



**WATER SERVICES
ASSOCIATION OF AUSTRALIA**



TAPPING THE POWER OF INCLUSION AND DIVERSITY IN URBAN WATER





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Acknowledgements

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Diversity
Partners

creating inclusive cultures

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Sydney Water, SunWater, Queensland Urban Utilities, Shutterstock

About WSAA

The Water Services Association of Australia (WSAA) is the peak industry body that connects the Australian urban water industry, representing over 70 public and privately owned water or water related organisations. Our members provide water and wastewater services to over 20 million customers in Australia and New Zealand.

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Introduction

A maturing approach to inclusion and diversity in the urban water sector

Urban water utilities in Australia have significantly lifted their focus on inclusion and diversity in recent years, in response to growing recognition that diverse workforces make better decisions, improve innovation, and deliver better outcomes for the community.

This has also been driven in part by state government initiatives to improve diversity across public sector agencies, particularly at board level.

The impact of this focus is already evident. Many water businesses have achieved gender balance on their boards and significantly increased the representation of women in executive and senior management teams.

There has also been a notable expansion of focus areas. While water businesses are continuing to focus on gender equity, they are increasingly scaling up efforts to support broader diversity dimensions (culture, age and life-stage, people with disability, LGBTI employees, and indigenous employees).

Inclusive leadership capability that nurtures diversity of thinking to enhance decision-making is also a growing focus of strategies being developed and refreshed.

The strong link of diversity with inclusion is a feature of the industry.

Reflecting extensive research showing that diverse teams thrive in an inclusive operating environment, most water businesses now have an explicit focus on inclusion and diversity.

Inclusive cultures benefit everyone – employees, customers, and local communities.

Inclusion and diversity is now positioned among leading water businesses as an integral component of broader cultural transformation efforts to develop high-performance and constructive workplace cultures.

The objective of this Paper is to describe approaches to inclusion and diversity in the urban water sector. It highlights an increasingly comprehensive approach to setting inclusion and diversity strategies, building governance frameworks, dedicated resourcing, and executive oversight to progress goals.

The Paper is intended to demonstrate the breadth and depth of initiatives for industry stakeholders as well as encouraging collaboration within the industry through sharing leading practices.



‘Inclusive and diverse workplaces support our goals to be an ‘industry of choice’. Inclusion and diversity is not a ‘nice-to-have’ program: it’s a strategic objective with executive ownership that helps urban water utilities represent our customer base.’ Adam Lovell, Executive Director, WSAA

1.0 What do we mean by inclusion and diversity?

Diversity encompasses differences. In contemporary workplaces, the focus on diversity typically includes demographic diversity as well as the diversity acquired from individual experiences.

Diversity includes, but is not limited to, gender, ethnicity, indigenous background, age, ability or disability, sexual orientation, language, skills, experience, education, industry sector, and thinking approaches.

Inclusion is a feeling of belonging, where people feel valued, respected, and share a sense of fairness. An inclusive work environment is where different voices are respected and heard, diverse viewpoints, perspectives and approaches are valued, and everyone is encouraged to make a unique and meaningful contribution.

Inclusion and diversity are both important for business. While having a mix of people from diverse backgrounds has many business benefits, it is usually not enough on its own to attract and retain good employees.

If employees from different backgrounds do not feel their ideas and contributions are valued, or they are excluded in subtle ways, they are unlikely to perform to their full potential. This creates another important reason to actively support both inclusion *and* diversity.

A good example of how inclusion and diversity translates into the day-to-day experience of employees comes from the Victorian Government Department of Environment, Land, Water & Planning (Diversity & Inclusion Strategy, 2016 – 2020):

We live our inclusion and diversity values when our people:

- Leverage the experience and ideas of others
- Embrace different viewpoints
- Feel they belong and know their unique contribution is valued
- Have equal opportunity in the workplace
- Connect effectively with our diverse customers and communities to understand their needs.

