commence the sale of “Winter Water” which is sold at a discount to the normal “peak” price. The Winter Water was made available from July to September each year in the lead-in to the peak irrigation season which runs from October to March and is sold on a year-by-year basis on a pay-as-you-use basis. We are pleased to see a significant increase in the take up of Winter Water during FY19.

Year	Volume Supplied (ML)
FY17	2
FY18	3
FY19	316

The benefits of Winter Water have been promoted by several local irrigators to the extent of promoting growers to “irrigate when it’s raining”. This allows the additional water to add to lower level soil moisture as the upper layer of soil is saturated by the rain; what is added to the top of the soil profile forces water further down the bottom of the soil profile.

What started out like “selling ice to Eskimos” has progressed to the point of irrigators now securing permanent contracts for Winter Water to ensure they can access water during the off-season on a permanent basis. Irrigators can access additional recycled water at a lower price and ensure they have good soil moisture leading into the growing season and Willunga Basin Water can deliver additional recycled water, avoiding the need to construct expensive storage dams and with reduced pumping costs. In addition, less treated wastewater is discharged to the ocean and less greenhouse gas emissions are generated compared to peak water supply. A win for the growers, Willunga Basin Water, and the environment.

Image: Storage dam, Willunga Basin Water

Lightsview ReWater Scheme

The Lightsview ReWater Scheme (**'Lightsview Scheme'**) is a municipal recycled water scheme, which in 2019 supplied 62 ML of recycled water to 1,507 residential customers and supplied 105 ML for open space irrigation. The residents of Lightsview use recycled water for toilet flushing, garden irrigation and other uses such as car washing in lieu of potable water.

Lightsview ReWater receives treated stormwater from the City of Salisbury via a trunk main before further treating the water by chlorination at the onsite pumping station. Treated recycled water is stored in a balancing storage tank located under community tennis courts before being supplied to residents via buried reticulation pipelines that are located in the streets of Lightsview. The customers receive recycled water through a conventional water meter located at the boundary of their properties.

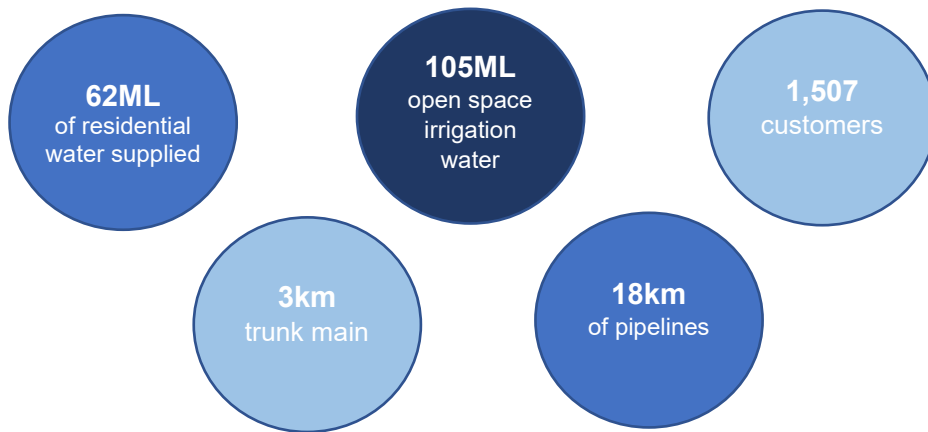


Image: Open space irrigation at Lightsview, South Australia

Kooragang Industrial Water Scheme

The Kooragang Industrial Water Scheme (**‘KIWS’**) is an industrial recycled water scheme based in the Hunter region of New South Wales, with a treatment capacity of 12 ML per day. Kooragang Water supplies one major industrial customer with high grade treated recycled water for use in cooling towers and manufacturing processes. KIWS receives treated effluent from the Hunter Water Corporation at a connection point near Hunter Water’s discharge point in the Hunter River. The treated effluent taken by Kooragang Water would otherwise be discharged to the marine environment. The treated effluent is then treated further by Kooragang Water at the Mayfield Advanced Water Treatment Plant located in the suburb of Mayfield West. The treatment process involves micro-filtration, reverse osmosis and chlorination. The recycled water produced at the Mayfield West plant is then pumped to the industrial customer’s premises on Kooragang Island via a reticulation pipe.

