

Board Policy Framework



**Customer Products
and Services**



**Stronger
Communities**



Pricing



People and Culture



**Environmental
Stewardship**



Risk



Asset Management



Governance



**Financial
Performance**

Introduction:

This Board Policy Framework gives guidance and sets expectations for the organisation. Within this framework:

- A suite of policy statements outline “A set of principles endorsed and committed to by the Board to guide Wannon Water’s actions in pursuit of our strategic direction”
- The operational implementation of each policy statement and an accountable executive officer is described
- A mindset is stated for each policy statement outlining the behaviours and attitudes to be expressed by employees in bringing the policy to life in every day actions.

The following policies are approved by the Board given their nature and relevant legislative requirements. They complement this framework but operate as standalone documents:

- Treasury Management Policy
- Fraud, Corruption and Other Losses Control Policy
- Gifts, Benefits and Hospitality Policy
- Executive Remuneration Policy.

Implementation and performance:

The Board review this framework annually as part of the strategic planning process. The review provides opportunity to evaluate and improve the framework to ensure it continues to communicate the priorities and values of the Board, reflects the changing environment in which Wannon Water operates and in accordance with updated compliance requirements, and facilitates the delivery of the principles outlined in the statements.

Executive management are collectively accountable for operational implementation of the policy statements and nominated executive team members are responsible for leading the implementation. Policy statements will be implemented through relevant procedures, systems and activities, and supported by monitoring, evaluating and reporting progress against legislative and regulatory requirements. The effectiveness of actions will be assessed through internal audits, management system reviews and monitoring of the strategic direction by the Board and Executive.

Senior management are responsible for ensuring that relevant supporting documentation exists that meets the needs of the organisation, and in a form that supports our people to act.

Employees are accountable for adopting the mindset required, and understanding, maintaining and continually improving our management systems and approach.

 Board Policy Framework		DOCUMENT CONTROL	
Custodian	Executive Strategy and Innovation	Approver	Board Secretary
Status	Approved	Version	4
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A summary of the Policy Statements guiding our actions:



Customer Products and Services

Our purpose is to deliver water and sewerage services and improve the lives of people in south-west Victoria. **The needs and values of our customers and communities drives our service delivery and product development.**



Stronger Communities

We are part of the communities we serve. We aim to **maximise the value we can provide to our communities** through positively influencing life and liveability in our region.



Pricing

A balanced approach to pricing built on the foundations of efficient expenditure, intergenerational and social equity and environmental sustainability delivers **fair and affordable pricing.**



People and Culture

It is only through people that we can provide our services and products, exceed the expectations of our customers and stakeholders and achieve our purpose and strategic direction. **A safe environment to work and excel within is paramount.**



Environmental Stewardship

It is clear to us that by looking after country – the land, water and air – ensures it can look after us. We aim to be **respectful and committed stewards of the environment.**



Risk

Managing risk enables and improves our decision making, Sometimes we need to take risks to fulfil our strategic direction and we're careful about when we choose to do this. **We are risk-averse when it comes to physical safety and wellbeing of people, drinking water safety and harm to the environment.**



Asset Management

The way our customers experience our services is a direct result of the choices we make in the way we manage, maintain and create assets. **We prudently invest our customers' money and optimise the social, environmental and financial impacts on our customers and communities.**



Governance

We understand the value of **maintaining a strong legal and ethical standing and operating with integrity.** High standards of governance are required for a high performing organisation, one trusted and respected by our shareholder, regulators, our customers and the communities we serve.



Financial Performance

Our financial performance impacts the economic wellbeing of our region and stakeholders. **We are committed to being efficient and financially sustainable.**

Customer Products and Services Policy Statement

Our purpose is to deliver water and sewerage services and improve the lives of people in south-west Victoria. **The needs and values of our customers and communities drives our service delivery and product development.**

Guiding principles

Access to safe drinking water and sanitation are foundations of a healthy community and people in our communities pay us to provide these essential public health services.

Secure and reliable water and sewerage services are necessary for the success of business, the health and wellbeing of our communities, and a healthy environment.