2.0 What's driving the focus on inclusion and diversity?

Having an inclusive work environment and diverse workplace is recognised as a way to sustainably respond to industry challenges, including growing customer expectations, climate change and technological capability.

Inclusion and diversity contribute to greater innovation, robust decision-making, and better business performance. Actively widening talent pools – in operational/field areas and corporate roles – is also a priority to address the historical challenge of an ageing, male-dominated field workforce.

Globally, the International Water Association has called attention to the importance of gender-diverse workforces and gender-sensitive products and services to external customers in its 2016 report 'The Untapped Resource: Gender and Diversity in the Water Workforce'.

Many organisations in the sector have an explicit commitment to diversity of thinking and diversity of background to reap performance rewards.

'Increased inclusion of women in the water sector presents an obvious opportunity to progress business goals alongside social and developmental goals.'

The Untapped Resource: Gender and Diversity in the Water Workforce, International Water Association, 2016



2.1 Examples from Australian urban water businesses

Across Australia, urban water businesses are increasing their focus on inclusion and diversity. For example, supporting inclusion and diversity at Unitywater is also a commercial decision. The organisation considers that supporting inclusion and diversity leads to higher levels of organisational performance by creating better quality outcomes, improved employee engagement, innovation and long-term sustainability.

Sydney Water is committed to building a diverse and inclusive workforce that supports its strategic aspirations, reflects its values and is reinforced through signature behaviours. TasWater is seeking to promote an environment where individual differences are valued and all employees have the opportunity to realise their potential.

Icon Water, in the ACT, is committed to creating a diverse workforce, with particular emphasis on gender balance, where all employees have the opportunity to contribute meaningfully and develop professionally in a respectful and supportive working environment.

The Water Corporation has prioritised inclusivity in its People Strategy: 'By creating an environment where we actively seek diversity, our workforce will be a reflection of our community and incorporate different

perspectives to deliver our business'. Melbourne Water recognises that actively supporting inclusion and diversity not only helps the business to achieve its purpose, but also helps attract and retain the right talent, improve agility and better understand customer's needs.

There are many benefits that are derived from an inclusive and diverse workplace as Figure 1 below shows.



Figure 1: Business reasons for a more diverse and inclusive environment. Source: Diversity Partners, 2017

‘Diversity of thought and challenging the status quo is fundamental to making water work for our customers.’ Nicole Hollows, CEO SunWater.



During the expression of interest process in 2015 for Victorian water corporation boards a record 1,440 applicants were received, of which 53 per cent were women.



2.2 Achieving gender balance on Victorian water corporation boards

In April 2015, the Minister for Environment, Water and Climate Change, Lisa Neville, announced an Expressions of Interest process for board positions of water corporations. A record 1,440 applicants were received, of which 53 per cent were women. An independent selection panel paid particular attention to the diversity of the skill mix to meet the challenges of the sector and maintain strong governance, community engagement and financial performance.

The outcomes of this comprehensive process saw a marked improvement in the diversity of board members: 50 per cent of appointees were women and the number of female Chairs increased from three to eight of the 19 boards. Also appointed were two indigenous Australians and a visually impaired Director. (Source, Scott Hamilton, 'Gender balance and greater diversity on Victorian water corporation boards', LinkedIn, 12 November 2015).

At Queensland Urban Utilities, the proportion of women in civil infrastructure project manager and engineering roles has increased significantly from 10.7% in 2010 to 19.8% in 2016.



There are also good examples elsewhere in Australia with TasWater now having 50 per cent female representation on both its Board and Executive team. In 2016, for the first time in SunWater's history, it achieved equal gender representation at executive level, with 60 per cent females on its Board and 50 per cent females in the executive leadership team. Representation across the broader workforce has increased from 22 per cent to 25 per cent.

3.0 What are the barriers to greater diversity and more inclusive work cultures?

Some water businesses have carried out detailed research to understand the diversity challenges and opportunities in their businesses. This research has drawn on interviews, focus groups, as well as engagement surveys and diversity census reports.