Kooragang Water is also the retail supplier of potable water to its recycled water customer via an arrangement with the Hunter Water Corporation.

In the reporting period, KIWS supplied a total of 3,416 ML of water to its customer, made up of 2,213 ML of recycled water and 1,203 ML of potable water.

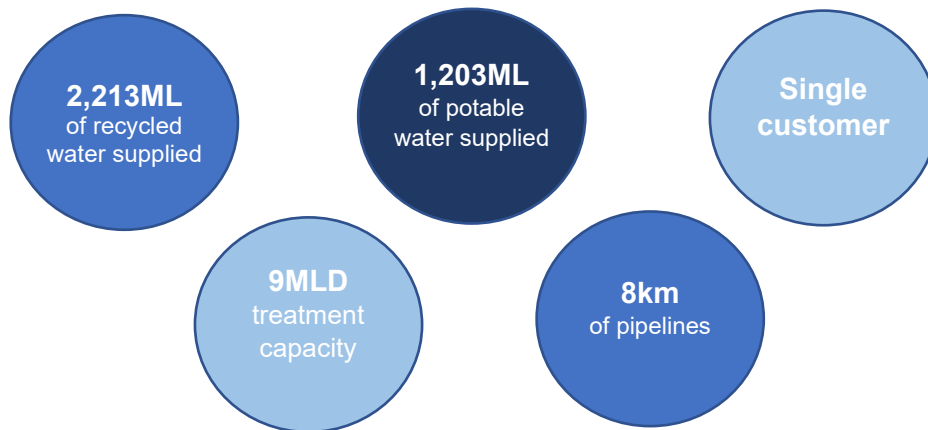


Image: Reverse osmosis trains, Kooragang Industrial Water Scheme

Our people

In the reporting period there were 13 employees of WUA (12 permanent full time and one permanent part time) across three locations. The workforce of WUA is highly skilled and autonomous.

We believe communication is critical to the success of WUA, starting with our people. The employees of WUA are consulted in various ways including by scheduled meetings, unscheduled meetings, email, policies and procedures, and one-on-one discussions. For changes that affect employees, four weeks' notice is typically given. Whilst working for WUA, contractors are treated the same as employees and are consulted in a similar manner.

As a small, local company (100% of senior management have been hired from the local community, living <50Km from the Adelaide head-office) with a low headcount and slow turnover (noting no employees discontinued their employment during the reporting period), diversity metrics should be viewed with caution. Nonetheless, we would like to improve the representativeness of our workforce and are implementing programs to aid this goal. For example, we have improved our parental leave policy which is available to all full time employees, including four females – this entitlement was taken up by one male employee during the reporting period.

The following tables set out the diversity of the governance bodies of WUA.

Water Utilities Australia			
Gender	Male	Female	Unidentified
	9	4	0
Age	<30	30-50	>50
	1	10	2

Board			
Gender	Male	Female	Unidentified
	3	0	0
Age	<30	30-50	>50
	0	1	2

Executive Management			
Gender	Male	Female	Unidentified
	4	0	0
Age	<30	30-50	>50
	0	3	1

We believe in respecting and investing in our people. All employees receive performance and career development reviews. We also invest in training, with average time invested during the reporting period being three hours for senior executives; 15 hours for office staff; and 10 hours for operational staff. Whilst all employees maintain freedom of association, no employees are currently employed under an enterprise bargaining agreement. There have been no recorded instances of discrimination and the business has maintained compliance with all local employment laws.

How we do business

Values, principles, standards, and norms of behaviour

The values, principles, standards and norms of behaviour of WUA are detailed and communicated to our employees, contractors and business partners in a variety of ways. At the most fundamental level, WUA expects its employees, contractors and business partners to act with honesty and integrity, be ethical and act in a caring and respectful way towards each other, our customers, the community, and the environment.

The Board of WUA has approved two key policies relating to WUA's values and principles which relate to sustainability, workplace safety, quality of products and the protection of the environment. These are the *Sustainability Policy* and the *Quality, Health, Safety and Environment Policy*. These two policies are published in this report. The CEO of WUA has also approved a *Code of Conduct* that sets the values and behaviours required of employees of WUA.

