

# Modern Slavery Statement

Cross Yarra  
Partnership

**Financial Year  
2020**



Cross  
Yarra  
Partnership

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# Identifying the Entity

This Modern Slavery Statement (**Statement**) is made by Cross Yarra Partnership (ABN 57 956 065 885) (CYP) and relates to the financial year 1 July 2019 to 30 June 2020.

CYP is a Reporting Entity for the purposes of the Modern Slavery Act 2018 (Cth).

CYP is committed to having a robust framework and processes in place to minimise the risk of modern slavery in its business operations and supply chain.



# Structure, operations and supply chains

## Structure

CYP is a special purpose vehicle, formed to enter into a Project Agreement with the Minister for Public Transport on behalf of the Crown in right of the State of Victoria (the State) to deliver the Metro Tunnel (Tunnel and Stations PPP) (MTP PPP) as part of the Metro Tunnel Project in Melbourne, Victoria (Project Agreement).

CYP is a partnership between 4 equity partners, with interests in CYP held as detailed below.

CYP does not own or control any other entities and does not have any employees.

CYP has engaged Capella Management Services Pty Limited (ACN 127 727 842) (CMS) to provide various services to CYP including contract administration services and staff.

CYP's CEO and 10 staff are employed by a Lendlease entity and seconded to CYP pursuant to secondment agreements (Secondment Agreements). CYP's CEO reports to the CYP Partnership Committee, which is made up of partner representatives from each of the 4 equity partners. The CYP secondees in turn, report to the CYP CEO.

The Secondment Agreements require the CEO and CYP Secondees to comply with various Lendlease and CYP procedures and policies.

This Statement therefore references the Lendlease Group Modern Slavery Statement FY20.

## Our operations and supply chains

The Project Agreement sets out CYP's obligations in delivering the main tunnelling works, five underground stations, stations fit-out, mechanical and electrical systems (Works), providing maintenance services for the Works and commercial retail opportunities at the new stations.