Sydney Water, Yarra Valley Water and Melbourne Water, for example, have undertaken diagnostics to determine priority areas. Some water businesses have committed to a yearly diversity census to track demographic changes and capture the experiences of staff in relation to diversity and levels of inclusion.

These diagnostics give a useful perspective on the types of barriers that impede diversity in the urban water industry.

The figure below broadly captures the types of diversity challenges categorised by organisation and pipeline.

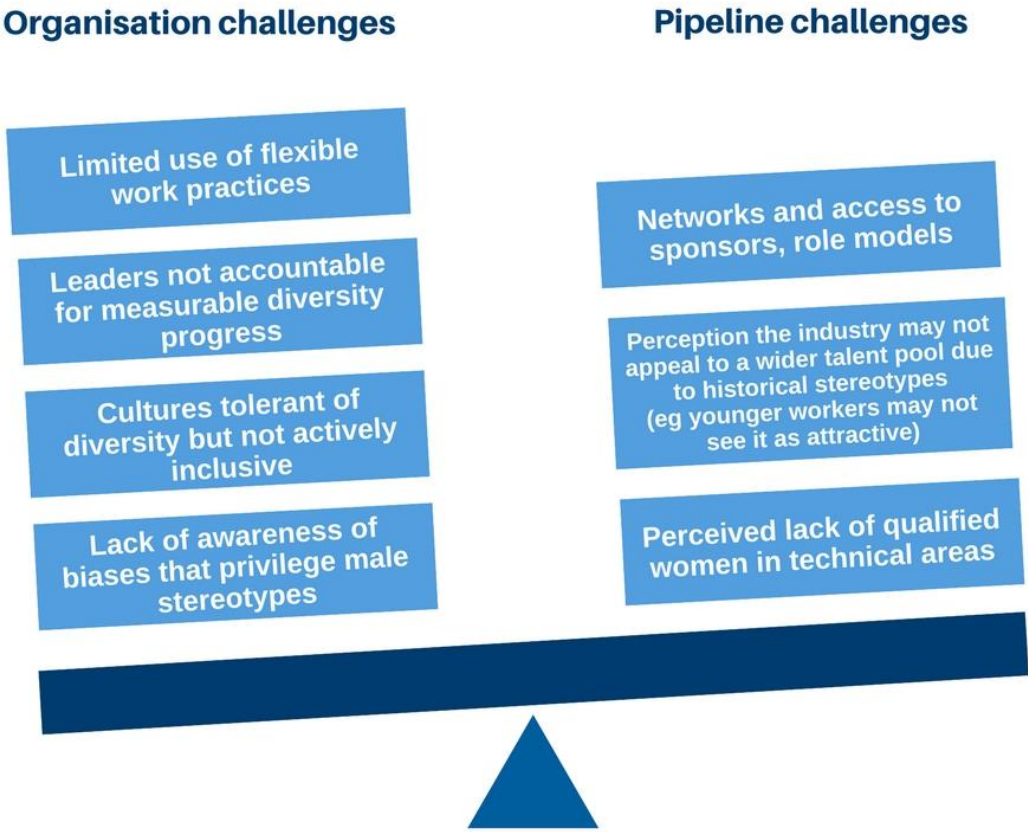


Figure 2: Diversity challenges in urban water. Source: Diversity Partners, 2017

3.1 Challenging unconscious bias to promote diversity of thought and background

'Unconscious bias is now recognised as a key barrier to inclusion and diversity progress', says Dr Katie Spearritt, CEO, Diversity Partners.

'A deliberate focus on diversity of thinking approaches as well as diversity of background in the urban water sector challenges the risks of a leadership 'echo-chamber' - where groupthink and other affinity biases lead to sub-optimal business performance.'