Economic impact

The net revenue of the WUA group in the reporting period was \$14,102,621. The source of the net revenue is set out in the following table. FY19 represents the first full year of results from KIWS.

Net Revenue by Operation	
Willunga Basin Recycled Water Scheme	\$6,241,276
Lightsview ReWater Scheme	\$728,463
Kooragang Industrial Water Scheme	\$7,132,883

Total operating costs in the reporting period were \$10,906,704. During FY19, WUA made payments to employees, contractors and suppliers, government and providers of capital. These payments are listed below. No financial assistance was received from any government by way of tax relief, tax credits, subsidies or grants in the reporting period. The business maintained full compliance with all local economic and social laws and regulations.

Payments Made	
Employee wages and benefits	\$1,807,971
Contractors and suppliers	\$12,684,962
Government	\$96,936
Providers of capital	\$2,895,000

Governance

WUA TopCo Pty Ltd (ACN 616 144 471) is the head entity of the WUA group. As at 30 June 2019, WUA TopCo Pty Ltd was 99.14% owned by First Sentier Investors (Australia) RE Limited (ACN 006 464 428) as trustee for the Global Diversified Infrastructure Fund (Active) and 0.86% owned by WUA TopCo Pty Ltd as trustee for the Water Utilities Australia Employee Incentive Plans Trust.

The Global Diversified Infrastructure Fund is an open-ended unlisted investment trust managed by the Infrastructure Investments team of First Sentier Investors ('FSI'). The Fund invests over \$3.5 billion in 11 infrastructure assets located in Australia, Europe and North America.

Board

The Board of WUA defines the purpose, values and strategy of the business; defines and supports the executive management function and ensures that appropriate governance processes are in place to deliver the operational functions of the business and that legal, contractual and regulatory compliance obligations are being effectively met. Board nominations consider a person's skills, experience, and attributes as well as how those attributes will contribute to the effectiveness of the Board as a whole. Membership of WUA TopCo Pty Ltd and all subsidiary companies currently comprises:

- Danny Latham, Chairman & Non-Executive Director;
- Alan Wu, Non-Executive Director; and
- Graham Dooley, Executive Director and Chief Executive Officer.

The Board of WUA implements high-quality governance procedures, such as conflict of interest management, continuing professional development, and specific evaluation and actions on environmental, economic and social topics.

The Audit, Risk & Compliance Committee ('**ARCC**') has been established by the Board to provide an objective review of the effectiveness of WUA's financial reporting and risk management framework. The principal role of the ARCC is to assist the Board in fulfilling its corporate governance and oversight such as: health and safety, financial reporting; financial condition; internal controls; internal and external audit; risk management compliance; insurance; and sustainability.

Reporting of economic, environmental and social topics to stakeholders is undertaken in accordance with the *Consultation, Communication and Reporting Procedure*. This report is formally approved by the Board of WUA.

Reporting critical concerns

Critical concerns identified by an employee of WUA can be reported to the Board of WUA in accordance with the *Whistleblower Policy*. Critical concerns of an external stakeholder can be reported via the various communication and dispute resolution protocols of each WUA business unit. There were nil critical concerns raised during the reporting period.

Association membership

WUA also participates in the community of best practice for the industry, including associations and professional bodies such as:

- Australian Water Association;
- Water Industry Alliance;
- Australian Institute of Company Directors; and
- Chartered Accountants Australia and New Zealand.

The business made no political contributions during the reporting period.



Image: WUA CEO, Graham Dooley, being awarded Life Membership of the Australian Water Association by Australian Water Association President, Francois Gouws

Enterprise Risk Management

Enterprise Risk Management ('ERM') is a structured approach to managing risk exposures and considers the broader consequences of risk across the entire organisation. WUA has used the ERM approach to identify the key risks to achieving the organisation's vision of being a privately owned, vertically integrated, national water utility with a customer focus.

The risks associated with the WUA strategies include:

- Corporate;
- Commercial;
- Strategic;
- Health and Safety;
- Environmental;
- Quality;
- Financial;
- Regulatory;
- Acquisition;
- Reputational; and
- Operational.

