

Modern Slavery Statement

Financial Year 2023-2024

December 2024



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Introduction

On behalf of Transport Asset Holding Entity, we are pleased to present our Modern Slavery Statement FY2023/24.

Transport Asset Holding Entity of New South Wales (TAHE) is committed to taking action to reduce the risk of modern slavery occurring in our operations, business partnerships and supply chain.

Our collective efforts across the organisation to identify, assess and manage modern slavery risks in our supply chains, aligns directly with our core values of care and accountability, as well as contributing to improved sustainability throughout our operations. This Modern Slavery Statement is made by TAHE in support of and in adherence to the *Modern Slavery Act 2018 (Cth)* for the reporting period FY23/24 and was approved by the Board of Directors.

Acknowledgement of Country

Transport Asset Holding Entity of New South Wales acknowledges the Traditional Custodians and their ancestors of the lands and waters where we work, live and learn.

We celebrate the First Nations people unique cultural and spiritual relationship to Country and acknowledge the significance of their cultures in Australia. We pay our respect to Elders, past and present and acknowledge their continuing connection to land, water and community. to acquire and develop land for the purpose of enabling TAHE to carry out its functions.



Erin A. M. Flaherty
Chair, Board of Directors



Lyndal Punch
(Acting) Chief Executive Officer

About TAHE

Who we are

TAHE is a statutory State Owned Corporation established on 1 July 2020 under Part 2 of the TAA.

TAHE is the legal owner of an extensive portfolio of railway network assets, including stations, rolling stock, signalling infrastructure, and significant land holdings around stations within metropolitan and regional NSW. TAHE operates in accordance with its specific legislative functions and objectives that are set out in the *Transport Administration Act 1988* (NSW) (TAA).

Under the TAA, TAHE's functions include:

- » to hold, manage, operate and maintain transport assets vested in or owned by it, or to be vested in or owned by it;
- » to establish, finance, acquire, construct and develop transport assets to be vested in or owned by it;
- » to promote and facilitate access to the part of the NSW rail network vested in or owned by TAHE in accordance with any current NSW rail access undertaking or otherwise lease or make available transport assets vested in or owned by TAHE to other persons or bodies; and
- » to acquire and develop land for the purpose of enabling TAHE to carry out its functions.

Whilst TAHE has various functions under the TAA, TAHE's functions may only be exercised under the authority of and in

accordance with the Operating License issued by its Portfolio Minister.

In addition, TAHE's Portfolio Minister and Shareholding Ministers jointly sign TAHE's Statement of Expectations, which provides TAHE with clarity around relevant Government policies and priorities and ensures TAHE's strategic direction and operations align with broader NSW Government expectations.

As part of the NSW Government's election commitments, during the 2024 Financial Year TAHE's legislated objectives were amended and from 1 January 2025 TAHE will transition from a State Owned Corporation (**SOC**) to a NSW Government Agency.

