

Transport Asset
Holding Entity

Modern Slavery Statement

FINANCIAL YEAR 2022 - 2023

2023



Acknowledgment 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 Peoples' unique cultural and spiritual relationship to Country and acknowledge the significance of Aboriginal cultures in Australia. We pay our respect to Elders, past and present and acknowledge their continuing connection to land, water and community.

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Introduction

On behalf of Transport Asset Holding Entity, we are pleased to present our Modern Slavery Statement FY2022-23.

Transport Asset Holding Entity of New South Wales (ABN 59 325 778 353) (TAHE) is a reporting entity for the purposes of the Modern Slavery Act 2018 (Cth) (the Act) and is therefore required to prepare and publish an annual 'Modern Slavery Statement'

(Statement) describing its actions to assess and address modern slavery risks in its operations and supply chains.

TAHE supports the objectives of the Act and is committed to the reduction and prevention of risks associated with modern slavery in our operations, business partnerships and supply chain.

This Modern Slavery Statement is made by TAHE for the reporting period FY22/23 and was approved by the Board of Directors.



Bruce Morgan

Chair



Benedicte Colin

Chief Executive Officer

About TAHE

Who we are

TAHE was established as a statutory State-Owned Corporation on 1 July 2020, and is the owner of New South Wales' railway network, assets and infrastructure.

TAHE's functions are set out in the Transport Administration Act 1988 (NSW) (TAA) and TAHE operates in line with its Operating Licence and Statement of Expectations issued by its Portfolio Minister and Voting Shareholders.

As part of the Government's commitment for TAHE to transition from a State-Owned Corporation to a non-commercial Public Non-Financial Corporation (PNFC), amendments will be made to the State-Owned Corporations Act 1989 (NSW) and the Transport Administration Act 1988 (NSW), as well as to TAHE's Operating Licence and Statement of Expectations. This will not affect TAHE's obligations under the *Modern Slavery Act 2018 (Cth)* and *Modern Slavery Act 2018 (NSW)*.



What we do

TAHE is the owner of a portfolio of assets including tracks, trains, stations and land holdings around stations within the Sydney Metropolitan area, the Country Regional Network and across regional NSW.

We have engaged with Transport for NSW and rail operators to provide assurance that our assets are being operated and maintained in a safe and reliable manner.

TAHE also works with the public and private sector to strategically develop its asset portfolio for the benefit of the people of NSW.