The three key strategies of the WUA business have been identified by management as being:

- Service Delivery and Customer Focus;
- Financial, Regulatory and Governance; and
- Safety of our People and the Environment.



Integrated Management System




WUA manages risk through an integrated management system ('IMS'). WUA's IMS is a centralised system which combines the elements of a quality management system, work health and safety management system and an environmental management system. WUA's IMS is third party certified to the requirements of:

- AS/NZS ISO 9001, Quality Management Systems;
- AS/NZS 4801, Occupational Health and Safety Management Systems; and
- AS/NZS ISO 14001, Environmental Management Systems.

Regulation

WUA currently holds licenses and approvals from the Essential Services Commission of South Australia ('**ESCOSA**'), Department of Health (SA), Environment Protection Authority SA ('**EPA-SA**'), Environment Protection Authority NSW ('**EPA-NSW**') and the Office of the Technical Regulator (**OTR**). WUA is also soon to be issued licences by the Independent Pricing and Regulatory Tribunal of New South Wales ('**IPART**') in relation to KIWS.

Licensing and Approval Bodies	Description
	<p>Lightsview ReWater holds a Water Industry Retail Licence issued under the <i>Water Industry Act 2012</i> (SA) to provide recycled water services to residential and municipal customers at Lightsview, South Australia. The Water Industry Retail Licence is granted and regulated by ESCOSA. ESCOSA is the regulatory body responsible for the economic regulation of water and sewerage services in South Australia, including industry licensing, consumer protection and retail pricing. Maintaining this licence requires regular compliance reporting to ESCOSA.</p>
	<p>Willunga Basin Water currently holds approvals in relation to the supply of treated water to primary producers (vineyards) at McLaren Vale as part of its operations. Willunga Basin Water is compliant with the <i>National Recycled Water Quality Guidelines</i>.</p>

	<p>Willunga Basin Water, jointly with the South Australian Water Corporation (SA Water), holds EPA Licence 22904 and EPA Exemption 22905 (both issued under Part 6 of the <i>Environment Protection Act 1993</i> (SA)) in relation to the discharge of treated water to marine or inland waters, and the discharge of treated effluent to aquifer.</p>
	<p>Kooragang Water, through its operations and maintenance contractor, SUEZ, holds Environment Protection Licence 20757 issued pursuant to the <i>Protection of the Environment Operations Act 1997</i> (NSW). This licence allows for the discharge of treated wastewater and recycled water to waters.</p>
 <p>Office of the Technical Regulator (South Australia)</p>	<p>The Lightsview operations are subject to the oversight of the OTR. Lightsview ReWater has complied with the regulatory requirement to develop a Safety, Reliability, Maintenance and Technical Management Plan ('SRMTMP') for its Lightsview operations. The SRMTMP sets out the way Lightsview ReWater operates and maintains the Lightsview ReWater Scheme infrastructure in a safe and reliable way.</p>
	<p>Kooragang Water has applied to IPART to be issued a Network Operator's Licence and Retail Supplier's Licence pursuant to the <i>Water Industry and Competition Act 2006</i> (NSW) in relation to its operation of the Kooragang Industrial Water Scheme. In the interim, these licences are held by Kooragang Water's operations and maintenance contractor, SUEZ.</p>

Connected to our stakeholders and environment

Connected to our customers

Customers vary greatly between the various business units of WUA: from a large multinational industrial customer of Kooragang Water, large and small grape growers at Willunga Basin Water, to residential customers of Lightsview ReWater. These various classes of customers all have one thing in common; they are at the heart of everything we do at WUA.

Our customers are consulted by individual letter, newsletter, email, telephone or in person. Customer satisfaction is monitored via survey and an annual meeting between senior members of the customer's business and WUA.

During the reporting period, there were nil complaints concerning breaches of customer privacy or losses of customer data, and no incidents of non-compliance in product information, labelling or marketing communications.

Connected to Government and regulators

WUA engages with all three levels of government. This includes:

- The Commonwealth government;
- State governments of South Australia and New South Wales (through relevant departments, ministers and their state-owned corporations such as the local water utility business); and
- Local councils including Onkaparinga, Port Adelaide and Enfield, and Newcastle City.