What we do

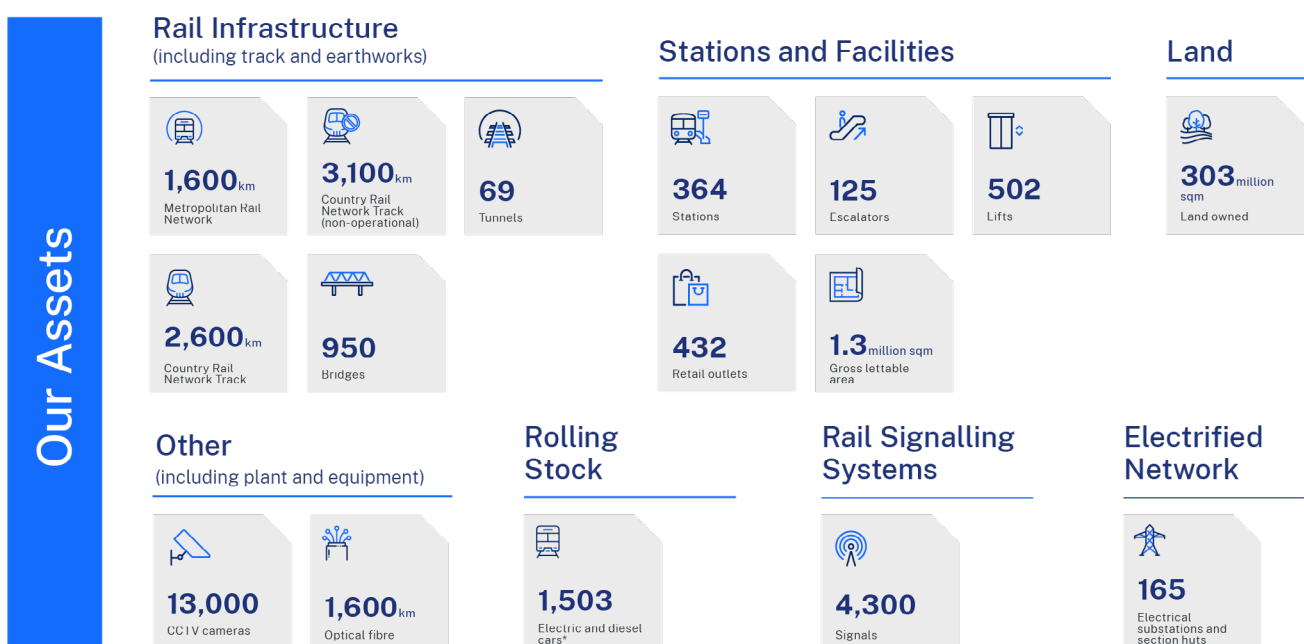
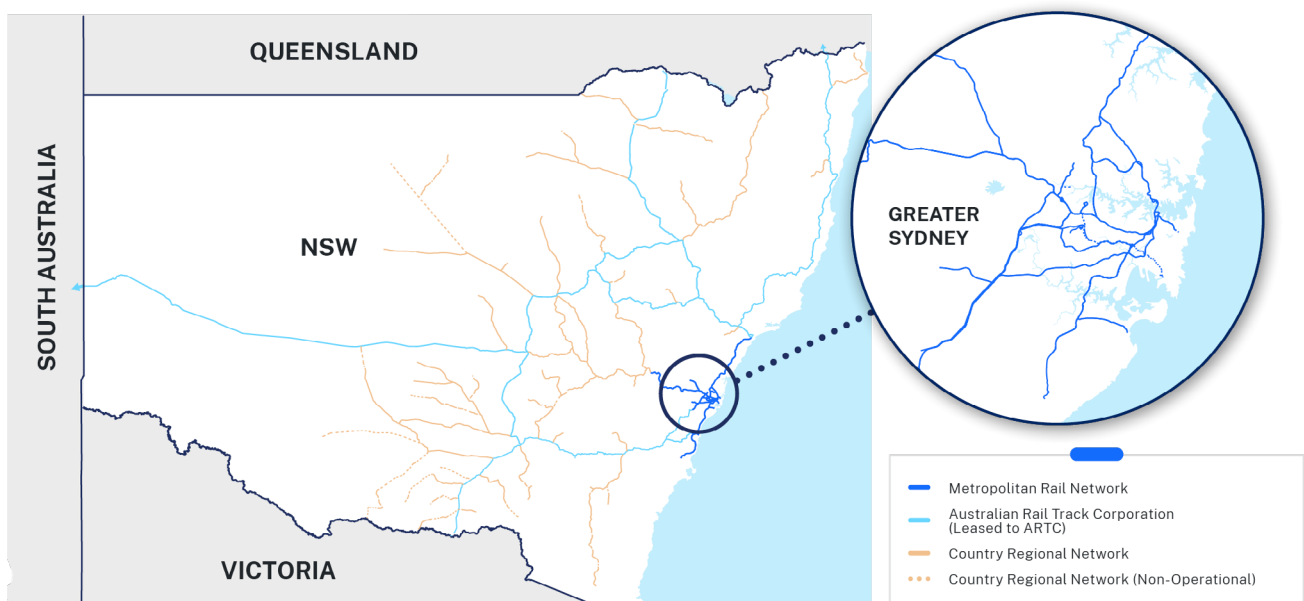
Rail is integral to the NSW economy – transporting people to work, moving goods across the state or providing a gateway to our history through steam trains and heritage structures.

TAHE is proud to continue this legacy as the owner of NSW's extensive portfolio of railway assets, and deliver on its legislated objectives.

TAHE provides value in the way rail assets are managed and used:

- » Providing assurance that our assets are being managed and delivered in a safe and reliable manner.
- » Future proofing our assets against climate change impacts through influencing network resilience planning and digital upgrades.

- » Adaptive re-use of our property portfolio to provide communities with better public transport interchanges, business precincts and green, open spaces.
- » Taking a holistic approach to our freight network to understand how we can better use industrial land assets and rail infrastructure and turbo-charge the last mile delivery process.
- » Restoring and revitalising our heritage assets, particularly in regional areas, to deliver long term outcomes for our communities
- » Investing in social programs to unlock better opportunities to help those disadvantaged in our community.



