

Transport Asset Holding
Entity of New South Wales

Modern Slavery Statement

Financial Year
2021 - 22



CONTENTS

Acknowledgement of Country	03
Introduction	04
About TAHE	05
Supply Chain and Procurement Operations	10
Understanding Modern Slavery Risks	12
Actions to assess and address modern slavery risks	14
Measuring the effectiveness of risk controls	15
Ongoing commitment and strategies too reduce the risk	15
Process of consultation to deliver this statement	15



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 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.

Introduction



On behalf of Transport Asset Holding Entity we are pleased to present our Modern Slavery Statement FY2021-22.

BRUCE MORGAN & BÉNÉDICTE COLIN

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.

In achieving TAHE's vision of managing assets to better serve the people of NSW, we will take actions to ensure that no one is exploited.

This Modern Slavery Statement is made by TAHE for the reporting period FY21/22 and was approved by the Board of Directors.

Bruce Morgan

Chair
Transport Asset Holding Entity of NSW

Bénédicte Colin

Chief Executive Officer and Managing Director
Transport Asset Holding Entity of NSW

About TAHE

Who we are

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

TAHE brings a new opportunity in the strategic management of NSW's heavy rail assets.

We're uniquely placed to unlock the value of our commercial assets, creating long term value while providing assurance that our assets are being managed and delivered in a safe and reliable manner.

What we do

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

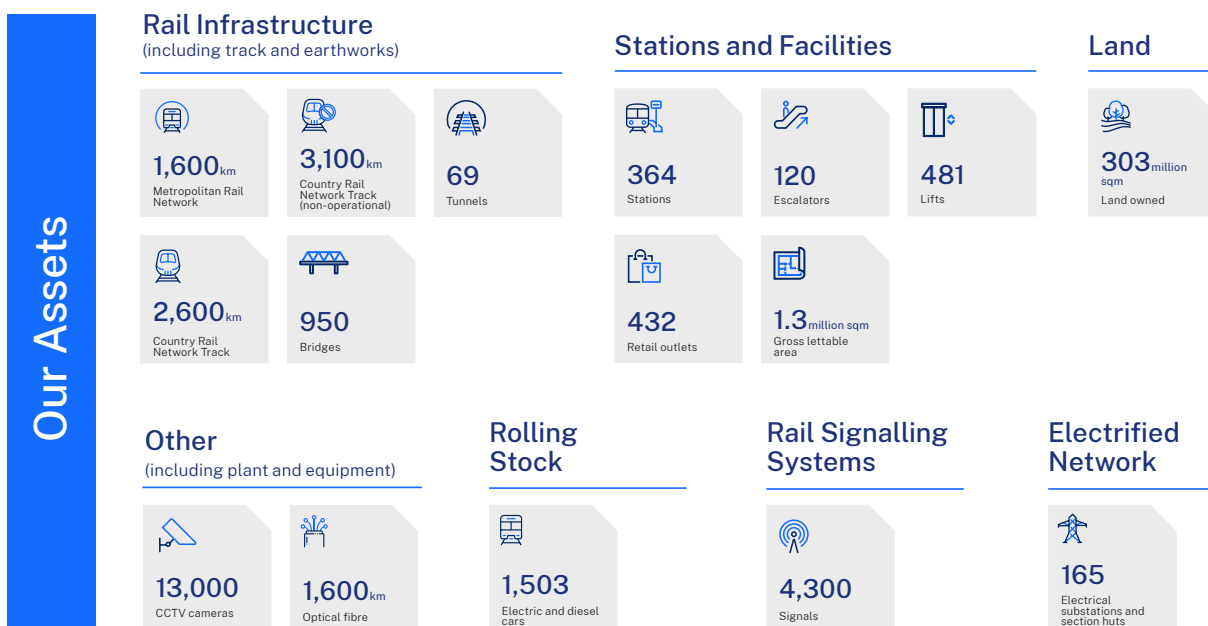
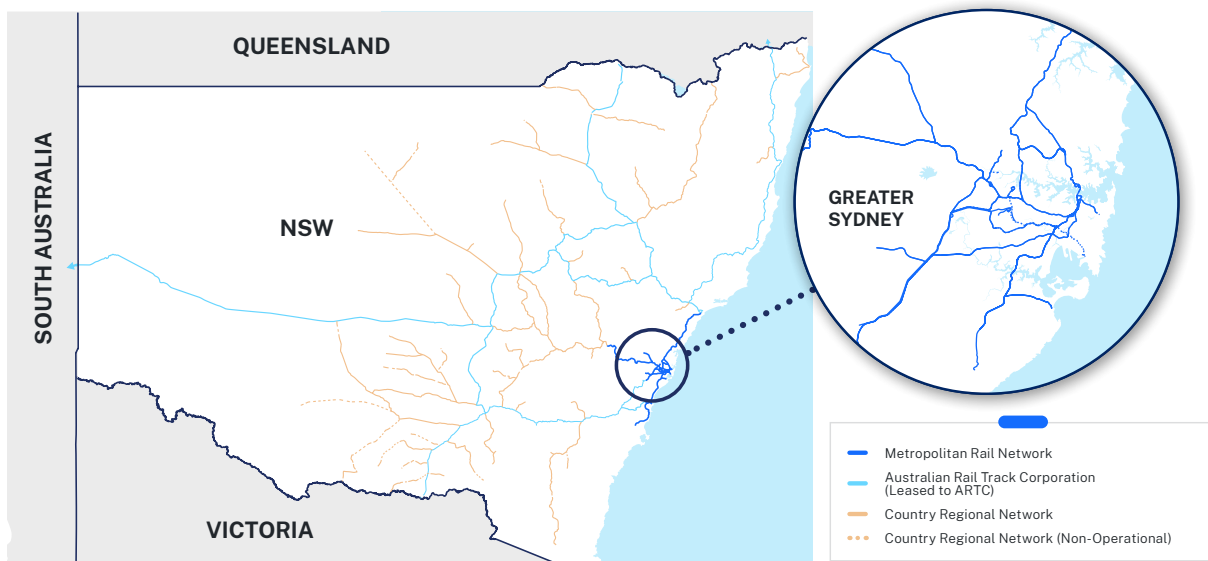
TAHE is committed to delivering commercial, sustainable, and socially responsible outcomes for the people of NSW, while enhancing our transport systems safety, connectivity and reliability.