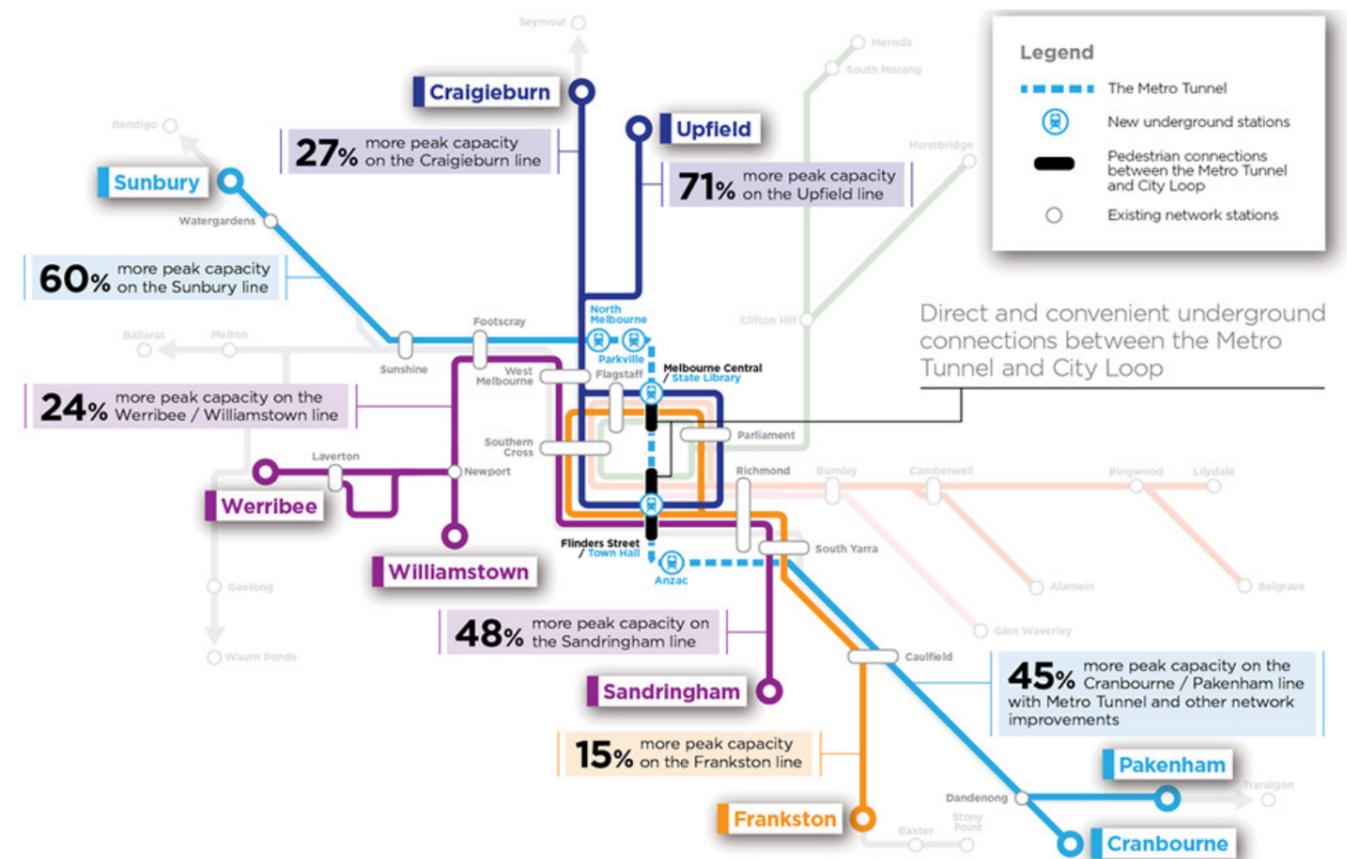
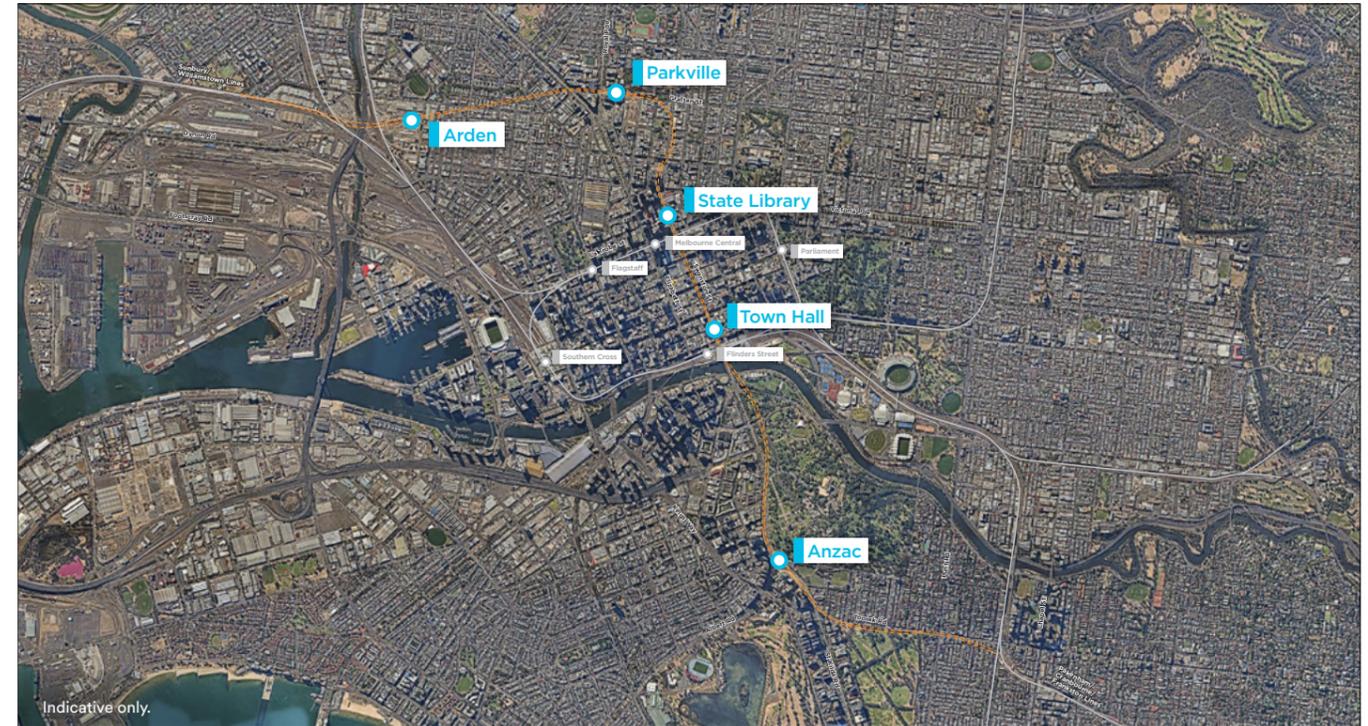
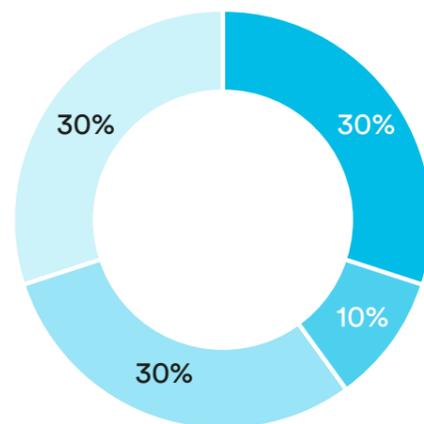
More information regarding the Metro Tunnel Project can be found at <https://metrotunnel.vic.gov.au/>