* Excludes non-operational fleet, Maryiung and New Regional Fleet

Our mission, vision and objectives

In December 2023, TAHE's legislation was amended to elevate safety and reliability above its four other legislated objectives. The remaining four objectives are of equal importance and direct TAHE's long-term, vision of delivering commercial, sustainable, and socially responsible outcomes for the people of NSW, while enhancing connectivity with regional NSW.

To achieve its vision and deliver on its legislated objectives, TAHE has developed

four strategic themes under which its activities and key areas of focus can be categorised. The strategic themes are:

1. Strategic Asset Management
2. Freight and Connectivity
3. Placemaking
4. Sustainability

TAHE's four strategic themes are delivered in line with TAHE's values and further support TAHE meeting its legislated objectives.

TAHE's legislated objectives, four strategic themes and values are shown below:



Our Corporate Governance

TAHE has a Board of Directors to assist and oversee the corporation in achieving its principal objectives. Each member is appointed by the voting shareholders, being the Treasurer, and the Minister for Finance other than the Transport Secretary (who is a statutory appointment).



Credit: Copyright State of New South Wales (Transport for NSW)

Supply Chain and Procurement Operations

Procurement Governance

TAHE procures goods and services in accordance with established policies, standards and procedures. These set out our expectation that our management, staff and service providers meet the highest ethical standards in relation to probity, fairness, integrity and transparency.

Our procurement activities set out to fulfil business requirements, are risk based and follow dedicated arrangements for low risk purchases such as established catalogues for spot-buying and corporate credit cards. Higher risk purchases are required to follow a source to contract method which aims to strategically plan, source and manage goods and services.

Snapshot of TAHE expenditure in FY23/24

In FY23/24, TAHE incurred a total of \$250.5 million in operating expenditure. TAHE's procurement activity for operating expenditure also consists of expenditure

under agency arrangements and operating agreements (96% of spend) and direct operational expenditure (4% of spend). TAHE's capital expenditure of \$1.7 billion for FY23/24 were under agency arrangements and operating agreements (100% of spend).

TAHE's projects in FY23/24

TAHE's key projects include Broadmeadow, Bombo, Community Heritage Program (CHP) and Social Programs with services to date comprising environment and planning, advisory, and transaction management, among other services required as part of feasibility, planning and delivery stage.



Community Heritage Program

TAHE's partnership with Sydney Trains and NSW TrainLink, has delivered heritage restoration and adaptation works at a number of sites across metropolitan and regional NSW in FY24.

TAHE's Community Heritage Program continues to deliver results in restoring, preserving and revitalising our State Heritage Listed assets.

Station buildings, signal boxes and ancillary structures have been restored and adapted – creating new community facilities, accessible and connected to their local area.



Broadmeadow

TAHE is working with the Department of Planning, Housing & Infrastructure (DPHI) and the City of Newcastle to support their planning activities regarding the Broadmeadow Regionally Significant Growth Area (BRSGA).

The Broadmeadow Locomotive Depot has been identified as an underutilised site within TAHE's portfolio suitable for renewal and activation.

The development involves transitioning the site from a vacant rail service depot, into a thriving new residential community.



Bombo

The Bombo Quarry Precinct presents a once-in-a-generation opportunity to unlock a significant site in a desirable location to support regional housing and economic development.

TAHE is collaborating and engaging with Sydney Trains to agree the prospects for the quarry. The future vision for Bombo Quarry is to create a new coastal village, once quarrying activities cease at the site.



Social Programs

TAHE has continued its social journey in FY24, progressing a number of initiatives to deliver better opportunities for our communities.

These initiatives include policies, projects and programs that are in partnership with various entities such as local councils, peak bodies, non-for-profits as well as TAHE's agents such as TfNSW and Sydney Trains.

Agency arrangements and operating agreements

TAHE provides assurance of activities undertaken by third parties, including TfNSW and Sydney Trains, to ensure they operate and maintain TAHE's assets in a safe and reliable manner.