At TAHE, we have an un-compromising commitment to safety. Working with our rail partners who are responsible for the safe operation and maintenance of our assets, we provide assurance that our assets are being managed and delivered in a safe and reliable manner.

TAHE works with the public and private sector to deliver transformative and innovative outcomes, helping unlock the potential of our commercial assets to provide new retail, housing and place-making opportunities.

We are a dedicated strategic asset manager with a quality portfolio of assets.



Our mission, vision and objectives

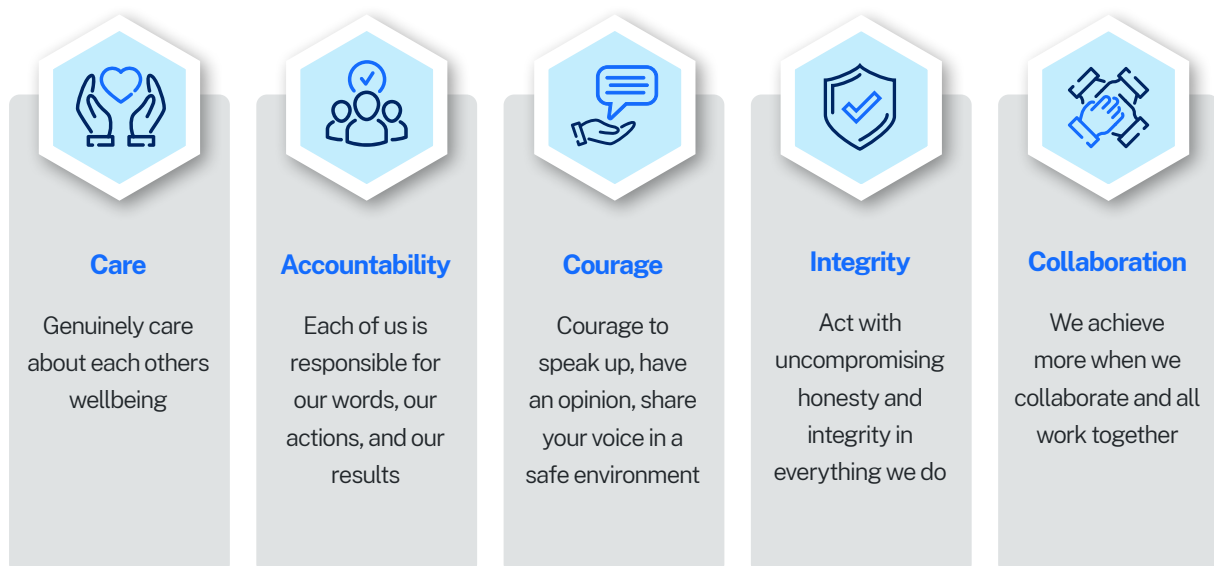
TAHE's vision is to make NSW a better place to live, work and play.

TAHE's legislated principal objectives are:

- » to undertake its activities in a safe and reliable manner.
- » to be a successful business and, to this end, to operate at least as efficiently as any comparable businesses, and to maximise the net worth of the State's investment in TAHE.
- » to exhibit a sense of social responsibility by having regard to the interests of the community in which it operates.
- » 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* (NSW).
- » to exhibit a sense of responsibility towards regional development and decentralisation in the way in which it operates.

Our values

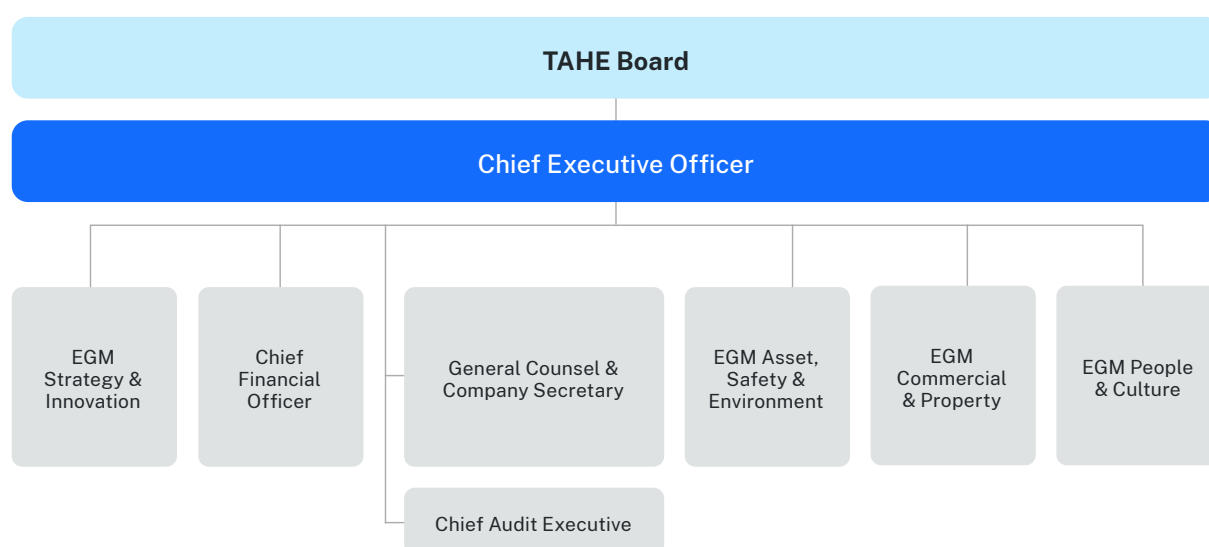
TAHE's values focus on care, accountability, courage, integrity and collaboration.



