

Treasury Corporation of Victoria Modern Slavery Statement 2023

Contents

1	Introduction	2
2	Our structure, operations and supply chains	3
2.1	Our structure	3
2.2	Our operations	3
2.3	Our supply chain	5
3	Modern slavery risks in operations and supply chain	6
3.1	Modern slavery risks in our operations	6
3.2	Modern slavery risks in our supply chain	6
4	Actions taken to assess and address modern slavery risks	7
4.1	Governance	7
4.2	Policies and procedures	7
4.3	Due diligence and supplier engagement	10
4.4	Training	10
4.5	Raising grievances and seeking remediation	10
5	Measuring the effectiveness of actions taken	11
6	Consultation	11
7	Approval	12

1 Introduction

This modern slavery statement is made by Treasury Corporation of Victoria (ABN 97 552 308 966) (**TCV**). References to 'our' and 'we' in this Statement are references to TCV.

This is TCV's first modern slavery statement (**the statement**) and sets out information required by the *Modern Slavery Act 2018* (Cth) (**the Act**), in accordance with section 13 of the Act. The statement describes the risks of modern slavery in our business and actions we have taken to address those risks during the reporting period 1 July 2022 – 30 June 2023 (**FY23**).

TCV understands the importance of both its role in the Australian financial markets, and the need to uphold responsible and ethical conduct. TCV promotes the public sector values, which underpin our operations.



Responsiveness



Integrity



Impartiality



Accountability



Respect



Leadership



Human Rights

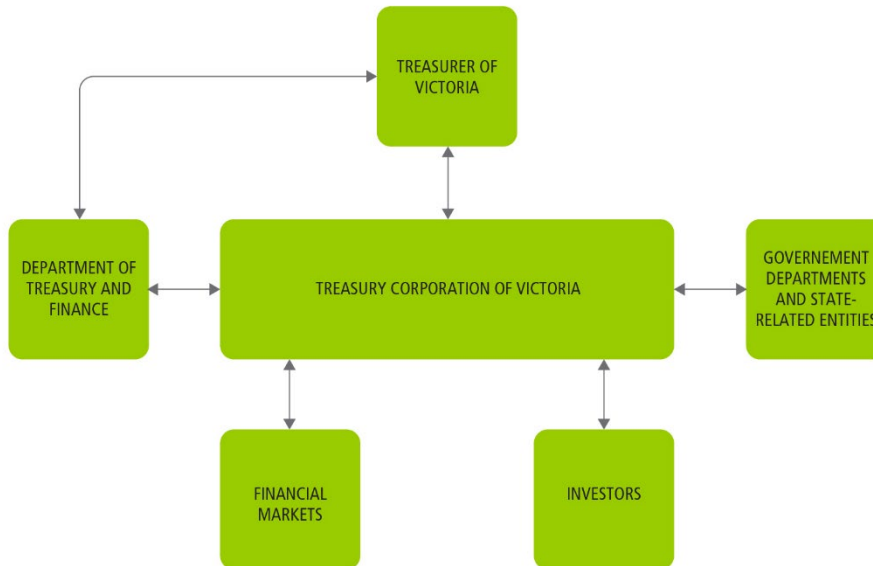
2 Our structure, operations and supply chains

2.1 Our structure

TCV is a statutory corporation established by the *Treasury Corporation of Victoria Act 1992 (Vic) (the TCV Act)*. TCV is the central financing authority and financial adviser for the State of Victoria.

The Treasurer of the State of Victoria is our stakeholder and sole shareholder. The Department of Treasury and Finance (**DTF**) monitors the Treasurer's interests. TCV's Chair reports directly to the Treasurer, on behalf of our Board of Directors.

In the exercise of its powers and performance of its functions under the TCV Act, TCV is subject to the general direction, control and specific approvals, requests, and determinations of the Treasurer.



TCV does not own or control any other entities.

As at 30 June 2023 TCV employed 47 FTE ongoing staff, all based in our headquarters in Melbourne, Victoria. TCV operates solely in the State of Victoria, Australia.

2.2 Our operations

TCV provides treasury services to the State of Victoria and public authorities.

The TCV Act only enables TCV to provide products and services to clients who comprise "Participating Authorities" (public authorities accepted by TCV) and Departments of the State and, at the determination of the Treasurer, other Victorian entities. At 30 June 2023, there were 150 Participating Authorities.