Regulators have an important oversight role in the provision of water and of the WUA business more generally. In addition to the various licensing and approval bodies aforementioned, other regulators with an interest in WUA include:

- Australian Securities and Investments Commission;
- Australian Taxation Office;
- Australian Competition and Consumer Commission;
- Office of the Australian Information Commissioner; and
- Worksafe NSW.

There have been nil legal actions commenced against WUA for anti-competitive behaviour, anti-trust or monopoly practices during the reporting period.

Connected to our community

The vast and diverse locations in which WUA's businesses operate, and the critical nature of the services they provide, mean that WUA is intricately woven into the fabric of the communities in which it participates. The local suburbs and towns in which the various WUA businesses impact upon are listed below.

Willunga Basin Water (South Australia)	Lightsview ReWater (South Australia)	Kooragang Water (New South Wales)
<ul style="list-style-type: none"> • McLaren Vale • McLaren Flat • Willunga • Blewitt Springs • Seaford Heights • Seaford • Noarlunga • Christies Beach • Tatachilla • Whites Valley • Sellicks Beach 	<ul style="list-style-type: none"> • Lightsview • Northgate • Northfield 	<ul style="list-style-type: none"> • Mayfield West • Kooragang Island

WUA engages with the communities of these locations in various ways including by community consultation on expansion projects, public comment periods in development approval applications, through meeting with community groups and by sponsoring local sporting and community groups.

We also support and participate in many relevant and local organisations, as well as community groups and charities.

WUA is a member of the following community groups:

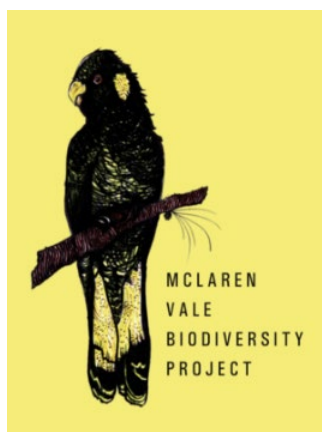
- Australian Water Association (<http://www.awa.asn.au/>);
- Business SA (www.business-sa.com/);
- Irrigation Australia (<https://www.irrigationaustralia.com.au/>);
- McLaren Vale Biodiversity Project Incorporated (<https://www.mclarenavalebdp.com.au/>);
- McLaren Vale Grape Wine & Tourism Association (<https://mclarenavale.info/>); and
- Water Industry Alliance (<https://www.waterindustry.com.au/>).

Connected to our environment

WUA aims to incorporate sound environmental management into its operating practices. There are two primary avenues for environmental impact in the WUA business: installation of new assets (such as pipes and dams); and management of existing assets. The management team ensures that new assets take environmental considerations into the design and construction process, and all necessary environmental requirements imposed as part of the approval process are complied with. The business was compliant with all environmental laws and regulations during the reporting year and no breach notices were received.

The WUA business is well-placed to invest in climate solutions on behalf of our clients. With the prospect of hotter, drier weather, and water scarcity and security a key issue only heightened by the impacts of climate change, WUA will increase its investment in the necessary infrastructure to serve the likely increased demand for recycled water. The management team and board of WUA plans to further address future climate change risks and opportunities as a focus of the upcoming year.

Case Study – McLaren Vale Biodiversity Project



WUA is an industry supporter of the McLaren Vale Biodiversity Project. The McLaren Vale Biodiversity Project aims to remove feral vegetation from selected creek lines and roadsides within the Willunga Basin, to replace these weeds with endemic species and to maintain those plantings through their establishment phase. The Project works at a landscape scale, creating corridor linkages to, and working on, areas of significant remnant native vegetation.

The McLaren Vale Biodiversity Project, together with WBWC, removed a number of feral olive trees that were growing at WBWC's Quarry Road Dam site along Victor Harbor Road and planted native species in its place.



Image: Olive trees being burnt at the Quarry Road Dam site, McLaren Vale SA

WUA sponsors or supports the following charities and events:

- Water Aid (<https://www.wateraid.org/au/>);
- Oz Outback Odyssey (<https://ozoutbackodyssey.com.au/>);
- Willunga Football Club (<http://www.willungaafc.com.au/>);
- South Adelaide Football Club (<https://www.safc.com.au/>); and
- McLaren Vale Wine Show (<https://mclarenvale.info/marketing-promotion/wine-show>).