As a principle we:

- Recognise our customers are the people who depend on products and services including those who live in, work in and visit our region
- Are committed to earning and maintaining the confidence and trust of the customers and communities we serve
- Recognise our success lies in understanding and delivering on what our customers value, and we seek their views and genuinely listen
- Make sure our water services are safe, reliable, and sustainable
- Independently have our drinking water and environmental management systems certified to provide assurance they're effective
- Take an integrated and equitable approach to product and service delivery and work with others to deliver shared value for our communities
- Continually innovate to add value to our products and services
- Work with businesses to ensure our services aid their success and support the economic growth of the region
- See feedback as an opportunity to improve the experience of our products, services and business processes.

Our implementation mindset

- ✓ We work for our customers
- ✓ We will deliver safe drinking water every day
- ✓ We think about long-term impacts and future generations when making decisions about water and sewerage services
- ✓ We are approachable and helpful

- ✓ We take the time to listen and understand
- ✓ We do our best to provide the information people seek and value
- ✓ Feedback is essential to meeting or exceeding expectations
- ✓ We want to do things better and we are capable of innovation
- ✓ We are committed to leveraging the diverse experience, expertise and cultural values of others
- ✓ We are people-centred and design services to be accessible to our diverse community.

Governance and implementation

We govern and implement our approach to products and services through:

- Achieving our commitments and the service targets in our Price Submission 2018-23
- Using our Community Engagement Framework and annual engagement cycle
- Implementing our Customer Experience Strategy
- Preparing and implementing our Urban Water Strategy
- Achieving certification to HACCP (Drinking Water Quality Management System) and ISO 14001 (Environmental Management System)
- Complying with legislation, licences and regulations and independent audits
- Benchmarking our performance
- Ensuring our actions align with the ESC's Customer Service Code and our Customer Charter
- Subscribing to the independent complaint resolution Ombudsman (EWOV).

Implementation responsibility

The General Manager Assets and Service Delivery is responsible for the implementation of this policy statement.



Stronger Communities Policy Statement

We are part of the communities we serve. We aim to **maximise the value we can provide to our communities** through positively influencing life and liveability in our region.

Guiding principles

Our region is a beautiful place to live.

We are a major regional business with the capability to work in partnership to strengthen our communities. Our customers expect us to play a role in contributing to improved community outcomes.

As a regionally based and focussed organisation, we are integrated into and connected with our communities. We continue to improve and maintain our focus on engaging with our communities.

We focus on improving regional prosperity, educational outcomes, the natural environment, and health and wellbeing outcomes for everyone in our diverse communities.

As a principle we:

- Maintain focus on delivering the water and sewer services our customers rely on
- Seek to understand and act on what our communities need in our areas of influence and capability
- Choose to exercise a leadership role in our region and work in partnership to strengthen communities and improve liveability
- Ensure our intervention is strategic and represents value for our customers and communities
- Invest wisely in our region, using our buying power, our community partnerships and initiatives
- Consider and respond to global environmental issues such as the Sustainable Development Goals in line with community expectations
- Report back to customers on our community strengthening activities.

Our implementation mindset

- ✓ Wannon Water is part of the community. We are in a great position to improve outcomes for the communities we live in
- ✓ We will help our communities prosper
- ✓ We use our skills, interests and capabilities and act in the best interests of our customers and our communities - it is part of our job

- ✓ We pursue partnership and leadership opportunities to help strengthen our region's environment, culture and economy as well as our collective health and wellbeing
- ✓ We think about how we can do our work in a way that provides multiple benefits for our communities
- ✓ We build relationships.

Governance and implementation

We govern and implement our approach to stronger communities through:

- Implementing our Partnering for Stronger Communities 2018-2023 Strategy
- Implementing our Social and Sustainable Procurement Strategy.
- Using our Community Engagement Framework and annual engagement cycle
- Contributing to the success of other regional organisations
- Implementing The Ripple Effect and the Water for Community programs

Implementation responsibility

The General Manager Community and Corporate Services is responsible for the implementation of this policy statement.



Pricing Policy Statement

A balanced approach to pricing built on the foundations of efficient expenditure, intergenerational and social equity and environmental sustainability delivers **fair and affordable pricing**.

