



Modern Slavery Statement

FY 2021-22



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A message from our Chair and Chief Executive Officer

At Queensland Rail, we are committed to doing business with integrity, probity and accountability and expect our suppliers to commit to the same standards. As part of this, we are focused on ensuring modern slavery does not occur in our operations and supply chains. We remain committed to complying with our obligations under *the Modern Slavery Act 2018 (Cth)* (The Act).

This is our third Modern Slavery Statement which is a joint statement for Queensland Rail (ABN 68 598 268 528) and Queensland Rail Limited (QRL) (ABN 71 132 181 090) (collectively, Queensland Rail). It aligns to the seven mandatory criteria in the Modern Slavery Act and outlines the steps we have taken to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chain in financial year from 1 July 2021 to 30 June 2022 (FY 2021-22).

Our actions in relation to modern slavery are also underpinned by the development of internal governance to ensure controls, processes, and capabilities exist to support our approach. We remain committed to the highest specifications of conduct and ethical behaviour in all our business activities and promote and support a culture of honest and ethical behaviour and good corporate governance.

David Marchant AM

Chair

Kat Stapleton

Chief Executive Officer

Queensland Rail

Queensland Rail Limited

Alignment to the Modern Slavery Act

This statement describes the activities we have undertaken in the FY 2021-22 to assess and address the risk of modern slavery within our operations and supply chains.

The table below links the sections of the Statement that specifically address the mandatory content required under the *Modern Slavery Act*.

Australian Modern Slavery Act mandatory reporting criteria	Queensland Rail response section
1. Identify the reporting entity	About Queensland Rail
2. Describe the reporting entity's structure, operations and supply chains of the reporting entity and any entities it owns or controls	About Queensland Rail
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Our approach
4. Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	Our actions
5. Describe how the reporting entity assesses the effectiveness of these actions	Assessing effectiveness
6. Provide any other relevant information	Looking forward
7. Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Consultation and endorsement

About Queensland Rail

Founded in 1865, Queensland Rail has a proud history of connecting Queensland communities and supporting local jobs, industries and economies. We are committed to providing a customer-focused, safe, modern, world-class rail service for Queenslanders.

Our structure

Queensland Rail is a statutory authority established by the Queensland Government under the *Queensland Rail Transit Authority Act 2013 (Qld) (QRTA Act)*.

Queensland Rail discharges its statutory functions through its wholly owned subsidiary, QRL. QRL does not employ any personnel but owns all non-employee-related assets and contracts. It performs the role of rail transport operator under the *Transport (Rail Safety) Act 2010 (Qld)*.

Queensland Rail's statutory functions include:

- management of railways
- provision of rail transport services, including passenger services
- construction and maintenance of rail transport infrastructure.

Queensland Rail is structured around two lines of business focused on our differing customer needs in South East and Regional Queensland.

This modern slavery statement also covers subsidiaries of QRL.

Our operations

With total assets valued at \$8 billion and a network that extends more than 6,600 kilometres across the state, we are focused on providing customers and Queenslanders with an efficient and value-for-money service. Our workforce of more than 7,500 delivers services across our South East Queensland and Regional networks, including Travel and Tourism services and Regional Freight.

Our South East Queensland team provides 8,392 services each week, supporting our customers to reach their destinations safely and on time. In FY 2021-22, 32 million passenger trips were taken on the South East Queensland network.

The Travel and Tourism products service the regional commuter and rail tourism markets. These comprise eight services connecting regional communities across Queensland with other regional centres and the South East Queensland corner. These services support the Queensland tourism industry by providing unique rail tourism experiences, including special events and charters aboard our small fleet of heritage services.

Our Regional Network and Freight team provides rail access for freight operators and other Queensland Rail supply chain customers to enable the critical transport of resources and general freight across the state.

Our supply chain

Queensland Rail engages directly with more than 3,500 suppliers who supply a wide range of goods and services.