The treasury services we provide include:

- financial accommodation;
- debt portfolio management;
- cash management and deposit products;

- interest rate, foreign exchange and commodity risk management;
- economic services;
- guarantees;
- general treasury and financing advice; and
- financial modelling services.

We also provide these services to other Victorian entities at the request of the Treasurer.

Our key operations	
Direct employment of workers	Our employees are mainly professional staff, based in our Melbourne office, who include financial advisors, bankers, client relationship managers as well as legal, IT, human resources and other support functions.
Loans and financing services	<p>TCV's range of loan facilities includes:</p> <ul style="list-style-type: none"> • short-term loans; • term floating rate note loans; • fixed rate loans; • flexible rate set term loans; and • forward settlement loans. <p>Our loans to all clients are guaranteed by the State of Victoria.</p>
Risk management services	We provide risk management services to our clients. This includes the provision of hedging advice and financial risk management arrangements using various interest rate, foreign exchange and commodity derivative products.
Advisory services	<p>We provide financial advisory services to our clients, including:</p> <ul style="list-style-type: none"> • advising on financing, debt portfolio structure and financial risk management; • business case development and/or financial modelling services; • contract management services to departments and agencies required to manage public-private partnerships (PPP) and other financial related contracts; and • advising on economic issues and developments, delivering economic and financial market insights.

Our key operations

Borrowing Programs	<p>TCV maintains a range of borrowing programs to facilitate access to long and short-term funding in domestic and international debt capital markets which allow us to access a diverse investor base. Our active management of these programs allows TCV to source funds at competitive pricing even in challenging market conditions.</p> <p>We finance the provision of loans by issuing Victorian Government-guaranteed debt. Our payment obligations in relation to borrowings and derivative transactions are guaranteed by the State of Victoria (section 32 of the TCV Act).</p>
Investment services	<p>TCV offers investment facilities to assist the State and its statutory authorities and government business enterprises with their cash management activities. These include:</p> <ul style="list-style-type: none"> • 11am cash deposits; • term deposits; • fixed interest deposits; • term floating rate deposits; and • structured deposits.

TCV supports the State of Victoria and its agencies and departments by assisting in the management of their financial risks. TCV works to understand each organisations' specific financing, investment and market risks, and provide the appropriate products, services and advice to manage these risks.

2.3 Our supply chain

Our business is primarily service / office-based, with the main supplier industries in our broader supply chain comprising:

- debt capital markets dealer and broker services;
- bond registry services;
- banking and settlement services;
- market data services;
- software, hardware, cloud and telecommunications products and services;
- internal audit services;
- accounting services;
- insurance and insurance broking services;
- legal services;
- recruitment, training and development and other employee related services;
- facilities management;
- cleaning;
- office services; and

- domestic and international travel services.

TCV has a transparent procurement process for suppliers which is compliant with Victorian Government Purchasing Board (VGPB) Policies available at: <https://www.buyingfor.vic.gov.au/governance-goods-and-services-policy>.

Procurement may be conducted through Victorian government portals such as the Buying for Victoria website or via direct invitation to identified vendors.

Contracts awarded for the procurement of goods or services above \$100,000 are uploaded to the Buying for Victoria website. This is discussed further below under 'Due diligence and supplier engagement'.

Understanding TCV's broader supply chain is a complex process and we intend to deepen our understanding of our direct and indirect supply chains, including to better understand source countries and other factors which may impact on modern slavery risks.

3 Modern slavery risks in operations and supply chain

TCV is committed to responsible supply chain management, in line with the public service value of protecting human rights. TCV has considered the risks that we may cause, contribute to, or be directly linked to modern slavery.

3.1 Modern slavery risks in our operations

Given the skilled nature of TCV's workers, and the level of transparency and oversight TCV has over its direct workforce, TCV considers there is a relatively low risk of causing or contributing to modern slavery in its immediate operations.

TCV does however have the potential to be directly linked to modern slavery through its financing and investing activities. For example, the provision of financing or investment to TCV's clients on behalf of the State of Victoria for the purposes of infrastructure and other development projects may carry inherent risks related to the raw materials and use of labour related to those projects.

Given TCV's role in supporting the State of Victoria, the financing and investing activities it undertakes are broad reaching and relate to clients operating in various sectors. The overwhelming majority of TCV's financing and investment activities are to government (and governmental) entities that are subject to standards of conduct, probity and risk management imposed by the State of Victoria.