As reported last year, TAHE continues to engage TfNSW, Sydney Trains and NSW Trains to undertake the following activities on TAHE's behalf:

- » projects and property development, comprising transport infrastructure and commercial development (as applicable); and
- » provision of selected corporate services shared across the transport portfolio

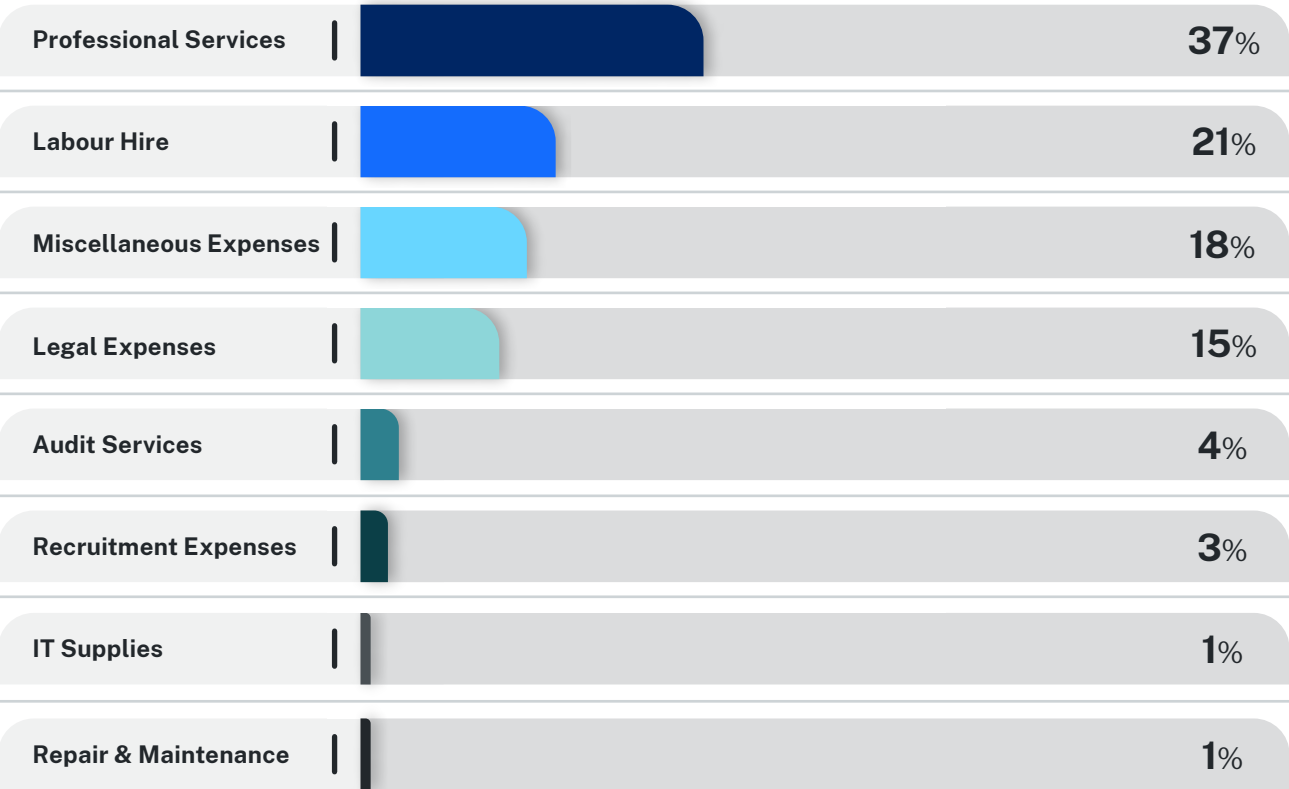
Direct (Supply chain engaged directly by TAHE)

The most significant TAHE direct procurement expenditure category conducted in FY23/24

was professional services and consultants, including legal services (52% of direct). The next highest was Labour Hire (21% of direct). The remaining 27% included fees for audit (4%), IT supplies (1%), recruitment (3%) and other services (19%).

Within the professional services and consultants supply chain that TAHE mainly interacted with, we continued to engage with local and Australian based teams during FY23/24.

Supply chain engaged directly by TAHE



Understanding Modern Slavery Risks

Operational changes and modern slavery risks

TAHE has not received any recommendations or significant issues raised that related to modern slavery throughout FY23/24.

While our team work through significant organisational change, continued effort and focus is placed on embedding modern slavery risk identification and assessment within our procurement practices.

Procurement under agency arrangements and operational agreements

TAHE understands that its agent TfNSW, who provides operational support to TAHE, engages with supply categories which have a high inherent risk of modern slavery such as ICT Outsourced & Managed Services, ICT End-User Computing & Peripherals, ICT Infrastructure & Networks, Blue Collar Labour and Cleaning Services.