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 and Employee Relations. The Board comprises five members, including the Transport Secretary

as a statutory appointment and the TAHE Chief Executive Officer in her capacity as Managing Director. Three Board members, including the Chair, are independent. TAHE's Chief Executive Officer is appointed by the Board. Reporting to the Chief Executive Officer is an Executive Team who provide leadership to enable TAHE to deliver on its objectives.



Our operating model

TAHE operates under the *State Owned Corporations Act 1989* (NSW), the *Transport Administration Act 1988* (NSW) (TAA) and in line with its Operating Licence and Statement of Expectations both issued by its Portfolio Minister. TAHE's functions, as set out in Part 2 of the TAA, are:

- » 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.
- » to acquire and develop land for the purpose of enabling TAHE to carry out its other functions (including the acquisition of land under section 12 of the TAA).

Our Operating Licence details TAHE's remit and confirms that we can perform the functions of acquiring, holding, managing, financing, developing and divesting assets to achieve our legislated objectives.

TAHE's Statement of Expectations sets out the safety, asset and environmental outcomes that TAHE is expected to prioritise when performing its functions.

TAHE has a defined operating model that engages with the other members of the NSW Government Transport Cluster.

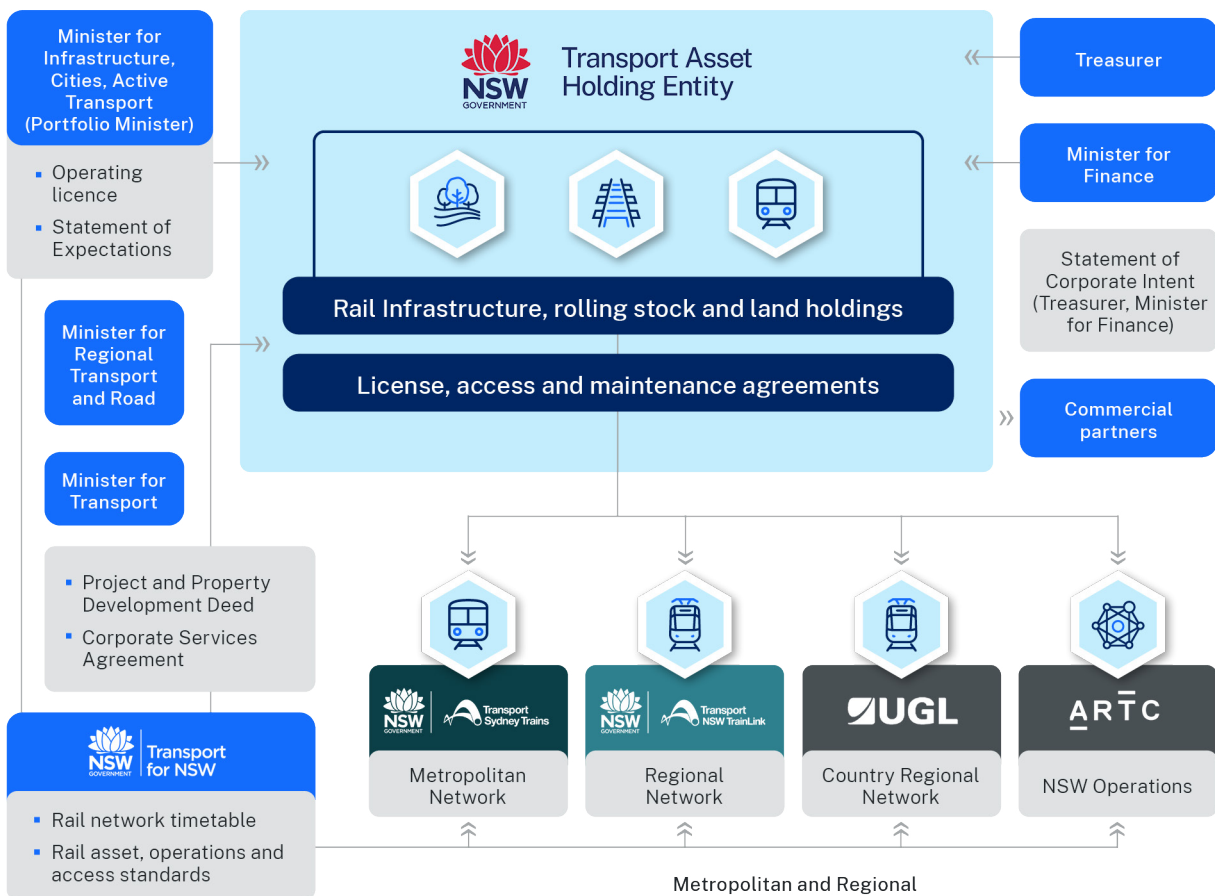
TAHE is responsible to two Shareholder Ministers: the NSW Treasurer and Minister for Finance and Employee Relations.