Some ways to encourage diversity of thought include:

- Consider when and where a meeting is held and who is invited to avoid inadvertent exclusion
- Create an environment/process for team members to contribute equally
- Promote a culture of psychological safety by affirming the contribution of all team members
- Explicitly invite alternative views when problem-solving
- Appoint a devil's advocate (and rotate this role)
- Rotate the role of chair for meetings
- Be mindful of unconscious biases such as priming, confirmation bias and groupthink.

The Water Corporation conducted 'Creating and Maintaining Inclusive Workplace Culture' workshops in 2016 across the entire organisation.



4.0 Overcoming the barriers to more inclusive work cultures and greater diversity

The hallmarks of a progressive approach to inclusion and diversity in the urban water sector are shown in the table below. While the pace of change varies across organisations, a commitment to overcoming barriers through a wide-ranging approach is evident across the sector.

Strategy	The Inclusion and Diversity Strategy is endorsed by the executive and linked with business objectives
Leadership & governance	The Executive oversees strategy implementation Inclusion and Diversity steering committees drive progress Leaders are accountable for measurable inclusion and diversity progress
Targeted action plans	Action plans set for focus areas: gender, accessibility, cultural background, indigenous employment, LGBTI, age/life-stage
Talent management policies	Human Resources policies (recruitment, career development, succession planning, promotion) are refreshed to reduce bias and widen the talent pipeline
Flexible work arrangements	Leaders are educated to support flexible work practices in their teams
Inclusive leadership capability	Leaders are educated on the value of an inclusive and diverse workforce Leaders have awareness and skills to challenge unconscious bias Skills to promote diversity of thinking approaches and encourage a 'speak-up' culture are promoted
External branding	Job advertisements, website graphics, community engagement activities all actively promote diversity
Measures	Measures are in place across target areas (including targets to lift representation across focus areas and engagement/inclusion measures in employee surveys)
Resourcing	A dedicated Inclusion and Diversity Manager supports progress

Table 1: Elements of a comprehensive inclusion and diversity approach in urban water. Source: Diversity Partners, 2017

5.0 Achieving gender equity

Positioning gender equity efforts within the broader framework of an inclusion and diversity effort is important. This strengthens the opportunity for progress as leaders recognise the benefits of a more inclusive culture for everyone – employees, customers and local communities.

Gender equality is also one of the 17 Sustainable Development Goals (SDGs) set by the United Nations with Goal 5: Achieve gender equality and empower all women and girls. Interest in the SDGs is slowly growing across the urban water industry as the goals gain more traction on the national and international scene. Water businesses are now looking more closely at whether they adopt the SDGs or how they can reflect the goals in their businesses and more broadly into the communities they service. Goal 5 on gender equality will form part of this important discussion.

A range of actions that water businesses are undertaking to support gender equity (as part of their broader inclusion and diversity strategy) is listed below.

5.1 Gender equity checklist: 10 steps to advancing women in leadership positions in water businesses

1. Communicate the value of gender equity to the organisation
2. Feature profiles of men and women in non-traditional roles, and of employees utilising flexible work practices
3. Include an explicit diversity commitment in job advertisements
4. Request that shortlists for management roles include at least one woman
5. Ask 'if not/why not' in selection decisions to achieve gender-balance across all leadership levels and monitor the pipeline for women leaders
6. Set targets (for example, Sydney Water has a target to achieve 40 per cent female representation of leadership roles by 2020)
7. Encourage participation of high-potential women in internal and industry-wide leadership programs (for example, the Women in Water Leadership Program offered by the Peter Cullen Trust for selected women in leadership roles in 19 Victorian water-sector organisations)
8. Train all leaders to recognise unconscious gender bias and to promote inclusive leadership behaviours
9. Provide reverse-mentoring and sponsorship program for women
10. Promote gender equity in community engagement activities

6.0 Leading practices

This section highlights some examples of leading practices across key result areas of a comprehensive inclusion and diversity program.

6.1 Strategy and culture

Considerations:

- Is there an Inclusion and Diversity Strategy?
- Is inclusion and diversity linked to the organisation's objectives and values?