Goods and services include:

- Rolling stock maintenance
- Infrastructure construction and maintenance
- Manufactured goods and spare parts
- Engineering and technical services
- Plant and machinery hire
- Electricity and other utilities
- Labour hire
- Information technology services, systems software, and hardware
- Professional and consultancy services

Queensland Rail's suppliers are predominantly Australian based. More than 98 per cent of our direct spending in FY 2021-22 was with Australian-based suppliers. Whilst the direct supplier engagement is with Australian based companies this may not represent the country of origin or goods or services.

Our approach

Operational risks

Modern slavery risks are low within Queensland Rail's operations due to our localised structure, workforce, and our recruitment processes.

94.2 per cent of our 7,568 staff members are employed permanently and are covered by formal documented agreements ratified by the Fair Work Commission. Approximately 275 employees are paid above the applicable Queensland Rail enterprise agreement (*Enhanced Remuneration Package and Award Contract*) while still having their employment linked to the enterprise agreement.

The remaining employees are typically professionals and employed on common law individual contracts providing full legal entitlements.

COVID-19

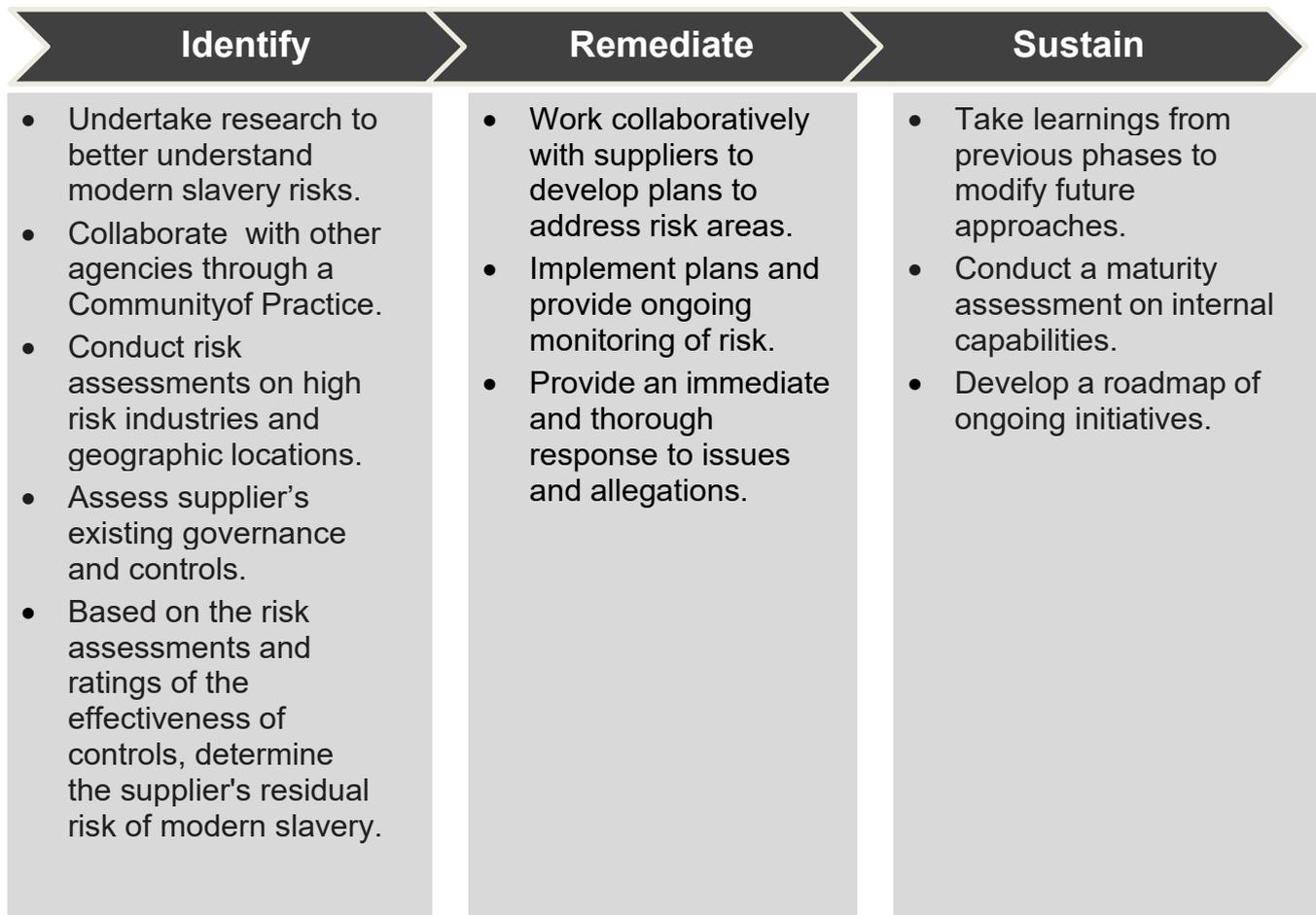
Queensland Rail continues to work with relevant government agencies and monitor advice from health authorities in relation to COVID-19.