Guiding principles

We raise revenue each year to invest in and operate assets to provide water and sewerage products and services to more than 40,000 customers.

We take a balanced approach to the way we structure our tariffs, charges and rebates.

We recognise that financial and social inequality exists and we continue to strengthen our work in supporting and providing easy access to services for customers who are financially vulnerable.

As a principle we:

- Know what it costs to provide each of our products and services
- Recover and reflect the costs of providing water and sewerage products and services, consistent with our not-for-profit status
- Consider equity, affordability, social responsibility, environmental sustainability and intergenerational equity when developing our pricing
- Expect residential and small business customers in our region pay a similar price for a similar service
- Have consistent and easy to understand pricing and bills and provide long-term pricing signals to assist customers with budgeting
- Engage with customers prior to changing pricing
- Have a leading approach for supporting financially vulnerable customers.

Our implementation mindset

- ✓ Insights from customers about pricing help us make better informed decisions
- ✓ The trust and respect our customers have for us can be influenced by their perceptions of our pricing structures
- ✓ Our communications about pricing and customer bills need to be accessible to our diverse communities
- ✓ Financial inclusion and resilience is embedded in our thinking and decision making, and informs our assistance programs and services.

Governance and implementation

We govern and implement our approach to pricing through:

- Preparing and approving annual corporate plans
- Preparing and submitting a Price Submission to the Essential Services Commission
- Regularly reporting on customer rebates and financial assistance
- Implementing our annual engagement cycle
- Implementing our Financial Inclusion Action Plan
- Collaborating with other organisations, including as part of the Thriving Communities Partnership.

Implementation responsibility

The General Manager People and Business Services is responsible for the implementation of this policy statement.



People and Culture Policy Statement

It is only through people that we can provide our services and products, exceed the expectations of our customers and stakeholders and achieve our purpose and strategic direction. **A safe environment to work and excel within is paramount.**

Guiding principles

We want to ensure any person's experience with Wannon Water including employees, contractors, customers and community is positive and safe. To support this, we take a *Zero Harm approach and mindset* in everything we do.

By prioritising an inclusive workplace that fosters unity of purpose and harnesses diversity, we can better support people to address the needs of customers and stakeholders, make better business decisions and achieve valuable outcomes for our region.

We look to develop and release capability and systems that provide value as we deliver on our strategic direction, both now and in the future.

As a principle we:

- Make physical safety and mental wellbeing of people our first priority
- Actively pursue gender balance and equity
- Regularly consider the needs of our future workforce and prioritise initiatives to help us get there
- Value all employees and their unique insights to support innovation and different ways of thinking
- Maintain a focus on our values and how we treat and understand one another to provide a culturally safe workplace
- Strive to be an employer of choice with contemporary and leading employment practices
- Apply leading change management principles to support our people to respond and be resilient to changing conditions
- Uphold the Wannon Water values and the Victorian Public Sector Values including equal employment opportunities
- Will be flexible in a way that enables people to be successful and contribute to delivering great outcomes for customers
- Share our cultural insights and learnings to support regional progress
- Will not accept antisocial customer or stakeholder behaviours that negatively impact on the wellbeing of employees.

Our implementation mindset

- ✓ We *Think It, Work It and Own It* through our values of Respect, Collaboration, Innovation, Integrity and People Focussed
- ✓ Our aspiration for Zero Harm means we do not compromise on safety, we promote safe behaviours at work, we report issues and we intervene when necessary
- ✓ We recognise that health, safety and wellbeing relies not just on having an effective system, but creating an environment where informed, competent and empowered people can make the right decisions at the right time
- ✓ Innovation requires diversity of thought and experience and we know working with other people and industries results in better outcomes
- ✓ We are transparent, provide context, and explain 'why' to bring people along with us
- ✓ We recognise the contributions of others and we thank them
- ✓ We apply a growth mindset, always open to address things we could do better
- ✓ We each contribute to a safe and inclusive workplace which enables each of us to be our authentic self.