Aligning to TAHE's role in providing assurance and through continued collaboration with colleagues across the Transport portfolio, TAHE ensures that the supply chain and procurement activities undertaken by its

agents and representatives are reasonable to reduce the risk of modern slavery occurring in TAHE's supply chains.

TAHE has a direct role in assessing modern slavery risks in relation to commercial developments for which TAHE takes the lead.

TfNSW has developed a modern slavery policy and governance model to monitor and manage modern slavery risk exposure. Due to the significant portion of expenditure interacted by TfNSW on behalf of TAHE, it is important for TAHE to understand TfNSW's modern slavery risk management arrangements.

The TfNSW team have identified a set of 54 procurement categories that have a higher modern slavery risk.

TAHE will continue to work with TfNSW to understand further, identify and mitigate risks in its supply chain and procurement activities.

Procurement directly managed by TAHE

Following analysis of TAHE's direct categories of spend, a desktop assessment was undertaken to inform TAHE's understanding of the modern slavery risk levels for this procurement activity. Key risk indicators relating to the sector and industry, products /

services, geographic risk and supply chain model were considered for each category, as shown below. These risk indicators were sourced from NSW Treasury (NSW Buy resources related to Modern Slavery) and from the NSW Office of the Anti-Slavery Commissioner's Inherent Risk Identification Tool (IRIT).

The outcome of this risk assessment is summarised in the table below for the categories that comprised 77% of TAHE's direct procurement spend in 2023-24.

Majority of TAHE's suppliers have modern slavery statements in place being organisations that are obligated to provide modern slavery reporting.

TAHE is pleased to understand that there is continuous risk identification, monitoring and initiatives to reduce modern slavery risks by its major suppliers.

Spend Category	What this includes	Risk indicator considerations	Assessed Risk Level
Professional Services & Consulting	<ul style="list-style-type: none"> » Professional Services – Corporate, Project and Property » Legal Services » Auditing Services » Consulting fees 	<ul style="list-style-type: none"> » This sector and major suppliers engaged with TAHE should have high visibility of their supply chains which is not characterised by long and complex supply chains. » The service TAHE has received were delivered by skilled professionals. » Services are sourced from Australian based teams. For firms that are global entities, local teams are sourced. Services may involve limited leverage of overseas supplied knowledge. » Based on information provided, suppliers are not likely to use sub-contracting of labour hire firms. Whilst there may be tight delivery timeframes, this is managed by detailed descriptions of services to be provided and appropriate resourcing in proposals. 	Low
Labour Hire	<ul style="list-style-type: none"> » Contingent workforce 	<ul style="list-style-type: none"> » This sector can be characterised by long and complex supply chains however, engagements entered by TAHE which are predominately skilled professionals and do not rely on overseas production. » The services engaged by TAHE are not undervalued in our society. » Services sourced for TAHE are from Australia. » Contingent workforces are required to meet TAHE's timeframes however TAHE is governed by various policies and procedures that ensures the absence of unreasonable pressure placed onto its staff, including contingent labour hire. 	Low

Actions to assess and address modern slavery risks

During FY23/24, TAHE has worked closely with other transport portfolio entities in relation to project governance to obtain visibility over the nature of the services procured. This has allowed TAHE to provide input to ensure commerciality, fairness and consistency in procurement.

TAHE's Anti-Slavery Working Group (ASWG) continued to engage with TfNSW's representatives and is aware that TfNSW has refined its approach to addressing the risks of modern slavery contained in its supply chains.

TAHE's Anti-Slavery Policy, related procurement procedures and related risk management plans form part of TAHE's Modern Slavery Risk Management Plan which were all operational and implemented during FY23/24. TAHE's actions to reduce modern slavery risks in its supply chain in FY23/24 include:

- » Targeted training to individuals who are involved in procurement across the organisation.
- » Regular internal forums to drive focus on delivering on TAHE's corporate values and procurement objectives relating to procuring ethically and transparently which is further championed by TAHE's Anti-Slavery Working Group.
- » Requiring suppliers to adhere to TAHE's Supplier Code of Conduct
- » Standardising modern slavery clauses across all of TAHE's agreement with third parties.