TAHE also has reporting obligations to, and are subject to the direction of, the Portfolio Minister, currently the Minister for Infrastructure, Active Transport and Cities.

We also work with the offices of the Minister for Transport and Minister for Regional Transport and Roads.

Our metropolitan and regional rail networks are accessed to deliver passenger services by Sydney Trains and NSW TrainLink, and by freight operators including UGL and ARTC.

TAHE engages Transport for NSW (TfNSW) and Sydney Trains for the provision of selected corporate services and works with TfNSW on projects and property developments related to transport infrastructure.



Supply Chain and Procurement Operations

TAHE's expenditure

In FY21/22, TAHE incurred a total of \$153.8 million in operating expenditure. TAHE's procurement activity consists of expenditure under agency arrangements and operational agreements (95% of spend) and direct operational expenditure (5% of spend). TAHE's capital expenditure of \$2.5B for FY21/22 is also under agency arrangements and operational agreements.

Agency arrangements and operational 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. In addition, TAHE has engaged with other transport cluster entities to assist it in meeting its other functions, objectives and obligations, as set out below:

» **Transport Infrastructure**

In accordance with its Operating Licence, TAHE is prohibited from carrying out railway operations or operating a transport service.

TAHE has in place contractual arrangements with TfNSW and Sydney Trains to operate rail services and has contractual arrangements with Sydney Trains for the maintenance of its rail assets.

TAHE has appointed TfNSW to manage and administer its contractual

arrangements with rail operators on the Country Regional Network and heavy rail freight networks.

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.

» **Projects and Property Developments**

TAHE has been set up with a unique function to deliver greater commercial, sustainable, and social outcomes on our property portfolio.

TAHE contracts with TfNSW as our delivery partner in relation to TAHE's projects and property development function. While TAHE takes the lead on commercial development activities, we have engaged with TfNSW for the completion of all In Flight projects and for the end to end execution of any new transport infrastructure projects.

