



# Scheme Financial Vehicle Modern Slavery Statement 2023

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## 1 Introduction

Scheme Financial Vehicle Pty Ltd (**SFV**) (ABN 97 662 496 479) of Level 4, 7 Macquarie Place Sydney was established by the Financial Trustee in September 2022, as a proprietary company limited by shares. SFV is led by a Board of four Non-Executive Directors. SFV has a number of statutory functions under the *Electricity Infrastructure Investment Act 2020* (the **EII Act**), including establishing and maintaining the Electricity Infrastructure Fund and serving as the independent counterparty to long-term energy service agreements with project proponents recommended by the Consumer Trustee's rolling tender process. It also provides payments revenue, as determined by the Australian Energy Regulator (**AER**) for Renewable Energy Zone network infrastructure projects and priority transmission infrastructure projects developed under the Roadmap.

SFV is a reporting entity for the purposes of the *Modern Slavery Act 2018* (Cth), having a consolidated revenue of at least \$100 Million for the Financial Year ended 30 June 2023, and this statement has been prepared in accordance with the requirements of the *Modern Slavery Act 2018* (Cth) by SFV.

This statement relates to the reporting period commencing 1 July 2022 and ending 30 June 2023.

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## 2 Our structure, operations and supply chains

In November 2020, the NSW Government released the Electricity Infrastructure Roadmap. This Roadmap underpins the NSW Government's 20-year plan to transform the NSW electricity sector to ensure cheap, reliable and clean energy. The EII Act provides the legislative basis for NSW to coordinate investment in new generation, storage and network infrastructure in NSW, including establishing the entities that will help deliver the Roadmap.

SFV was established under section 62 of the EII Act as a company limited by shares under the *Corporations Act 2001* (Cth) in September 2022. SFV serves as an independent entity which acts as the counterparty to private sector infrastructure contracts under the Roadmap.

SFV currently has no employees and uses a range of outsourced arrangements to perform its functions and meet its obligations under the EII Act.

For the purposes of this Modern Slavery Statement, SFV's "operations" are the activities undertaken by SFV to pursue its business objectives (i.e., the performance of SFV's functions and SFV meeting its obligations under the EII Act).

SFV has the following statutory functions:

- Establishing and maintaining the Electricity Infrastructure Fund for the purposes set out in the EII Act.
- Entering into Long-Term Energy Service Agreements (**LTESAs**).



- Entering into risk management contracts, consistent with the Risk Management Framework established by the Consumer Trustee and approved by the AER.
- Paying amounts from the Electricity Infrastructure Fund in accordance with the EII Act, including to Network Operators in accordance with revenue determinations of the AER.
- Providing from the Electricity Infrastructure Fund monies as payment to the Consumer Trustee, the Financial Trustee, the AER and other Scheme entities authorised by the Minister, to enable the exercise of their functions under the EII Act.
- Making Contribution Orders based on the annual Contribution Determination made by the AER.
- Receiving money under a Contribution Order from a Distribution Network Service Provider.

SFV's supply chains are predominantly linked to professional services based in Australia. They can be categorised into:

- Legal;
- Accounting;
- Technological; and
- Human resourcing by way of other outsourcing arrangements.

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### 3 Our risks of modern slavery

Our approach to Modern Slavery risk across our supply chains and operations falls within our broader approach to risk in the SFV. As a relatively new company, SFV is establishing policies and procedures to maintain vigilance against Modern Slavery.

While SFV acknowledges that Modern Slavery risks may occur and exist in its operations and extended supply chain, it is recognised that the level of risk is influenced by factors such as vulnerable populations, product and service categories, industry, and geographic locations. As noted above, SFV's operations and supply chains are carried out in Australia, with very limited exposure to areas of known vulnerabilities. This notwithstanding, future risk processes will aim to ensure that efforts are focussed on those areas that may present an elevated exposure risk.