CYP is party to the following key agreements (Key Agreements), with parties who are based in Australia, which are the main source of CYP's operations and supply chain:

- D&C Subcontract** with the unincorporated joint venture comprising Lendlease Melbourne Metro Pty Limited (ABN 24 639 377 030)\*, John Holland Pty Limited (ABN 11 004 282 268) and Bouygues Construction Australia Pty Ltd (ABN 37 144 013 801) (together the **D&C Subcontractor**) to design, supply, construct, install, produce, commission and complete the Works which CYP is required to perform under the Project Agreement.
- Maintenance Subcontract** with John Holland Pty Ltd (ABN 11 004 282 268) (the **Maintenance Subcontractor**), to carry out certain maintenance services, which include the maintenance and repair of the tunnel and stations over a 25 year term (anticipated to commence in 2025), which CYP is required to perform under the Project Agreement.
- Management Service Agreement** with Stella MMTS Finance Pty Ltd (ACN 612 094 078) and CMS under which CMS provides services to CYP which include:
  - o procurement of CYP staff and secondment to CYP;
  - o financial reporting including preparation of monthly reporting, annual financial reports and tax return preparation;
  - o facilitating recruitment, setting up of business systems, IT systems and bank accounts, and arranging office space; and
  - o executive and compliance support.

## CYP Equity Partners FY20

- Lendlease**  
 30% (held via Cross Yarra 1 Pty Ltd in the capacity as trustee of Cross Yarra Trust 1)
- Bouygues**  
 10% (held via Cross Yarra 2 Pty Ltd in the capacity as trustee of Cross Yarra Trust 2)
- John Laing**  
 30% (held via Cross Yarra 3 Pty Ltd in the capacity as trustee of Cross Yarra Trust 3)
- John Holland**  
 30% (held via John Holland (CY) Custodian Pty Ltd in the capacity as trustee of John Holland (CY) Trust)



\*Novated from Lendlease Engineering Pty Ltd (ACN 000 201 516) on 28 August 2020.

Images courtesy of Rail Projects Victoria.

# Modern slavery risks in our operations and supply chains

Further to the above, CYP has adopted various processes of the Lendlease Group in its operations and is therefore able to draw on the systems and processes of the Lendlease Group's modern slavery risk supplier assessment and mitigation measures.

Refer to the Lendlease Group Modern Slavery Statement FY20 for further details.

In this inaugural reporting period, CYP has undertaken a risk assessment of its Key Agreements and in doing so, has taken into consideration the following risk factors:

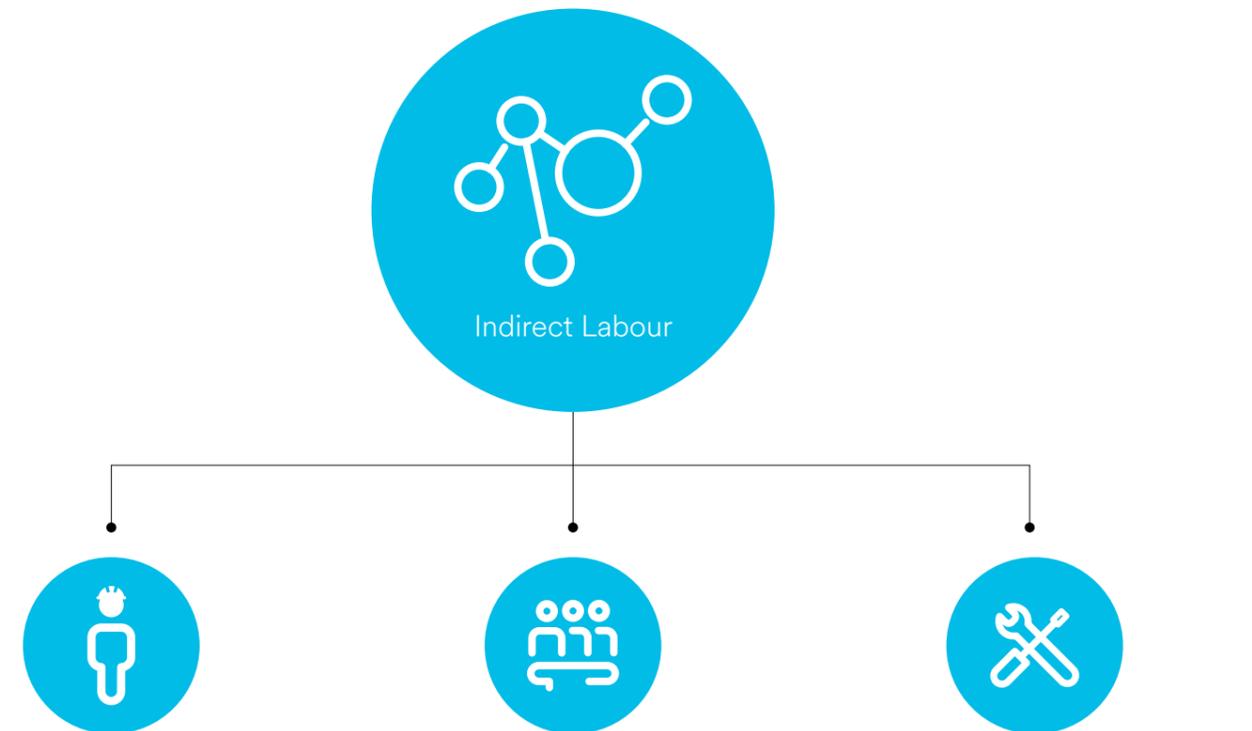
- the industry sector its supply chain operates in;
- the types of products and services provided; and
- the business models of its key contractors.

The following diagram outlines the three key modern slavery risk areas for CYP:

- D&C Subcontract Risk;
- Maintenance Subcontract Risk; and
- Management Services Risk.

The following diagram identifies key areas vulnerable to modern slavery risks.

## Modern Slavery Risks – CYP



### D&C Subcontract Risk

CYP recognises there may be modern slavery risks in the D&C Subcontractor's supply chain, as the D&C Subcontractor is both subcontracting works and procuring materials through a complex supply chain.

The construction sector has a history of using low-skilled, manual, often migrant labour, which makes it vulnerable to the risks of modern slavery practices.

The indirect use of site labour, utilising low skilled manual workers recruited for sub-contractors by labour hire agencies, is an area requiring greater transparency across the construction industry.

### Management Services Risk

Under the Management Services Agreement, CMS provides management services to CYP. These are mainly financial management of CYP (financial reporting, payment of invoices, accounts receivable), financial modelling and the employment of CYP's management team. These services are provided directly by employees of Lendlease Corporation (all employees being domiciled and employed in Australia under National Employment Standards).

Suppliers engaged in supporting delivery of these services are engaged in accordance with the relevant procurement and due diligence processes applying within the Lendlease Group.

### Maintenance Subcontract Risk

Maintenance Contractor Risk is not yet present, as the provision of that service has not yet commenced.

We note the provision of maintenance services, such as cleaning, asset maintenance and security, exist in a price competitive low margin market, sometimes relying on low-skilled migrant labour for viability.

These may create preconditions for vulnerable workers to be exposed to a range of modern slavery-like practices.

# Mitigating the impacts of COVID-19



The MTP PPP was declared 'critical and essential infrastructure' by the Victorian Government and works have continued throughout the COVID-19 pandemic.