Case Study – Oz Outback Odyssey

Between 14-21 July 2018, WUA employee Brad Rea, together with Kym Amezdroz, an employee of a WUA supplier, competed in the Oz Outback Odyssey event as drivers of Car 777. The Oz Outback Odyssey is a charity event whereby participants drive pre-1985 vehicles between Adelaide, South Australia and Cotton Tree, Queensland to raise funds for the Royal Flying Doctor Service and Power Community Ltd. WUA was a major sponsor of Car 777 and helped Brad and Kym raise over \$10,000 for this cause.



Image: Brad Rea and Kym Amezdroz with Car 777 during the 2018 Oz Outback Odyssey

Connected to our supply chain

Raw Materials and Procurement

Behaving ethically with supply chain partners and implementing sustainable consumption are part of WUA’s business approach. Currently no suppliers are assessed on sustainability criteria; however, our procurement practice (including screening and assessing for supply chain impacts) has been flagged as an area of future focus. Key procurement statistics are reported in table below.

Key procurement statistics

Business Unit	Paid to suppliers	Local supply ²	Raw water drawn	Electricity consumption
WBWC	\$5,642,076	67%	5,901 ML [^]	4,774.92 MWh
LRSC	\$921,819	93%	230 ML [*]	43.68 MWh
KIWS	\$6,121,067	45%	3,078 ML [^]	2,343.92 MWh
Total WUA	\$12,684,962	-	9,209 ML	7,161.52 MWh

[^] treated effluent

^{*} treated stormwater



Image: An employee of WUA supplier CB&S Civil inspects a trench, Willunga Basin Water

² Within 50km of operational area

Material topics

Material topics are the topics that reflect WUA's significant economic, environmental and social impacts and which may substantively influence the assessment or decisions of our interested parties. The table below discloses WUA's material topics under the category of people, places, products or practices. The table also identifies the interested parties to which the assessment or decisions may be substantively influenced by the material topic.

Material Topic	Category	Interested Parties
Wellbeing of Employees	People	Employees, Shareholders, Regulatory Authorities
Workplace Health and Safety	People	Employees, Contractors, Shareholders, Regulatory Authorities
Data Security and Privacy	People	Employees, Contractors, Customers, Shareholders, Regulatory Authorities
Complaint Handling	People	Employees, Contractors, Customers
Procurement and Supplier Management	People	Contractors, Suppliers
Employee Retention and Talent Development	People	Employees, Shareholders
Community Engagement	Places	Customers, Local Communities, Customer Groups
Protection of Environment	Places	Shareholders, Local Communities, Governments, Local Authorities, Regulatory Authorities
Energy Management	Places	Shareholders, Local Communities, Governments, Local Authorities, Regulatory Authorities
Economic Development	Places	Local Communities, Governments, Local Authorities, Regulatory Authorities
Reliability of Service	Products	Customers, Regulatory Authorities
Water Quality	Products	Customers, Regulatory Authorities
Affordability	Products	Customers, Regulatory Authorities
Product Safety	Products	Customers, Shareholders, Regulatory Authorities
Regulatory Compliance	Practices	Regulatory authorities, Contractors, Customers, Shareholders
Transparency	Practices	Employees, Contractors, Customers, Suppliers, Shareholders, Regulatory Authorities
Ethics	Practices	Employees, Contractors, Customers, Suppliers, Shareholders, Regulatory Bodies
Financial Health	Practices	Employees, Contractors, Customers, Suppliers, Shareholders, Regulatory Authorities
Corporate Governance	Practices	Employees, Shareholders, Regulatory Authorities

Quality, Health, Safety and Environmental Performance

Key QHSE performance data for FY19 from each WUA business unit is listed in the following table.