Additionally, TCV seeks to directly identify, mitigate and manage the risk it might reasonably face in providing products and services. This includes consideration of money laundering and terrorist financing risk exposures which, given the interrelationship between modern slavery and money laundering, allows TCV to draw on analysis of TCV's business relationships, the methods used to deliver products and services, the foreign jurisdictions in which TCV deals and suspicious matter reporting.

3.2 Modern slavery risks in our supply chain

TCV has the potential to be directly linked to modern slavery through its supplier relationships and other third-party relationships. With respect to the reporting year, TCV has considered potential risk exposures and identified the following areas as 'higher risk' for modern slavery in TCV's supply chain:

- IT equipment (including base materials, batteries and manufacturing);

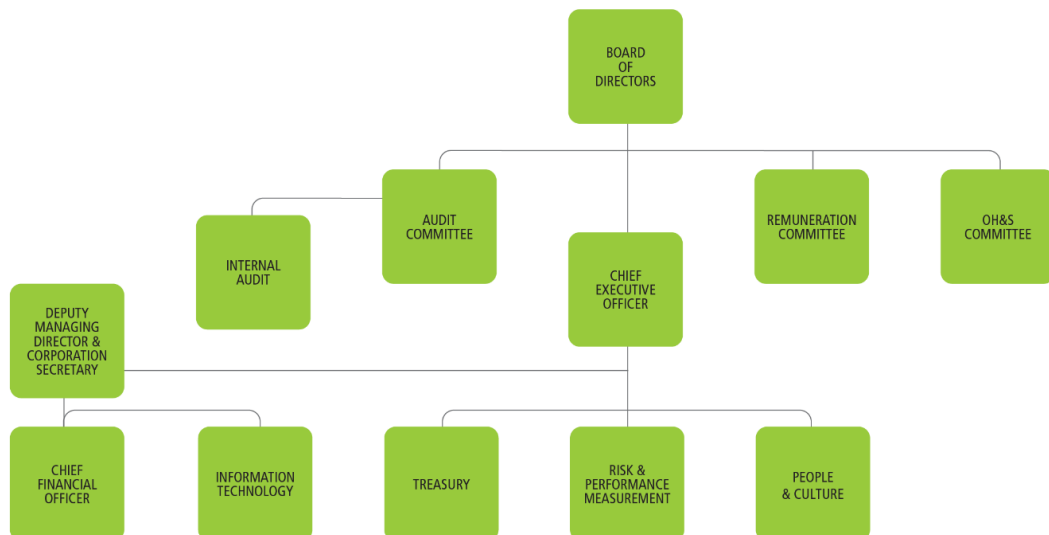
- IT services (including labour used by our IT suppliers);
- cloud services;
- facilities management (including cleaning, maintenance and security);
- outsourced labour services used by our suppliers (including call centres and data processing); and
- travel, accommodation and hospitality services used by our workforce.

As this is TCV's first modern slavery statement, we intend to continue developing our understanding of the risks of modern slavery in our supply chain.

4 Actions taken to assess and address modern slavery risks

4.1 Governance

During FY23, TCV had the following governance structure:



The Board and the Board OH&S Committee receive regular reporting regarding OH&S compliance and risk areas to enable Board oversight of occupational health and safety policies and procedures, ensuring compliance with the *Occupational Health and Safety Act 2004* (Victoria) and fostering and maintaining a safe working environment throughout TCV.

The Chief Financial Officer and Executive Director, Risk have responsibilities which include responsibilities relating to modern slavery, such as monitoring procurement practices, overseeing TCV's AML programme and undertaking risk assessments.

4.2 Policies and procedures

TCV has a number of policies and procedures in place to promote human rights and reduce the risks associated with modern slavery in our operations. These include policies that apply across the Victorian Government public service.

TCV is bound by and must comply with relevant Victorian Government standards, which include the policies of the Victorian Government Purchasing Board (**VGPB**). VGPB

policies are mandated under the *Financial Management Act 1994* (Vic) and are subject to Standing Directions issued by the Victorian Department of Treasury and Finance.

VGPB's supply policies cover:

- Governance;
- Complexity and Capability Assessment;
- Market Analysis and Review;
- Market Approach; and
- Contract Management and Disclosure.