We have maintained a full timetable in SEQ throughout the COVID-19 pandemic, supporting essential workers and communities we serve.

Regional services experienced temporary changes and disruptions during the first Omicron wave between January and March 2022 and have since returned to the full timetable.

Supply chain risks

Queensland Rail has continued to work through the three-step staged approach "Identify", "Remediate", and "Sustain" regarding modern slavery risk in our supply chains. This approach is underpinned by the development of strong internal governance ensuring internal controls, process and capability exists to support the approach. The approach is summarised below:



We assess our supply chain throughout the year as part of our due diligence process. High-risk categories are assessed annually. We also assess suppliers in other categories on a more granular level as part of our due diligence process. Based on a high-level assessment, we identified the following categories that have heightened modern slavery risk:

Rail infrastructure and rollingstock

Queensland Rail purchases large amounts of consumable and inventory items within the rail infrastructure and rollingstock categories. There may be risks of forced labour or human trafficking due to the complex supply chain and geographical risks based on the country of origin.

Facility management within corporate services

There is potential risk of underpaid labour and debt bondage within the facilities management sector due to the lack of visibility as a result of outsourced arrangements. The characteristic of the industry, such as employing low-skilled and/or workers on temporary visas heightens the modern slavery risk.

Information, communication, and technology

Queensland Rail uses a variety of technology that enables us to operate our business. There are potential risks of forced and child labour in relation to the manufacturing of hardware products such as phones, laptops, monitors, and other devices due to the source location of these products.

Personal protective equipment (PPE)

Queensland Rail procures PPE products for operations and COVID-related measures. Most PPE products are manufactured overseas and the source locations present potential risks of forced and child labour.

The overall modern slavery risk in our supply chain is considered to be low based on the risk assessments completed in relation to all suppliers operating in the categories that have heightened modern slavery risks, and assessment of the effectiveness of their controls.

Our actions

During FY 2021-22, Queensland Rail continued to implement initiatives to mitigate the risk of modern slavery within our operations and supply chain and to ensure compliance with the Modern Slavery Act.

The Procurement team assessed 277 supplier questionnaires in FY 2021-22 in addition to the previous year of 150. The questionnaire is designed to determine the effectiveness of controls for mitigating the risk of modern slavery within our supply chain. These questionnaires were issued to high-risk suppliers during the due diligence process for all contracts established by the Procurement team. Queensland Rail only award contracts to new suppliers if they pass the risk assessment and are determined to be low risk.

During FY 2021-22, we embedded modern slavery provisions within existing procurement policies, procedures, and tender documents. A modern slavery clause is now included in all contract templates. We also ensured that the Supplier Code of Conduct published in FY 2021-22 is directly referenced in all tenders and contracts. We also embedded the Queensland Government's Ethical Supplier Mandate.

Our Procurement team delivered two training and awareness sessions on modern slavery to key stakeholders throughout Queensland Rail. We also facilitated the Modern Slavery Community of Practice (MSCP) for government-owned entities in Queensland to share experiences on identifying, assessing, and mitigating modern slavery risk. The MSCP has met six times during FY 2021-22.