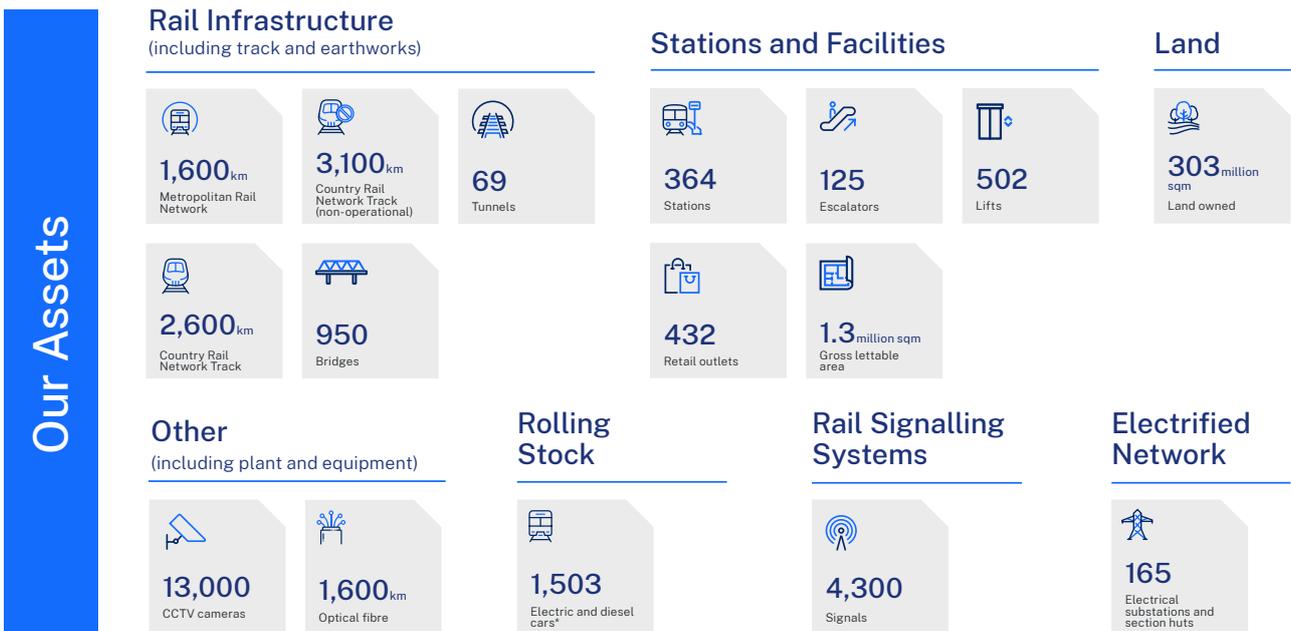
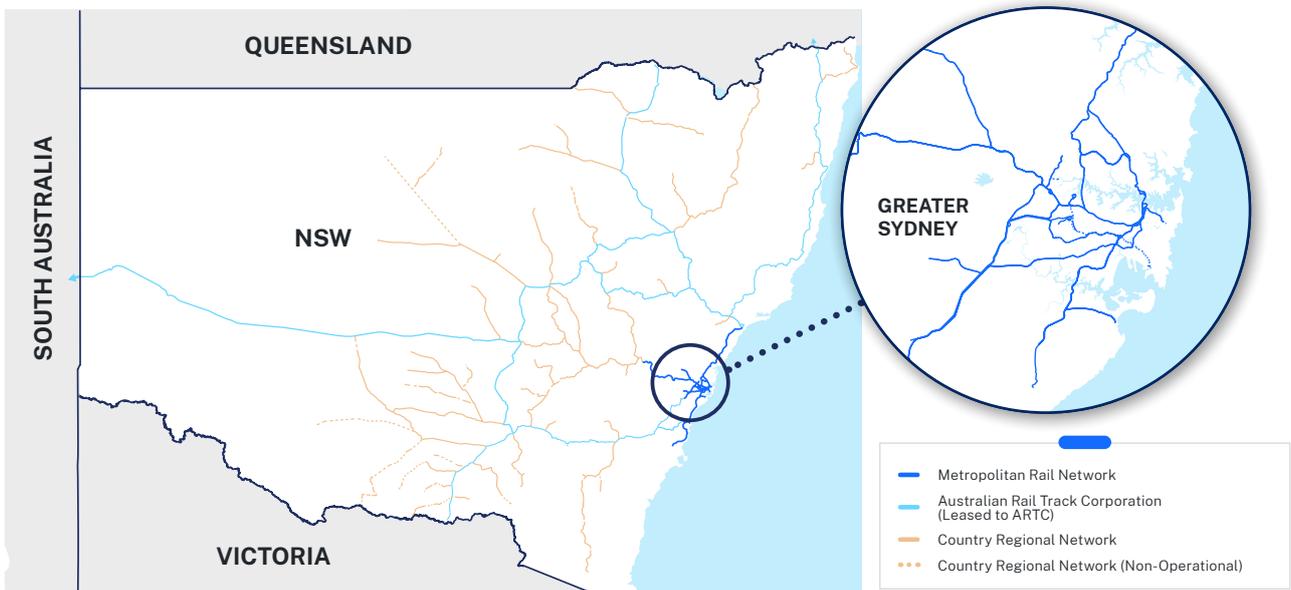


Figure 1.1: TAHE Asset Base

*Excludes non-operational fleet, Mariyung and New Regional Fleet
 **Last updated September 2023