Several water businesses, including Unitywater, Sydney Water, Melbourne Water, Yarra Valley Water, and Barwon Water, have undertaken (or are undertaking) detailed diversity diagnostics to inform their inclusion and diversity strategy.

6.2 Leadership and governance

Considerations:

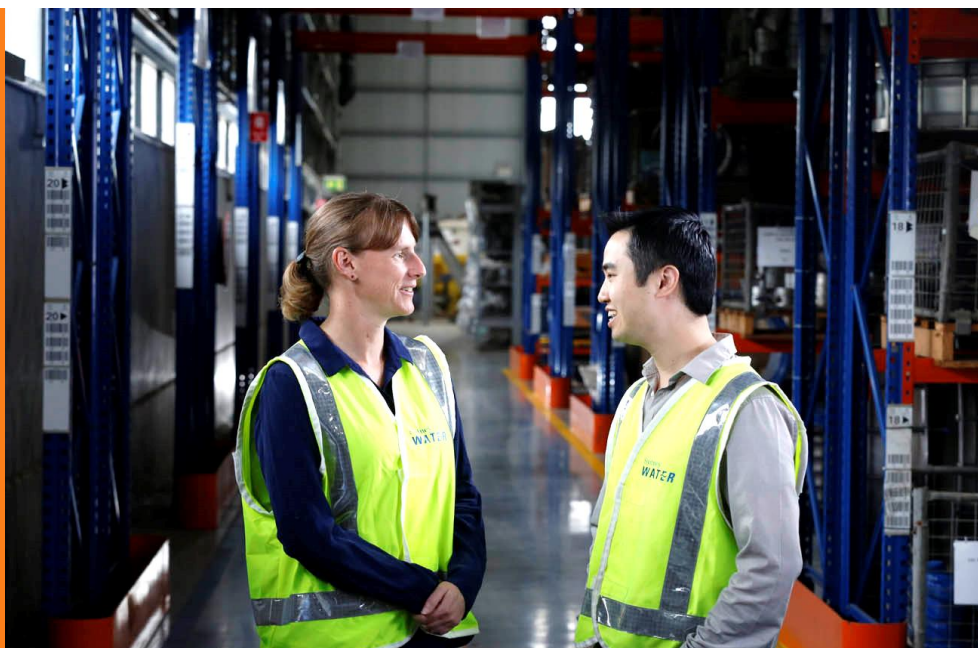
- Does the CEO or other C-suite executive champion inclusion and diversity?
- Is there high level governance of strategy and objectives?
- Are employees involved in shaping the direction of the Inclusion and Diversity Strategy?
- Do leaders have KPIs related to diversity, inclusion and flexibility?

Inclusion and Diversity Steering Committees have been established in a number of water businesses. The Committees include executives and employees involved through working groups.

Sydney Water's Inclusion and Diversity Advisory Council brings together staff from across the organisation who are committed to promoting an inclusive and diverse workforce. Yarra Valley Water has five working groups with an executive sponsor allocated to each group. Melbourne Water has four working groups that report quarterly to the Steering Committee. Southern Rural Water is developing a Men's champions of change program.

Some organisations are also actively championing industry wide activities, for example Queensland Urban Utilities helped pilot and establish an Industry-led Group Mentoring Program (M-Circles) to drive diversity and inclusion and connections within participating organisations and across the infrastructure industry.

Sydney Water has an Inclusion and Diversity Advisory Council made up of 10 staff from across the organisation who are committed to promoting diversity, inclusion and a sustainable workforce.



6.3 Targeted action plans

Considerations:

- Have action plans been set across demographic/identity focus areas - gender equity, cultural diversity, indigenous employment and community engagement, LGBTI, accessibility, flexibility and life-stage.

Accessibility

Many water businesses have either conducted (or are in the process of conducting) an accessibility review of facilities. Melbourne Water has a detailed Inclusion Plan to support the inclusion of people with disability.