These policies are set out in TCV's "*Expenditure and Procurement Policy and Procedure*" which enunciates TCV's procedure for the incurrence of expenditure and the processing of invoices. This is an overarching document that encompasses:

- **Supplier Code of Conduct:** This sets out minimum expectations for suppliers including in relation to labour and human rights and health and safety of workers. This Supplier Code of Conduct applies to all entities that supply goods or services to Victoria, including to TCV, and suppliers are expected to communicate the code to their related entities, suppliers and subcontractors. Under the Supplier Code of Conduct, suppliers are expected to:

- report concerns about non-compliance with the Code;
- provide goods and services in a manner consistent with any applicable human rights obligations;
- proactively identify, address and, where required by legislation, report on risks of modern slavery practices (defined broadly to include all forms of human trafficking, forced labour and slavery-like practices) in their business operations and supply chains;
- ensure all work is undertaken without coercion;
- not use any form of forced, bonded or indentured labour; and
- employ only workers who are the applicable minimum legal age.

Suppliers acknowledge the Supplier Code of Conduct by completing and returning the commitment letter acknowledging the minimum expectations confirming they will aspire to meet those expectations. The commitment letter is available at <https://www.buyingfor.vic.gov.au/how-implement-supplier-code-conduct-buyers>.

- **Probity in Procurement Guidelines:** TCV must follow these Guidelines when procuring goods and services so that it upholds the highest standards of probity and integrity, and that procurement decisions are made in an ethical way following good processes. These Guidelines support TCV to build a procurement culture that demonstrates high standards of probity, including by implementing open and transparent procurement processes and highlighting and actively promoting ethical values. The Guidelines require implementing processes and actions that are consistent, accountable, transparent and auditable, good record keeping, maintaining an audit trail, equity in decision making, clear, honest communication, independent checks and approvals that can identify probity issues, security and confidentiality of information and identifying and managing conflicts of interest whether actual, perceived or potential.
- **Victoria's Social Procurement Framework:** TCV is encouraged to seek opportunities where available to directly or indirectly procure from social

enterprises, Australian Disability Enterprises or Aboriginal businesses. All procurements that support these objects are recorded in a register.

Additional key policies include:

- **Code of Conduct for Victorian Public Sector Employees:** This Code of Conduct sets out the standards of behaviour expected of Victorian Public Sector Employees in the performance of their employment obligations and duties. The Code of Conduct includes obligations for employees to report unethical behaviour, make decisions that consider and respect human rights, deliver services and programs consistent with human rights, and raise concerns where there are circumstances that could breach those rights. The Code is publicly available online.
- **Anti-Money Laundering and Counter Terrorism Financing (AML/CTF) Policy:** This policy establishes the broad parameters and approach TCV uses to identify, mitigate and manage the risk that TCV might reasonably face through its provision of products and services which might involve or facilitate money laundering or terrorist financing.
- **TCV Internal Complaint Procedure:** TCV is committed to providing a fair and impartial process for the resolution of work-related complaints and grievances, particularly those that may involve unlawful discrimination, harassment or bullying. The procedure provides a grievance procedure for employees who are affected by these kinds of behaviour. In particular it sets out the procedures for dealing effectively with grievances, as an important step in preventing and reducing workplace stress and minimising risks to health.
- **Occupational Health and Safety Manual:** The manual sets out the key policies and procedures for TCV workers, contractors, customers and visitors and includes:
 - Health and Safety Policy;
 - Bullying, Discrimination and Harassment Prevention Policy;
 - Fitness for Work Policy;
 - Alcohol at TCV / Client Functions;
 - Health and Safety Accountability and Responsibilities;
 - Health and Safety Legal Obligations;
 - Hazard and Risk Management;
 - Emergency Management Procedure; and
 - Contractor and Visitor Management Procedure.

The manual sets out TCV's commitment to a workplace that supports equal employment opportunities and is a healthy, safe, welcoming place to work. TCV is committed to achieving a high level of occupational health and safety performance, whilst providing the safest possible working environment for all workers, contractors, members of the public and interested parties.

- **Public Interest Disclosures Procedures:** The Procedures set out the processes that facilitate employees and other persons to make disclosures of improper conduct by public bodies or public sector employees, and protects people who report improper conduct from reprisal. TCV recognises the value of transparency and accountability in its administrative and management practices and supports the making of disclosures revealing improper conduct and will take all reasonable steps to protect people making disclosures from reprisals.

We are also committed to affording natural justice to the person subject of the disclosure. These Procedures are made publicly available on TCV's website.