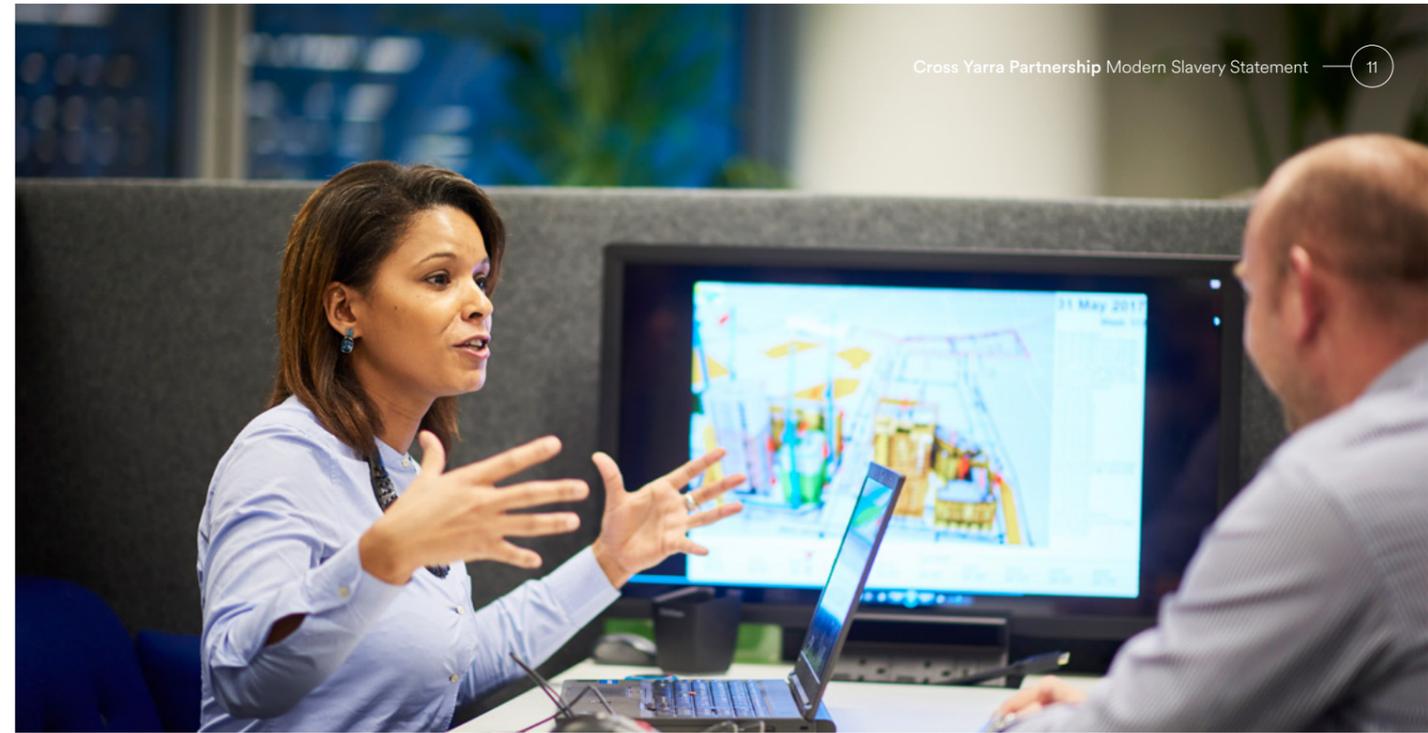
During the pandemic CYP has focused on CYP's commitment to safety, for our direct workforce and subcontractors.

CYP implemented a business continuity measure to respond to problems arising from COVID-19 and to ensure there are specific systems and processes in place to ensure the continuity of CYP's business, in compliance with its corporate, contractual and legal obligations, during the COVID-19 pandemic.

Our response to the impacts of COVID-19 included implementing comprehensive COVID-19-safe procedures and guidelines including:

- social distancing;
- personal screening response protocols for confirmed cases;
- hygiene measures;
- shutdown, hibernation and re-start protocols; and
- COVID-19 awareness training for CYP representatives including secondees.

Enabling CYP's D&C Subcontractor to continue to perform construction and support activities has been vital to ensure CYP delivers on its commitments and provides a structure of support to workforce personnel.