Business		#	hours	LTI	MTI	FAI	Env.	Prop.	NM	CC	SI
WUA (Corporate)	Employees	11	11,246	0	0	1	0	0	0	0	0
	Contractors	0	0	0	0	0	0	0	0		
	Total	11	11,246	0	0	0	0	0	0	0	0
Willunga Basin Water	Employees	6	8,380	0	0	1	0	3	2	1	4
	Contractors	17	2,376	0	1	0	0	0	0		
	Total	23	10,756	0	0	0	0	0	0	1	4
Lightsview ReWater	Employees	4	1,196	0	0	1	0	0	0	10	4
	Contractors	24	441	0	0	0	0	0	0		
	Total	28	1,637	0	0	0	0	0	0	10	4
Kooragang Water	Employees	0	0	0	0	0	0	0	0	0	1
	Contractors	NA	9,227	0	0	0	0	0	0		
	Total	NA	9,227	0	0	0	0	0	0	0	1
Group Total	Employees	13	20,822	0	0	3	0	3	2	11	9
	Contractors	NA	12,044	0	1	0	0	0	0		
	Total	NA	32,866	0	1	3	0	3	2	11	9

Key:



#	Number of workers (head count)
Hours	Number of hours worked for business
LTI	Lost Time Injuries (injury requiring the injured worker to miss one or more days work)
MTI	Medical Treatment Injury (injury requiring treatment from a medical practitioner)
FAI	First Aid Injury (minor injury only requiring first aid treatment at the workplace)
Env.	Environmental Incident
Prop.	Property Damage Incident (damage to WUA or third party property)
NM	Near Miss (Any event that had the potential to cause an injury, environmental or property incident)
CC	Customer Complaint (expression of dissatisfaction made by a customer relating to the products of the business or the complaints-handling process itself, where a response or resolution is explicitly or implicitly expected)
SI	Service Interruption (inability to supply water to a customer at the time or at the volume expected by the customer)
NA	Not Available



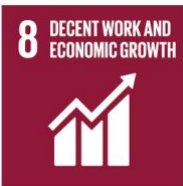
WUA and the Sustainable Development Goals




WUA has pledged its support of the United Nations’ Sustainable Development Goals (‘SDGs’). The SDGs were established in 2015 with the aim to mobilize efforts to end all forms of poverty, fight inequalities and tackle climate change, while ensuring that no one is left behind. The 17 SDGs are listed below:



Some of the ways in which WUA is working towards meeting the SDGs is detailed below.

SDG	SDG Target	Aligned WUA Activity
	<p>Target 2.4 – By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.</p>	<p>WBWC – Supporting the target by creating resilient agricultural practices in the Willunga Basin region.</p>
	<p>Target 4.7 - By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles,</p>	<p>WUA – Internal training on sustainability.</p>

SDG	SDG Target	Aligned WUA Activity
	human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.	
	<p>Target 5.4 - Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate.</p>	<p>WUA – Paternity and Parental Leave Policies</p>
	<p>Target 5.5 - Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</p>	<p>WUA – Creating opportunities for women to participate at all levels of the business.</p>
	<p>Target 6.3 - By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.</p>	<p>WBWC – Diverting treated wastewater from the ocean to sustainable recycled use.</p> <p>LRSC – Increasing recycling.</p> <p>KIWS - Diverting treated wastewater from the river to sustainable recycled use.</p>
	<p>Target 6.4 - By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.</p>	<p>KIWS – Taking Orica off the potable system to address water scarcity in the Hunter region.</p>
	<p>Target 8.2 - Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.</p>	<p>KIWS – Providing an innovative solution to provide high grade recycled water to support high-value production of materials for use in labour-sectors.</p>

SDG	SDG Target	Aligned WUA Activity
	<p>Target 8.8 - Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</p>	<p>intensive mining in the Hunter Valley.</p> <p>WUA – This is a core component of the WUA business.</p>
	<p>Target 9.1 - Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.</p>	<p>WUA – This is a core component of the WUA business.</p>
	<p>Target 11.3 - By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.</p>	<p>LRSC – Contributing towards sustainable urbanization.</p>
	<p>Target 14.1 - By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.</p>	<p>WBWC – Reducing nutrient pollution by diverting treated wastewater from ocean discharge.</p> <p>LRSC – Reducing pollutants entering the ocean by diverting stormwater which would otherwise find its way into the ocean.</p> <p>KIWS - Reducing nutrient pollution by diverting treated wastewater from river discharge.</p>