Yarra Valley Water asks if shortlisted candidates have any accessibility requirements for the recruitment and interview process and seeks to accommodate reasonable requirements including but not limited to: time and location of interview, accessible meeting rooms, parking, lighting adjustments, inviting a support person, and method of interview.

A partnership agreement was signed between WorkFocus and Water Corporation in 2016 to increase work opportunities for people with disability.

TasWater actively seeks to support employees with a disability. For example, it is using software to convert notes into braille for sight impaired employees.

Lesbian, gay, bisexual, transgender, and intersex (LGBTI) employees

Some organisations, such as Southern Rural Water, are partnering with the 'Pride in Diversity' organisation as LGBTI allies. Others, such as Melbourne Water, have established LGBTI employee groups. Melbourne Water's vision is to create an inclusive work environment where LGBTI people can be their authentic selves. Melbourne Water employees will also be involved in national benchmarking for LGBTI workplace inclusion. Veolia recognises the importance of improving awareness and inclusion of those who identify as LGBTI and this is championed at senior management level.

Cultural diversity

Unitywater is gathering information on their workforce diversity profile for the purpose of benchmarking against the local community and to inform future culture diversity initiatives.

Yarra Valley Water has a strong focus on their culturally and linguistically diverse community with 12 multi-lingual customer services officers.

Yarra Valley Water took more than 15,000 calls in Mandarin, Arabic, Greek and Cantonese in 2015/2016 and has 12 multi-lingual customer service officers.



Reconciliation Action Plans

Many organisations have comprehensive Reconciliation Action Plans to improve indigenous employment and engagement.

Power & Water Corporation in the Northern Territory is implementing an Indigenous employment working group to act as an advocate and network for Indigenous employment initiatives. Power & Water Corporation also has a partnership with the Michael Long Learning and Leadership Centre which seeks to give young Indigenous Territorians the same opportunities as their non-Indigenous peers. The Centre provides a unique sporting and education model which caters for Indigenous male and female students from remote areas. Power & Water Corporation also has in place a recruitment plan for Indigenous apprentices and trainees, including the introduction of Special Measures to the recruitment process.

The Water Corporation is developing an Aboriginal Leadership Program in 2017 and offers Aboriginal trainee programs. Veolia has a best practice track record of partnering and building the capability of Aboriginal businesses, particularly in regional Australia through indigenous joint ventures.

Age/Life-stage

Unitywater has launched actions to increase the percentage of workforce under 35. This includes the establishment of an Under 35s Network and Working Group and support for young employees to participate in the International Water Centre Online Leadership Course for Young Professionals.

Veolia actively supports development of its younger workforce for future leadership and is a major sponsor of Smart Seeds, a program designed for young professionals (to develop ideas to tackle complex infrastructure challenges).

TasWater has recently completed the 'Ageing Workforce Cluster' initiative with Workplace Standards Tasmania and is developing an Ageing Workforce Strategy.

Gender equity

Many urban water businesses have established internal women in leadership networking groups, and some have sponsored women to attend external programs such as the Women in Water Leadership program in Victoria.

Sydney Water is focused on greater use of flexible work arrangements; reverse mentoring, and targeted leadership programs for women.

Icon Water is piloting inclusive or 'blind' recruitment actions to support greater diversity in the recruitment pipeline.



6.4 Talent management policies

Considerations:

- Have human resources policies been reviewed to reduce bias and support diversity in the talent pool?

Sydney Water is reviewing all policies and procedures embedded in each stage of the employee life-cycle to ensure they promote inclusion and diversity. As part of a new 'Diversity of Hire' initiative, Unitywater's recruitment practices now include consideration of the diversity profile at team level, updated advertisement content that reflects a broader range of demographics, ensuring diverse interview panels and tracking diversity of candidates through each stage of the recruitment process.

6.5 Flexibility

Considerations:

- Are flexible work arrangements available?
- Are leaders educated to support flexible working?