Our mission, vision and objectives

TAHE's vision is to make NSW a better place to live, work and play, and currently has five legislative objectives, as prescribed by the TAA:

1. To undertake its activities in a safe and reliable manner,
2. To be a successful business and, to this end –
 - a. To operate at least as efficiently as any comparable businesses, and
 - b. To maximise the net worth of the State's investment in TAHE,
3. To exhibit a sense of social responsibility by having regard to the interests of the community in which it operates,
4. Where its activities affect the environment, to conduct its operations in compliance with the principles of ecologically sustainable development contained in section 6 (2) of the Protection of the Environment Administration Act 1991,
5. To exhibit a sense of responsibility towards regional development and decentralisation in the way in which it operates.

To achieve TAHE's long-term vision and deliver on its legislative objectives, TAHE has developed four strategic themes. These include:

1. Strategic asset management
2. Freight and connectivity
3. Placemaking
4. Sustainability

Our values



Care

Genuinely care about each others wellbeing.



Accountability

Each of us is responsible for our words, our actions, and our results.



Courage

Courage to speak up, have an opinion, share your voice in a safe environment.



Integrity

Act with uncompromising honesty and integrity in everything we do.



Collaboration

We achieve more when we collaborate and all work together.

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.

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.

Low risk purchases and high risk purchases follow appropriate procedures to reflect the relevant risk profile of the proposed procurement. Low risk purchases may be made through a P Card, while high risk purchases require the development of a procurement strategy and the creation of a separate procurement governance framework.

Snapshot of TAHE expenditure in FY22/23

In FY22/23, TAHE incurred a total of \$214.8 million in operating expenditure. TAHE's procurement activity for operating expenditure also consists of expenditure under agency arrangements and operating agreements (95% of spend) and direct operational expenditure (5% of spend). TAHE's capital expenditure of \$2.1 billion for FY22/23 arose under agency arrangements and operating agreements (100% of spend).





TAHE's projects in FY22/23

TAHE's key commercial projects include Redfern North Eveleigh (RNE), Affordable Housing Pilot Project (AHPP) and Bombo Quarry Precinct Project with services to date comprising environment and planning, advisory, and transaction management, among other services required as part of feasibility and planning stage.



Redfern North Eveleigh (RNE)

Partnering with Transport for NSW (TfNSW) on the Redfern-North Eveleigh Masterplan, the historic railyard precinct which once served NSW's locomotives will be re-imaged into a new technology, residential and entertainment hub.



Affordable Housing Pilot Project (AHPP)

TAHE's Affordable Housing Pilot Project will unlock new housing opportunities to help tackle the rising challenge of housing affordability in NSW. The project will support the NSW Government's initiatives as outlined in the Housing 2041: NSW Housing Strategy, around delivering a range of housing solutions at connected and serviced locations.



Bombo Quarry Precinct Project

The Bombo Quarry Precinct Project aims to create a sustainable and vibrant community where people can live, work and play once quarry operations end with a potential to deliver up to 2,000 homes including affordable housing, along with new commercial and retail opportunities.

Agency arrangements and operating agreements

TAHE has arrangements with TfNSW, Sydney Trains, NSW Trains and other rail operators to allow it to fulfil its statutory functions and those set out in its Operating Licence.

TAHE has developed an assurance program to ensure third parties, including TfNSW and Sydney Trains 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:

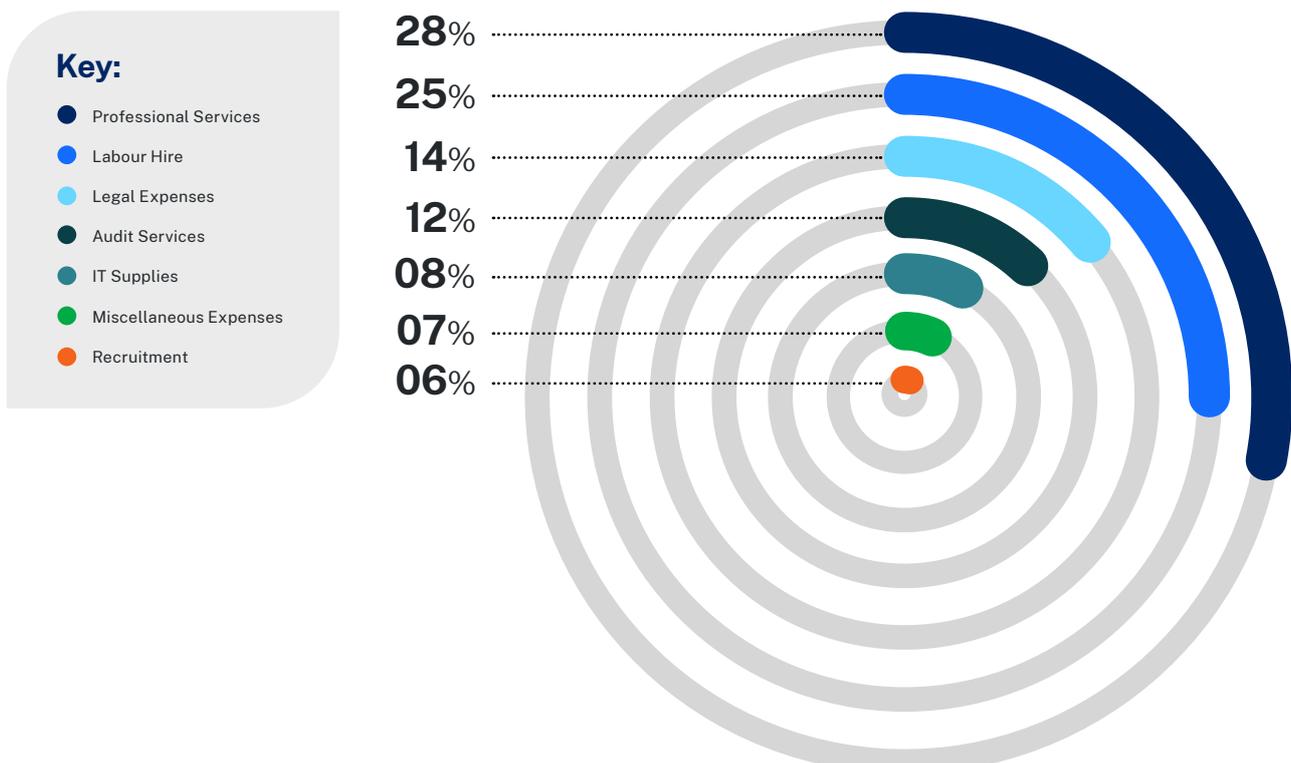
- » projects and property development, comprising transport infrastructure and commercial development (as applicable);
- » provision of certain corporate services shared across the transport cluster.

Direct (Supply chain engaged directly by TAHE)

In FY22/23, the most significant TAHE direct procurement expenditure was on professional services and consultants, including legal services (42% of direct). The next highest was Labour Hire (25% of direct). The remaining 33% included fees for audit (12%), IT supplies (8%), recruitment (6%) and other services (7%).

The country of origin of suppliers for TAHE's direct spend was predominantly Australia. Whilst a number of the professional service and legal firms engaged were global entities, services were received from local Australian teams.

Supply chain engaged directly by TAHE



Understanding Modern Slavery Risks

Procurement under agency arrangements and operational agreements

TAHE's agents and service providers within the Transport Cluster have extensive supply chains such as professional services, labour hire, information technology, construction and cleaning services. These services represent a range of modern slavery risks, some posing greater risk than others such as those inherent in the construction industry.

In line with the governance model, TAHE's role is to provide a third level of assurance to ensure that supply chain and procurement activities undertaken by its agents and contracted service providers are in line with the requirements of this statement, and 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 governance and oversight model to continuously monitor and manage modern slavery risk exposure. This is relevant to TAHE because TfNSW provides a significant portion of goods and services to TAHE.