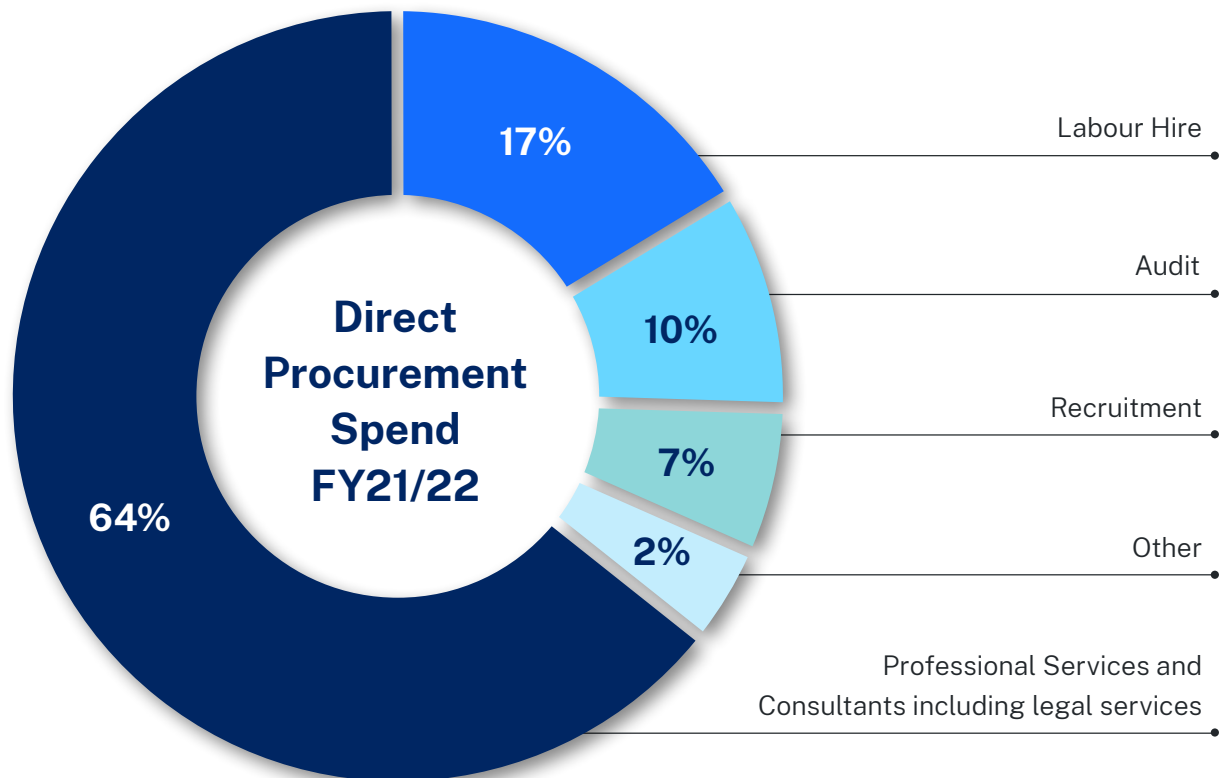
TAHE and TfNSW apply a detailed RACI setting out roles and responsibilities, which ensures that TAHE is consulted in relation to TfNSW activities.

» **Corporate Services**

TAHE is a party to a Corporate Services Agreement with Transport for NSW and Sydney Trains, under which each of those entities provides services to TAHE including IT infrastructure and other Transport Cluster shared support services.

Direct

In FY21/22, the most significant direct procurement expenditure was on professional services and consultants, including legal services (64% of direct). The next highest was Labour Hire (17% of direct). The remaining 19% included fees for audit (10%), recruitment (7%) and other services (2%).



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.

Understanding Modern Slavery Risks

Procurement under agency arrangements and operational agreements

Subject to certain TAHE reserved powers, TfNSW, Sydney Trains and NSW TrainLink are engaged under operational agreements to perform management and operation activities on TAHE's behalf. This includes the administration and management of TAHE's property management services and rail track access arrangements.

These organisations and agencies 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 are in line with the requirements of this statement, and to reduce the risk of modern slavery occurring in TAHE's supply chains.

In addition, TAHE is aware that TfNSW is undertaking its own modern slavery risk assessment over supply chains within the Transport Cluster.

As the delivery partner for in flight and transport infrastructure projects across TAHE's real property portfolio, TfNSW is

responsible for supply chain and procurement activities. These activities are supported by a detailed RACI allocating responsibility and accountability between TAHE and TfNSW. In most cases TAHE would again act as a third line of assurance for modern slavery obligations such as risk assessment and risk mitigation strategies.

TAHE has a direct role in assessing modern slavery risks in relation to commercial developments for which TAHE takes the lead. TAHE would still work closely with TfNSW in identifying and mitigating risks in its supply chain and procurement activities.

To support this function, a risk assessment will be developed by TfNSW and reviewed on a regular basis by TAHE as part of the project management process and where applicable, through governance and reporting frameworks which are part of the implementation of the operating agreements.