Many water businesses encourage flexible work arrangements. Unitywater has examples of job sharing at senior leadership levels. Participation rates of men and women utilising flexible work practices has increased at Melbourne Water following education on flexible work practices and Sydney Water plans to roll out workshops on flexibility through internal teams.

'70% of my team has flexible work arrangements. We redefine work hours, recognising out of work commitments can vary. I trust my team; we adapt and respond to business needs.' Kate Dryden, Executive General Counsel, Veolia.



6.6 Capability development

Considerations:

- Have leaders been educated on the business value of an inclusive and diverse workforce?
- Is inclusive leadership development (leading diverse teams) part of the leadership curriculum?
- Do leaders have awareness and skills to challenge unconscious bias?
- Are leaders encouraged to have conversations with team members to support flexible work arrangements?

Icon Water in Canberra recognises that inclusive leadership is a 'game changer' and recently launched education around inclusiveness for its leadership team. Similar education programs are taking place at South East Water. In 2016, Coliban Water held workshops for its Board and senior managers on inclusive leadership.

Melbourne Water has provided education on unconscious bias to all managers. Similarly Yarra Valley Water has implemented a review of recruitment policies and processes, with a particular focus on ways to improve applicant diversity, and training people managers to avoid unconscious bias. Sydney Water's strategy includes a focus on encouraging leaders to 'take an unbiased approach to offering development and learning opportunities'.

6.7 External branding

Considerations:

- Are suppliers asked to show their commitment to inclusion and diversity?
- Does external branding reflect diversity?
- Do community engagement activities embed inclusion and diversity principles?

Job advertisements consistently include an explicit commitment to attract candidates from diverse backgrounds, for example:

'Yarra Valley Water is committed to creating a diverse and inclusive workplace, and encourages applications from experienced women and men, people with disabilities, LGBTI, Aboriginal & Torres Strait Islanders, and culturally and ethnically diverse candidates.'

Many have initiatives to attract and retain more women into traditionally male-dominated trades and professions. For example, Unitywater made improvements to the annual Vacation Program to expand placements beyond the historical engineering focus and is leveraging external partnerships to build pipelines for women into non-traditional roles.

Water businesses also partner with external organisations to show their staff and the local community that they support inclusion and diversity. For example, Unitywater has a partnership with Lions in Place (support for domestic violence shelters). It also supports Noosa Council's Day of Action against domestic violence, and sponsors Men's Shed groups. In addition, Unitywater has proactively developed relationships with Diverse City Careers, the National Association of Women in Construction and EPIC Assist in order to gain access to candidates who may have previously felt they were not represented at Unitywater.

As part of its Diversity and Inclusion program, Unitywater has overhauled its recruitment and selection processes with a 'Diversity of Hire' initiative.



6.8 Measures

Considerations:

- Have measures been set to track inclusion and diversity progress?

Melbourne Water has quantitative (percentage targets) and qualitative measures (e.g. engagement survey results). Yarra Valley Water has set a recruitment shortlisting target and qualitative measure. Sydney Water has set a target for women to represent 40 per cent of leadership roles by 2020.

The Water Corporation has set stretch targets for women in management and include these in monthly business reports. Unitywater has set tailored diversity targets for each Division and Branch. Monthly dashboard reports help managers to track progress in their work teams.

7.0 Further References

International Water Association (2016), The Untapped Resource: Gender and Diversity in the Water Workforce, 2016.

Bourke, Juliet (2016), Which two heads are better than one? How diverse teams create breakthrough ideas and make smarter decisions, Australian Institute of Company Directors.

Catalyst, Flip the Script: Race & Ethnicity in the Workplace. New York: Catalyst, February 7, 2017 (and many other useful resources on catalyst.org)

Hunt, V., Layton, D. and Prince, S. (2015) Why diversity matters, McKinsey and Company.

Useful websites

www.prideindiversity.com.au

www.and.org.au

www.dca.org.au

www.reconciliation.org.au

www.un.org/sustainabledevelopment/sustainable-development-goals/



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