- » Requiring suppliers to complete a modern slavery questionnaire at the tendering stage of procurement.
- » Continued to use suppliers who are pre-qualified through whole of government arrangements.
- » Promoting and making available to team members, suppliers and members of the public, a platform to report concerns and issues confidentially and anonymously (TAHE's Speak Up program). Additionally, there is internal training and governance to manage grievances.
- » Fair and reasonable contract negotiation and contract management approach with our service providers
- » Continued communication to suppliers of TAHE's expectations set out in the Supplier Code of Conduct throughout the procurement lifecycle.
- » Review and assessment of supplier capabilities relating to modern slavery risk identification, measures for ongoing monitoring and risk reduction strategies prior to contract award. TAHE's Anti-Slavery Working Group also analysed selected supplier capabilities set out in their modern slavery statement.









Although no high-level targets have been finalised within TAHE's Anti-Slavery policy, a review and consideration of KPIs relating to Modern Slavery has commenced as part of TAHE's ESG plan.

TAHE's Modern Slavery Risk Assessment is the first milestone to understand TAHE's potential exposure to modern slavery risks, and to focus our efforts on assessing and addressing these.

TAHE's Anti-Slavery Policy, related procurement procedures and related risk management plans form part of TAHE's Modern Slavery Risk Management Plan which were all operational and implemented during FY23/24.

- » Targeted training and awareness on modern slavery for subject matter experts and those responsible for procurement activities within TAHE.
- » Regular TAHE Anti-Slavery Working Group meetings throughout FY23/24.

TAHE has consulted with TfNSW and understands that TfNSW has undertaken, the following actions to address modern slavery in its supply chain:

-  Development of a Modern Slavery Policy
-  Modern Slavery Risk Management Plan
-  Adoption of the Anti-Slavery Commissioner's inherent risk assessment methodology which identified high modern slavery risk categories
-  Development of risk-reducing strategies for Energy, Facilities Management and Apparel management
-  Risk navigation tool and supplier self-assessment questionnaires
-  Incorporated modern slavery clauses in its contractual arrangements with third parties
-  Convened an anti-slavery working group
-  Procurement governance in place to procure services in an ethical, transparent and fair manner

In FY23/24, TAHE continued to engage with suppliers regarding the need for, and purpose of, TAHE's requirements and expectations of its supplier's when providing goods or services to TAHE.

Measuring the effectiveness of risk controls

TAHE's procurement governance approach encourages procurement under whole of government prequalification schemes and selection of Australian based organisations providing a risk reducing base for modern slavery risk profile for procurement throughout the organisation. Similarly to prior years, supply chains and services required to deliver on TAHE's business plan and objectives fall into low risk modern slavery categories. TAHE is focused on ensuring the implementation of risk controls, starting with the procurement strategy through to the tendering process and continued monitoring the effectiveness of these controls during contract management.

An enterprise level risk register is continually reviewed and assessed which informs project specific risk registers that provide coverage and monitoring of modern slavery risks in addition to other probity and procurement governance risks. We make use of external probity advisors for higher risk procurement activities which provides independent advice and recommendations on probity concerns including modern slavery risks.

High level accountabilities for modern slavery have been assigned to relevant officers within TAHE as set out in TAHE's procurement policy, procedures, Anti-Slavery policy and relevant role descriptions.

When undertaking actions on TAHE's behalf, TfNSW is required to comply with all relevant

laws, including those relating to modern slavery. TAHE understands that TfNSW will continue to measure the effectiveness of their risk controls through a governance and oversight committee, monitoring of remediation measures via the Speak up program and continually monitor other measures through review of their modern slavery roadmap.

Ongoing commitment and strategies to reduce the risk

TAHE is focused on ensuring continued risk assessment, monitoring and actions to reduce modern slavery risks by obtaining consistent reporting from our agents and representatives, regular Anti-Slavery Working Group meetings, active encouragement of procuring services from whole of government schemes, Aboriginally owned and social suppliers and training and awareness provided to all staff involved throughout the procurement lifecycle.

High level accountabilities for modern slavery has been assigned to relevant officers within

TAHE as set out in TAHE's procurement policy, procedures, Anti-Slavery policy and relevant role descriptions.

Our team participate in procurement & ESG Forums and webinars, recruited a dedicated internal resources to provide insights on Sustainability which encompasses modern slavery risk management and continued TAHE's Anti-Slaver Working Group.

TAHE's Environmental, social, and corporate governance (ESG) strategy further validates TAHE's commitment to reduction of modern slavery risks and contribution to sustainable procurement practices.

Process of consultation to deliver this statement

Consultation within TAHE has been facilitated by TAHE's Anti-Slavery Working Group. Consultation has also been undertaken with TfNSW on TfNSW's modern slavery arrangements during FY23/24.



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TAHE website.

www.tahensw.com.au

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