Governance and implementation

We govern and implement our approach to people and culture through:

- The Zero Harm Framework and ensuring Zero Harm outcomes are a prime responsibility of everyone
- Accessible employee assistance and health and wellbeing programs.
- Achieving certification to ISO 45001 (Occupational Health and Safety Management System)
- Formal engagement opportunities for our employees through committees and working groups
- Implementing the Future Workforce Planning Strategy and Inclusion and Diversity Management Plan
- Growth and career opportunities provided via our Learning and Development Framework
- Robust and transparent reporting and analytics including results from surveys (eg People Matter)
- Ensuring a strong and fair employee performance framework that support these policy outcomes
- Adhering to the Victorian Public Sector Code of Conduct and ensuring our employee values, policies and procedures reflect the intent of the organisation

Implementation responsibility

The Executive People and Resilience is responsible for the implementation of this policy statement.

Environmental Stewardship Policy Statement

It is clear to us that by looking after country – the land, water and air – ensures it can look after us. We aim to be **respectful and committed stewards of the environment.**

Guiding principles

The health, wellbeing and prosperity of our communities depend on a healthy environment.

In providing our customers with water and sewerage services, we recognise our significant interaction with, and potential for impact on, the environment.

As a principle we:

- Acknowledge that we live and work on the land and waterways Aboriginal and Torres Strait Islander peoples have cared for and lived on for thousands of years
- Aim to meet community-wide expectations for our environmental performance and recognise and respect that our communities grant us social licence and this changes over time
- Work in partnership in caring for Country
- Take an integrated approach to environmental management
- Understand and minimise our impacts and seek opportunities to enhance the environment
- Comply with environmental laws and regulations
- Independently have our environmental management system certified to provide assurance its effective
- Consider and respond to global environmental issues
- Will mitigate our contribution to climate change
- Promote water efficient practices for short and long-term environmental benefits.

Our implementation mindset

- ✓ A healthy environment is essential for the wellbeing of everyone and the prosperity of our region
- ✓ We value First Peoples knowledge and we listen and learn from Elders and Traditional Owners in our region
- ✓ We do not compromise on our environmental obligations
- ✓ We think about short and long-term impacts and take action to prevent pollution, and use resources sustainably

- ✓ We look after the environments we work in as part of our Zero Harm approach
- ✓ We deliver greater value when we leverage the experience, expertise and values of others
- ✓ We pursue opportunities to enhance environmental outcomes.

Governance and implementation

We govern and implement our approach to environmental stewardship through:

- Our Environmental Management System
- Regular engagement with communities about their expectations
- Working in partnership with Traditional Owners
- Our Reconciliation Action Plan
- Observing cultural protocols and acknowledging Country when we gather
- Cultural awareness and cultural heritage training
- Integrated Water Management and the Great South Coast Strategic Directions Statement
- Complying with legislation, licences and regulations and independent audits Licences
- Working in partnership with government, regulators and regional stakeholders on environmental initiatives
- Delivering on Statements of Obligations
- Implementing our strategy to achieve net zero carbon emissions by 2030
- Implementing our Natural Assets Management Plan
- Measuring and reporting environmental performance.

Implementation responsibility

The General Manager Assets and Service Delivery is responsible for the implementation of this policy statement.

Risk Policy Statement

Managing risk enables and improves our decision making. Sometimes we need to take risks to fulfil our strategic direction and we're careful about when we choose to do this. **We are risk-averse when it comes to physical safety and wellbeing of people, drinking water safety and harm to the environment.**

Guiding principles

Our customers rely on our products and services for their health and hygiene, to generate goods and services; to be fire safe; to employ people; and contribute to the wealth and prosperity of our region and the people in it.

We operate in a high risk environment and use sophisticated equipment and systems. We are exposed to natural events and live in a complex global and connected world in a technological era.