Direct procurement

Following analysis of TAHE's direct categories of spend, a desktop assessment was undertaken to inform our 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 below for the categories that comprised 81% of TAHE's direct procurement spend in 2021-22:

Spend Category	What this includes	Risk indicator considerations	Assessed Risk level
Professional Services & Consulting	<ul style="list-style-type: none"> » Professional Services – Property » Professional Services – Corporate » Professional Services – Project » Legal Services » Consulting fees 	<ul style="list-style-type: none"> » This sector engaged with TAHE is not characterised by long and complex supply chains, nor is it labour intensive. » The service TAHE has received is not undervalued in our society. » Services are sourced from Australia. 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 into by TAHE which are predominately skilled professionals do not rely on overseas production and are not labour intensive. » The services engaged by TAHE are not undervalued in our society. » Services sourced for TAHE are from Australia. » Contingent workforce 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

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 Modern 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 will partner with our suppliers to address modern slavery risks, including through:

- » Pre-sourcing checklists.
- » Supplier code of conduct.
- » Development of a set of pre-qualified suppliers with a lower modern slavery risk and a focus on socially responsible procurement.
- » Contractual documentation incorporating specific prohibition against slavery or servitude, the use of forced, compulsory or trafficked labour, and the use of child labour.
- » Active conversations with suppliers throughout the service period to understand emerging risks and ongoing risk mitigation.

Additional note under agency arrangements and operational agreements

While each of TAHE's statutory objectives are of equal importance, TAHE's clear priority is the safety of its assets and the safety of its people. Through the agency appointments and contractual arrangements set out in this statement, TAHE allocates responsibility for the safe and compliant management and operation of its assets to its partners within the Transport Cluster and private sector heavy rail operators.

Further, TAHE has a specific role as a third line of assurance to oversee these actions are complying with the requirements of all applicable laws including the Act. TAHE provides this assurance through audits and risk reviews.

TfNSW and Sydney Trains, in undertaking activities under the arrangement with TAHE

are also required to comply with their own policy, procedures and compliance framework. TfNSW are currently developing a Modern Slavery strategy for the Transport Cluster.

There is a major focus on partnering and understanding the progress of TfNSW in developing their modern slavery strategy, and on its ongoing implementation.

Measuring the effectiveness of risk controls

TAHE is focused on ensuring the implementation of risk controls through the tender process from evaluation to contract management, and on monitoring the effectiveness of these controls during performance management.

Ongoing risk assessment and deep dive assessments will also inform the need for additional controls.

Ongoing commitment and strategies to reduce the risk

TAHE is committed to partnering with anti-slavery organisations to enhance education, to leverage off effective strategies, and to develop socially responsible procurement initiatives.

Our TAHE Modern Slavery Working Group meets regularly to develop further knowledge and training, in order to partner with service providers, other government organisations and work together on initiatives that can contribute to the reduction of modern slavery within TAHE's supply chain.

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.

Intercity services			Regional services				
1 Hornsby via Gordon Platform 16 Next Services Platform 16 Departs 6 min All Stops Platform 16 Departs 10 min	T1 Emu Plains via Parramatta Platform 18 Next Services Platform 18 Departs 10 min Limited Stops Platform 18 Departs 16 min	T9 Hornsby via Strathfield Platform 18 Next Services Platform 18 Departs 21 min All Stops Platform 18 Departs 36 min	T8 City Circle via Town Hall Platform 17 Next Services Platform 17 Departs 5 min All Stops Platform 21 Departs 6 min	T 15:24 Bomaderry Platform 11 Next Services Platform 5 Departs 1 hr 29m Limited Stops Platform 2 Departs 1 hr 35m	T 14:48 Katoomba via Parramatta Platform 9 Next Services Platform 3 Departs 40 min Limited Stops Platform 4 Departs 53 min	T 14:45 Newcastle Intg via Strathfield Platform 7 Next Services Platform 8 Departs 50 min Limited Stops Platform 7 Departs 1 hr 10m	T 17:42 Canberra Booked seats only Platform 3 hr Next Services Platform 1 Departs 6 min



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Office hours:
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This Modern Slavery Statement was produced wholly by TAHE.

This Modern Slavery Statement can be accessed on the TAHE website

www.tahensw.com.au

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