4.3 Due diligence and supplier engagement

TCV undertakes due diligence as part of its contracting of suppliers and its procurement processes, as well as its investment decision-making, which support TCV's efforts to reduce the risks of modern slavery in its operations and supply chain.

TCV has a transparent procurement process for suppliers which complies with VGPB Policies. The VGPB policy is available at: <https://www.buyingfor.vic.gov.au/governance-goods-and-services-policy>.

TCV follows our Expenditure and Procurement Policy and Procedure outlined above. This includes the Chief Procurement Officer preparing an annual 'supplier engagement plan' that documents the processes, systems and communication approaches put in place to ensure the highest levels of trust and accountability in all dealings with suppliers.

Under this policy, a procurement of goods or services is not to progress past market analysis without first confirming whether the good or service is covered by a mandatory State Purchase Contract. It is also recommended that where relevant, non-mandatory State Purchase Contracts be considered. Where the use of a State Purchase Contract is mandatory, the procurement must be undertaken utilising the relevant process and suppliers. If this is not preferred, an exemption from the State Purchase Contract must be applied for and granted.

Contracts awarded for the procurement of goods or services above \$100,000 are uploaded to the Buying for Victoria website. To encourage suppliers to improve workplace gender equality, all requests for quote/tenders are required to require suppliers to provide details that enable an assessment of their business actions and support for gender equality. The basis of scoring the tender responses must allocate a 5% weighting to workplace gender equality.

The alignment of TCV's due diligence and supplier engagement with VGPB policies provides TCV with a framework around supplier engagement which substantially improves TCV's confidence in the integrity of such appointments including, but not limited to, its ability to assess modern slavery risks.

4.4 Training

TCV conducts regular training for employees which covers the Charter of Human Rights, Anti-Money Laundering, the Code of Conduct for Victorian Public Sector Employees, OH&S issues, and key risk and compliance areas, which encompasses different aspects of training on modern slavery issues.

4.5 Raising grievances and seeking remediation

TCV has processes in place to support employees, suppliers, and other persons to report improper conduct or raise complaints.

Under the *Public Interest Disclosures Act 2012 (Vic) (PID Act)*, TCV is not able to receive disclosure regarding improper conduct by its employees, officers or Directors. Any such disclosures are required to be made to the Independent Broad-based Anti-Corruption Commission (**IBAC**) or investigating entities if the discloser wishes the disclosure to be protected under the PID Act.

TCV has established procedures to:

- make employees and other persons aware that they can make disclosures under the PID Act directly to IBAC;
- keep a discloser's identity and the content of a disclosure confidential; and
- manage the welfare of disclosers including protecting them from detrimental action.

These procedures are publicly available on TCV's website. Employees are able to make disclosures to IBAC regarding risks to the health or safety of a person or other improper conduct or detrimental action, including modern slavery concerns.

TCV's Procurement Complaints Management Policy sets out the process and procedures for addressing supplier complaints. The Chief Procurement Officer is responsible for the policy's drafting, annual review and publication of a summary on the TCV website. Under this Policy suppliers are able to lodge a procurement complaint with TCV if they have an issue or concern in relation to the process and probity applied by TCV when carrying out a procurement activity. TCV has established a complaints management process to ensure all procurement complaints are investigated and, where appropriate or possible, remedied. If the complainant disagrees with the outcome of their complaint, they may refer the complaint to the VGPB for review.

When TCV receives disclosures under the PID Act or procurement complaints, it has processes in place to remediate the issue, where possible and appropriate.

5 Measuring the effectiveness of actions taken

As this is TCV's first modern slavery statement, TCV is at an early stage of understanding the effectiveness of our actions to address modern slavery risks. TCV's focus during the reporting period was deepening its understanding of these issues and how they may be addressed or risks mitigated.

TCV has not yet been able to adequately assess the effectiveness of measures we have undertaken to address modern slavery risks. However, this is a key focus area for next year and we will start developing frameworks and processes to ensure we can review the effectiveness of actions we are taking in future years.

6 Consultation

This criterion does not apply to TCV as we do not own or control any other entities. However, in preparing this statement, we have consulted with relevant internal teams across the organisation.

7 Approval

This statement was approved by the Board in its capacity as principal governing body of Treasury Corporation of Victoria on 19 December 2023.

This statement is signed by Cassandra Kelly in her capacity as Chair of the Board of Treasury Corporation of Victoria on 19 December 2023.

Signed



Cassandra Kelly

Chair, Treasury Corporation of Victoria

19 December 2023