As a principle we:

- Operate within our risk appetite statement:
Wannon Water will accept and manage risks in pursuit of our purpose and strategic direction. The appetite for the acceptable level of risk has been defined by Wannon Water.
Wannon Water will:
 - Be risk averse in relation to physical safety and mental wellbeing of people, drinking water safety and harm to the environment, consistent with our Zero Harm aspiration
 - Have a low risk approach for our customer commitments, reliable water and sewerage services, cyber security and governance systems
 - Have a medium risk approach to opportunities to strengthen our region
 - Be open to opportunities that have significant potential for increased organisational performance.
- Understand, prepare for and manage the risks associated with achieving our strategic direction and delivery of our products and services
- Consider emerging trends and the potential threats and opportunities to our strategic direction
- Take a proactive approach to risk assessment and control
- Maintain a systematic approach to risk management consistent with the Victorian Government Risk Management framework and ISO 31000: Risk Management –Guidelines

- Maintain a robust Business Continuity Framework that supports our ability to satisfy our legal obligations
- Have robust and tested emergency management procedures and response plans, ready to comprehensively respond should things not go to plan
- Work collaboratively with government and other agencies in managing shared risks when in our span of control
- Protect our digital infrastructure
- Consider the impacts of climate change and how we need to adapt.

Our implementation mindset

- ✓ We understand the value our customers get by being able to rely on the safety and the reliability of our water and sewerage services
- ✓ We consider risk before acting – irrespective of whether it is a major or minor activity
- ✓ We understand the importance of maintaining uninterrupted availability of all key business resources necessary to support essential and critical operations
- ✓ Our decisions put the safety of people, drinking water safety and harm to the environment above all else
- ✓ We embrace risk management practices consistent with the Victorian Government Risk Management Framework
- ✓ We make our policies, procedures and management systems simple and we follow what they say - "If I'm not sure, I will ask"; "If I need help, I will reach out"; "If something looks or feels wrong, I will report it"
- ✓ We are mindful that we operate in an environment of increased cyber security risk.

Governance and implementation

We govern and implement our approach to risk management through:

- The Enterprise Risk Management Framework, Risk Management Plan and risk appetite statement
- Complying with Ministerial Standing Direction 3.7.1 – Risk Management Framework and Processes
- Regular auditing and oversight by the Audit and Risk Management Committee.

Implementation responsibility

The General Manager People and Business Services is responsible for the implementation of this policy statement.

Asset Management Policy Statement

The way our customers experience our services is a direct result of the choices we make in the way we manage, maintain and create assets. **We prudently invest our customers' money and optimise the social, environmental and financial impacts on our customers and communities.**

Guiding principles

On behalf of our customers, we invest in and maintain assets to provide services. Our customers pay the costs via tariffs and charges.

Assets within Wannon Water's portfolio, include infrastructure and equipment, natural, heritage and cultural assets.

As a principle we:

- Aim to maximise value for our customers, outcomes for the regional economy, the environment and the health and wellbeing of our communities
- Consider place-based impact investment and diversity and inclusion outcomes in our asset management and planning
- Consider how additional community value can be derived from our existing assets or by the creation of new assets
- Proactively engage with our customers and community to inform our investment decision-making
- Effectively manage our assets to enable the delivery of safe and reliable water supplies; the provision of sewerage services that protect public health and the environment; and the long-term resilience of our services
- Embrace contemporary asset management practices and technologies aligned with ISO 55000: Asset Management and best practice
- Continually improve the way we manage our assets and benchmark performance.

Our implementation mindset

- ✓ We understand that our customers are the primary investors in our assets - we need to create value and make wise decisions
- ✓ We are systematic and effective in managing our assets, ensuring we can provide services for the benefit of our customers and region
- ✓ We manage assets to provide for present needs while sustaining resources for the future

- ✓ We leverage data and use evidence, customer insights and risk analysis to inform our decisions
- ✓ We manage assets using a life cycle approach, looking to optimise costs, performance and balanced multi-criteria outcomes
- ✓ We incorporate the customer experience when planning and making asset management decisions
- ✓ We pursue innovative solutions.

Governance and implementation

We govern and implement our approach to asset management through:

- Maintaining a contemporary Asset Management Strategy, Asset Management System and asset management plans
- Benchmarking asset management performance and effectiveness
- Leveraging our Research and Innovation Programs
- Engaging with Traditional Owners
- Internal auditing and management system reviews
- Developing long-term asset investment programs
- Reporting asset management performance within our business and to our customers.

Implementation responsibility

The General Manager Assets and Service Delivery is responsible for the implementation of this policy statement.