Managing risks within our operations

Queensland Rail has several policies, procedures, codes of conduct, and standards that reflect our ethics and values. They guide the way we treat our employees, and work with our customers, suppliers and other business partners. They also demonstrate our commitment to conducting business with integrity, probity, and accountability. We also expect our suppliers to commit to the same standards.

These policies include:

- Employee Code of Conduct
- People Policy
- Public Interest Disclosures Specification
- Ethics and Integrity Framework
- Our 1TEAM Values
- Fraud and Corruption Control Standard
- Procurement Standard
- Recruitment Policy

Human rights

Queensland Rail is committed to ensuring we act and make decisions compatibly with the *Human Right Act QLD* (HRA). We continually seek process improvements to ensure we consider the impact on individual human rights when making decisions. In the circumstance that individual human rights might be impacted, an impact assessment will be undertaken.

During FY 2021-22 Queensland Rail:

- Assessed new, relevant policies and procedures for compatibility with the HRA, made changes where necessary
- Continued an awareness-raising campaign to educate employees about the HRA and its effect on our operation
- Delivered the annual 'Toolbox talk' to Travel and Tourism onboard customer service employees
- Raising awareness and reporting

At Queensland Rail, we have several mechanisms for employees and third parties to report behaviours not aligned with our expectations and the expectations of our customers and stakeholders.

The Human Rights Unit is in place to receive complaints and can be contacted by email: humanrights@qr.com.au or phone: 07 3072 8885.

All suspected and actual corrupt conduct can be reported to Corporate Ethics on ethics@qr.com.au or via the avenues below:

- 1800 951 277
- QR@stipline.com.au
- <http://qr.stiplinereport.com>
- App store: Stipline365
- Queensland Rail c/o Stipline, Locked Bag 8, Hawthorne, VIC 3122.

There was no issue raised in relation to modern slavery through these reporting channels.

Assessing effectiveness

Queensland Rail is taking a continuous improvement approach to our commitment to managing modern slavery risk in our operations and supply chains. In FY 2021-22, our focus has been on improving our governance and due diligence process to help us to identify, understand and mitigate modern slavery risks. Some of the steps we have taken within this financial year to improve the effectiveness of our approaches to managing modern slavery risks are set out below.

- We conducted the annual supply chain risk assessment. We will continue this practice in the new financial year and review and improve the effectiveness of our assessment.
- We reviewed the modern slavery risk complaints mechanism against our peer organisations to ensure its effectiveness.
- We continued to engage with our suppliers through the participation of the modern slavery risk questionnaire. We achieved a 100% response rate for the questionnaires issued to suppliers this year.
- Engaged regularly with like-minded entities through our Community of Practice to share insights and benchmark our modern slavery risk assessment processes and controls.

Queensland Rail's processes to review the effectiveness of the measures are improved through continuous improvement initiatives gained from our MSCP engagements.

Looking forward

Queensland Rail is committed to continuing to mature our processes to mitigate the risk of modern slavery within our operations and supply chains.

We will continue to work with our peer organisations to share learnings and build capability through the MSCP sessions.

We will embed the modern slavery due diligence process into the early sourcing stage of each tender project.

We will review the due diligence process within the post-award and supplier management space and initiate recommendations on managing modern slavery risks for contract managers.

We will continue to deliver face-to-face information sessions on modern slavery. In addition, we will create an online training module to supplement the in-person sessions.

We will conduct a category spend analysis to identify top suppliers with heightened modern slavery risks and develop a tailored due diligence process for these suppliers.

We believe these actions will contribute to the further development of meaningful processes to identify, remediate, and sustain our approach to modern slavery risk at Queensland Rail.

Consultation and endorsement

Consultation

This Statement was prepared in consultation with both reporting entities covered by this joint statement (namely Queensland Rail and QRL) and with subsidiaries of QRL. That consultation included discussion with many business units including Procurement and Contracts, Legal, Analytics and Reporting, Remuneration and Organisational Design, Property, and Probity.

Endorsement

The Board for both Queensland Rail and QRL has endorsed this Queensland Rail Modern Slavery Statement FY 2021-22.



David Marchant AM
Chair
Queensland Rail
Queensland Rail Limited

December 2022