The TfNSW team have identified a set of preliminary high-risk categories within TfNSW's supply chain as set out below:

- » Construction works (asphalt, concrete, metals, textiles, construction labour).
- » Machinery and Equipment (general machinery and equipment, motor vehicles and vehicle parts, electronics, Fuel and furniture).
- » Other Corporate Services such as cleaning services, security services, accommodation and catering services and textiles.

TAHE will continue to work with TfNSW to understand further, identification and mitigation of 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).

The outcome of this risk assessment is summarised in the table below for the categories that comprised 67% of TAHE's direct procurement spend in 2022-23.

Majority of TAHE's suppliers have modern slavery statements in place being organisations that are obligated to provide modern slavery reporting and within these statements, 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		» This sector engaged with TAHE is not characterised by long and complex supply chains.	Low
	» Professional Services – Corporate, Project and Property	» The service TAHE has received is not undervalued in our society.	
	» Legal Services	» Services are sourced from Australia. For firms that are global entities, local teams are sourced. Services may involve limited leverage of overseas supplied knowledge.	
	» Consulting fees	» 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.	
Labour Hire		» This sector can be characterised by long and complex supply chains however, engagements entered by TAHE which are predominately skilled professionals do not rely on overseas production.	Low
	» Contingent workforce	» 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.	

Actions to assess and address modern slavery risks

During FY 22/23, TAHE has worked closely with other transport cluster 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) consulted with TfNSW's ASWG's representatives and understands that TfNSW is refining its approach to addressing the risks of modern slavery contained in its supply chains.

TAHE's Anti-Slavery Policy, Risk Assessment and this Statement provide the overarching framework for TAHE's commitment to respect human rights and take reasonable action to prevent, mitigate and where appropriate, remedy modern slavery risks in its operations, supply chains and investments.

TAHE's Anti-Slavery Working group is active, with representation from people and culture, procurement, legal, finance, and audit. Our working group identifies risks and develops risk mitigation measures and act as champions within their respective teams to assist in partnering with its suppliers to address modern slavery risks.

TAHE's Anti-Slavery Policy, which applies to everyone undertaking work for TAHE, sets out the strategies to uphold this commitment and the consequences of a policy breach. A definition of modern slavery and indicators of exploitation are provided, and instructions for what to do if modern slavery is suspected. Initial organisation wide awareness and education of this policy has commenced, including training and briefings incorporate a focus on this policy and its application in business activities.

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 Procurement Standard includes a focus on modern slavery risk reduction.

TAHE's actions to reduce modern slavery risks in its supply chain in FY 22/23 include:

- » Incorporating clauses relating to modern slavery across all its agreements with third parties.
- » Requiring suppliers to complete a modern slavery questionnaire at the tendering stage of procurement. Exploration of solutions to automate risk assessment for modern slavery.
- » Continued to use suppliers who are pre-qualified through whole of government arrangements.
- » 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 FY22/23.

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

- » Development of a Modern Slavery Roadmap
- » Modern Slavery Risk Services pilot
- » Stakeholder interviews
- » Speak Up program
- » Review of policies and procedures in respect to Modern Slavery

- » Risk navigation tool
- » 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 FY 22/23, TAHE provided further clarity to suppliers regarding the need for, and purpose of, TAHE's requirements for addressing modern slavery in our supply chain.

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 and as such, our supply chain has a reduced modern slavery risk. In addition, services currently obtained fall into low risk categories which is forecasted to remain the same for the immediate term. 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.

Risk registers are developed at an enterprise level as well as project specific risk registers which provides 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.

Under agency arrangements, led by TfNSW, TfNSW will measure effectiveness of their risk controls through the 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.

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 the formation and activity of the TAHE Modern Slavery Working Group. Consultation has also been undertaken with TfNSW.



This Modern Slavery Statement was produced wholly by TAHE.

www.tahensw.com.au

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