## Actions taken to assess and address modern slavery risks, including remediation

During the reporting period, CYP has worked with its D&C Subcontractor and Maintenance Subcontractor (**Key Contractors**) to assess their approaches to mitigation of modern slavery risk in a number of ways, including questionnaires and enhanced reporting.

CYP has:

- engaged with its Key Contractors to understand how they are addressing their modern slavery risks by requesting them to complete a Modern Slavery questionnaire to improve CYP's understanding of their supply chains. This included understanding supplier verification procedures and internal policies and procedures including with respect to workers' labour conditions and workplace practices;
- used the information provided via the questionnaire as a basis of its assessment to identify where or if additional checks were required; and
- in relation to the D&C Subcontractor, continued ongoing assessment of risks by monitoring the monthly reporting related to the use of resources, industrial relations and workplace health and safety standards and COVID-19 impacts.

CYP is taking the following actions to continue to raise awareness of, and mitigate, modern slavery and labour rights risks within its supply chain:

- if and as relevant depending on the nature of the agreement, include requirements relating to modern slavery in agreements entered into by CYP;
- encourage its Key Contractors to annually review their policies and procedures in relation to labour rights risks and modern slavery issues; and
- request all of its suppliers to annually confirm in writing that they have read and understood the CYP Supplier Code of Conduct.

CYP has adopted the following Lendlease Group policies: Employee Code of Conduct (including associated policies), 'health and safety' and 'diversity and inclusion' policies. Further details may be found on the Lendlease website. As such, CYP acts ethically and observes fundamental aspects of human rights in all of its business relationships.

# Assessing the effectiveness of actions taken

CYP has considered modern slavery issues in its risk framework to ensure accountability and oversight of mitigation approaches by its leadership team and the CYP Partnership Committee.

On an annual basis, CYP will assess the effectiveness of the actions taken to address Modern Slavery risk in CYP's operations and supply chain. The review will be performed by CYP's leadership team to identify and assess any new risks that may emerge in the course of CYP's operations and supply chain. Findings of the review will be presented to the CYP Partnership Committee for response, monitoring and corrective action.



# Consultation and Engagement Undertaking on Managing Modern Slavery Risks

The following governance process has been implemented by CYP to provide the CYP Partnership Committee oversight of CYP's actions to manage its Modern Slavery risk:

- established a working group consisting of CYP's CEO and legal and commercial representatives to effectively manage modern slavery risk, discharge the obligations imposed on CYP set out in this Statement and otherwise ensure compliance with the Modern Slavery Act; and
- on an annual basis the working group will provide the CYP Partnership Committee with its findings in relation to assessment of potential risks and mitigating actions.

In addition, CYP has undertaken supply chain engagement and made the CYP Supplier Code of Conduct available to all of its suppliers to assist suppliers to identify high risk suppliers. CYP requires all of its suppliers to annually confirm in writing that they have read and understood the CYP Supplier Code of Conduct.



# Other relevant information

## Engagement with External Stakeholders

CYP recognises tackling systemic modern slavery practices in global supply chains requires strong collaboration not only with suppliers, but government, industry and civil society. CYP is in the early stages of its engagement journey, but greatly values the insights and perspectives gained from the construction sector in the Victorian industry on the approach to this issue.



# Looking ahead

CYP will focus on the following areas for FY21:



### COVID-Safe Operations

CYP will continue to operate responsibly, and to safeguard our workforce and subcontractors and remain mindful of supply chain impacts of COVID-19 on our Key Contractors and suppliers



### Developing + Embedding

CYP will continue to develop and embed CYP's modern slavery risk due diligence and mitigation processes in all of its engagements with suppliers and contractors



### Monitoring + Assessment

Targeted screening and assessment of key suppliers and supply chain categories



### Engagement

Engage suppliers, property services providers, investors, tenants on education collaboration and awareness raising to jointly tackle modern slavery risks.

This Statement is made pursuant to section 13 of the *Modern Slavery Act 2018* (Cth) and constitutes the Modern Slavery Statement of CYP.

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This Statement has been prepared by the CYP CEO and was approved by the principal governing body of Cross Yarra Partnership on 5 March 2021.

Signed: 

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Director name: Dennis Cliche  
Chair of the CYP Partnership Committee

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Date: 12 May 2021

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