SFV has identified two main categories of modern slavery risks. The first category of risk includes risks associated with the making of payments to Network Operators and others in connection with energy infrastructure project delivery. We recognise there may be risks that the recipients of funding could procure goods or services through their own supply chains with that funding that involve modern slavery risks. For example, if a recipient of funding were importing plant and equipment from a country with modern slavery risks. The second risk category includes risks associated with people undertaking work on behalf of SFV. For example, risks of modern slavery connected with labour hire used for certain services such as cleaning services. As these services are typically undertaken through indirect supplies to SFV (such as building management), SFV has low visibility on these supply chains.



We have assessed SFVs risk to modern slavery in the supply chain as low given it is a financial intermediary established by statute, operating solely in NSW and engaging with professional service providers to assist in fulfilling its statutory obligations as part of the NSW Energy Roadmap. We accept that there may be risk associated with the counterparties with which we contract through LTESAs and Project Development Agreements but note that these contracts are required to be entered into by us upon recommendation of the Consumer Trustee, which we understand undertakes MS investigation prior to its recommendation. We are reliant upon current outsource suppliers (AEMO Services Limited and Equity Trustees Limited) to implement our practices regarding Modern Slavery, given SFV has no staff employed at this time.

Modern Slavery Risk at SFV will be reviewed regularly and key risks are reported to the SFV Board each quarter.

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## 4 Our actions taken to assess and address modern slavery risks

This is the first Modern Slavery Statement for SFV. SFV is still currently developing its risk policies, enterprise risk management framework and due diligence processes. The policies and procedures will align with the requirements of the *Modern Slavery Act 2018* (Cth). The Board has approved the SFV's first Modern Slavery Policy, which will guide our approach to engagement with stakeholders.

The SFV is developing a supplier modern slavery questionnaire to assist with risk identification when engaging with new suppliers. There will also be robust engagement with other entities involved in performing functions under the EII Act – in particular how modern slavery concerns are addressed through the tender processes administered by the Consumer Trustee and Infrastructure Planner. Currently, to be successful in the tender process, proponents need to meet proponent eligibility criteria including: the proponent must not have had a judicial decision relating to employee entitlements made against it where the proponent has failed to pay any amounts required to be paid following that judicial decision; and if the proponent is a reporting entity under the *Modern Slavery Act 2018* (Cth) the proponent must have registered a modern slavery statement with the Attorney General's Department.

SFV has a standard approach to contracting for financial arrangements. Some of these contracts already contain terms that help identify and mitigate modern slavery risks. For example, the pro-forma Long-Term Energy Service Agreement, executed with the energy generation or storage counterparty following a recommendation by the Consumer Trustee, provides that each party represents and warrants that the execution, delivery and performance of the agreement will not violate, breach or result in a contravention of any law by which it is bound. This would include all relevant laws that prohibit modern slavery. Counterparties are also contractually required to comply with the Social Licence Commitments.

Staff and contractors engaged to perform services for SFV will be made aware of our Modern Slavery Policy and our annual Modern Slavery Statement (once published). Modern slavery risk awareness training will also be delivered on an annual basis going forward. We will also establish a Whistleblower policy to enable any person to raise grievances with us.

SFV recognises the importance of having a process in place to facilitate remediation in circumstances where it is found that SFV or any entity within its supply chain has caused or



contributed to modern slavery. In developing a modern slavery due diligence process to further the objectives of our Modern Slavery Policy, we intend to put in place steps to facilitate investigation of reported incidents and to work with suppliers on appropriate remediation action.

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## 5 Assessing the effectiveness of our actions

Given that SFV has only recently been established and its discretion is limited by its statutory functions, it cannot provide a meaningful assessment of the effectiveness of our actions to date. That said, SFV actively engages with counterparties and supply chain representatives to identify new and emerging risks and then manage those risks. These risks will be reviewed annually to ensure compliance.

Going forward, SFV is committed to implementing processes and procedures to assess and evaluate the effectiveness of actions taken to assess and address modern slavery risks and will be reviewing its Modern Slavery Policy regularly to ensure it is fit for purpose.

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## 6 Approval of statement

This Modern Slavery Statement was approved by the Board of SFV on 13 December 2023.

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Philip Gentry  
Chair

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21 December 2023

Date

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Allison Warburton  
Director

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21 December 2023

Date