Governance Policy Statement

We understand the value of **maintaining a strong legal and ethical standing and operating with integrity**. High standards of governance are required for a high performing organisation, one trusted and respected by our shareholder, regulators, our customers and the communities we serve.

Guiding principles

Good governance is at the heart of a successful business and is essential for us to achieve our strategic direction and drive improvements.

It leads to higher confidence, better decisions and better outcomes.

As a principle we:

- Understand our purpose, functions and the powers we are entrusted with and act accordingly
- Act with collective accountability to the Minister for Water
- Incorporate State Government policies and requirements into our business plans
- Set and maintain high standards of integrity and conduct and make decisions in the public interest
- Comply with the law and have systems to demonstrate compliance
- Use our Codes of Conduct and values to guide our decisions and actions.
- Maintain strategic relationships with key stakeholders
- Use evidence-based decision making.

Our implementation mindset

- ✓ While we have a responsibility to comply with the code of conduct, our motivation comes from it being the right thing to do.
- ✓ We strive to earn and sustain public trust by being responsive, impartial, accountable and respectful, acting with integrity and demonstrating leadership
- ✓ When we make decisions we make sure we are impartial and free of actual or perceived conflicts of interest and biases
- ✓ We are accountable for our actions and behaviours
- ✓ We have open, honest, transparent and positive relationships
- ✓ We speak up and say what we think and give our best advice
- ✓ We report improper conduct.

Governance and implementation

We govern and implement our approach to governance through:

- Maintaining a high level of integrity and professional conduct
- Complying with the Statement of Obligations, Letter of Expectations and Standing Directions
- Having clear processes for conflict of interest and reporting improper conduct
- Implementing the Board Stakeholder Engagement Plan
- Maintaining a Board Governance Manual consistent with Government guidance and expectations and contemporary governance practices
- Maintaining accurate records and making evidenced-based decisions
- Undertaking annual Board performance reviews
- Being clear on and true to the role of the Board.

Implementation responsibility

The Executive Strategy and Innovation is responsible for the implementation of this policy statement.

Financial Performance Policy Statement

Our financial performance impacts the economic wellbeing of our region and stakeholders. **We are committed to being efficient and financially sustainable.**

Guiding principles

If we manage our financial performance well, we can:

- Minimise customer bills, which provides householders with more discretionary income and businesses with competitive advantage, enabling both to prosper
- Contribute to the economic wellbeing of our shareholder, the Victorian Government
- Achieve our strategic direction
- Provide job security
- Plan for the long term.

As a principle we:

- Prepare robust income and expenditure budgets
- Monitor expenditure against budget on a regular basis and assess and respond to meaningful variations
- Assess our long-term financial projections, and manage borrowings, expenditure, asset creation and renewal, and income to minimise impacts on customer bills
- Seek to have a portfolio of revenue streams
- Comply with accounting standards, Standing Directions, Victorian Government procurement requirements and adopt good financial management practices
- Identify and have controls to mitigate financial risks and use audits to review risks and controls
- Seek to over perform and do better than budget and identify and implement efficiencies.

Our implementation mindset

- ✓ We are accountable for the financial performance of Wannon Water
- ✓ We are acutely aware that our financial performance impacts the economic wellbeing of our customers and stakeholders
- ✓ Every purchase is an investment with an expected return to our customers
- ✓ We use innovation and creativity to improve the efficiency of our operations, identify revenue opportunities and create value

- ✓ We embrace the audit process as an opportunity to improve financial performance
- ✓ Fraud occurs in the business world. We stay alert to make sure it does not happen on our watch.

Governance and implementation

We govern this policy and our approach to financial performance through:

- Annual five-year corporate plans
- Monthly financial reporting
- Preparing audited annual financial statements in accordance with relevant accounting standards
- Complying with Standing Directions and Victorian Government procurement requirements
- Having a robust internal audit program overseen by the Audit and Risk Management Committee
- The Instrument of Delegation
- The Fraud, Corruption and Other Losses Control Policy.

Implementation responsibility

The General Manager People and Business Services is responsible for the implementation of this policy statement.

