

Modern Slavery Statement

FY2019–2020

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A message from our Chair and CEO

Queensland Rail and its subsidiary, Queensland Rail Limited (QRL), collectively known as Queensland Rail, is committed to undertaking business with integrity, probity and accountability and expects its suppliers to commit to the same standards.

Queensland Rail is focused on ensuring modern slavery does not occur in our operations and supply chains and are committed to complying with our obligations under the *Modern Slavery Act 2018 (Modern Slavery Act)*. This includes publishing our Modern Slavery Statement.

Modern slavery describes situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom. It encompasses all forms of contemporary slavery including trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and child labour.

Our first Modern Slavery Statement is a joint statement for Queensland Rail (ABN 68 598 268 528) and QRL (ABN 71 132 181 090). 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 2019 to 30 June 2020 (FY2019–2020).

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

Nick Easy

Chief Executive Officer

David Marchant AM

Chair

Queensland Rail

Queensland Rail Limited

Alignment to the Modern Slavery Act

This is Queensland Rail's first Statement under the *Modern Slavery Act*. It describes the activities undertaken in the FY2019–2020 to assess and address the risk of modern slavery within Queensland Rail's 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	Company overview
2. Describe the reporting entity's structure, operations and supply chains of the reporting entity and any entities it owns or controls	Company overview
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	Understanding our risks
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	Queensland Rail's approach; Policies and governance; Queensland Rail's actions; Raising awareness
5. Describe how the reporting entity assesses the effectiveness of these actions	Assessing effectiveness
6. 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
7. Provide any other relevant information	Looking forward

Queensland Rail's approach

Queensland Rail is committed to ensuring human rights abuse does not occur in its operations and supply chains.

Queensland Rail's staged approach to implementing the *Modern Slavery Act* is based around a three-step process of identify, remediate and sustain. This approach is underpinned by the development of strong internal governance to ensure internal controls, processes and capability exists to support the approach. Queensland Rail will move through these stages as internal processes and capabilities mature. The approach is summarised:

Identify:

- Undertake research to better understand modern slavery risks.
- Collaborate with other agencies through a Community of Practice.
- Conduct risk assessments on high risk industries and geographic locations.
- Assess supplier's existing governance and controls.
- Based on the risk assessments and ratings of effectiveness of controls, determine the supplier's residual risk of modern slavery.

Remediate:

- Work collaboratively with suppliers to develop plans to address risk areas.
- Implement plans and provide ongoing monitoring of risk.
- Provide an immediate and thorough response to issues and allegations.

Sustain:

- Take learnings from previous phases to modify future approaches.
- Conduct a maturity assessment on internal capabilities.
- Develop a roadmap of ongoing initiatives.

Company Overview

Queensland Rail's purpose is to provide a customer-focused, safe, reliable, on-time, value for money rail service that benefits the community, supports industry and is integrated with the public transport system.

Founded in 1865, Queensland Rail has a proud history of connecting Queensland communities and supporting local jobs, industries and economies. The organisation's vision is connecting communities through a modern, world-class rail service.

Structure

Queensland Rail is a statutory authority established by the Queensland Government under the Queensland Rail Transit Authority 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 Rail Safety National Law (Queensland).

Queensland Rail's statutory functions include: management of railways; provision of rail transport services, including passenger services; and construction and maintenance of railway 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.

Operations

Queensland Rail employs over 7,500 people and delivers services across its South East Queensland and Regional networks. Queensland Rail's network extends more than 6,600 kilometres across the state and the business operates the following three core services across multiple customer markets: Citytrain, Travel and Tourism, and Regional Network and Freight.

The South East Queensland team provides 8,322 services each week, supporting our customers to reach their destination safely and on-time. In 2019-20, 44 million passenger trips were taken on the South East Queensland network (a decrease of approximately 20 per cent compared to 2018-2019, associated with the COVID-19 pandemic).

Our regional commuter and rail tourism markets are serviced by the Travel and Tourism services. These comprise of eight services connecting regional communities across Queensland with other regional centres and South East

Queensland centres. Queensland Rail also supports the Queensland tourism industry through the provision of unique rail tourism experiences including special events and charters through the operation of a 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 Queensland.

Supply chain

During FY2019-20, Queensland Rail had over 3,700 active suppliers and over 1,300 active contracts.

Approximately 98 per cent of our direct spend by value was with Australian based suppliers. While the direct supplier engagement is with Australian based companies this may not represent the country of origin of goods or services.

Queensland Rail purchases a diverse range of goods and services. In addition to infrastructure and construction, our largest spend categories include rollingstock maintenance, network materials and corporate services. We also adopt standard procurement and risk management procedures to ensure consistent standards are in place across the wide range of goods and services that we procure.

Responding to COVID-19

The COVID-19 pandemic was a rapidly evolving situation that threatened to disrupt Queensland Rail's supply chain. The health and safety of Queensland Rail's customers and employees remains its number one priority. As the pandemic evolved and the situation changed, Queensland Rail took advice of health experts, other professionals and government agencies and acted quickly to implement appropriate precautions and safety measures across all of its stations and sites to protect customers and employees.

Queensland Rail's services continued to operate for Queenslanders who needed to travel, and the movement of critical supplies, including groceries, to regional communities was supported. In addition, Queensland Rail also took action to support suppliers during this time.

Policies and Governance

Queensland Rail operates under its Code of Conduct which is supported through a number of policies, procedures and standards which underpins our ethics and values and guides the way we treat and engage with our employees, customers, suppliers, business partners and the communities in which we operate.

Modern Slavery disclosure

In FY2019–2020, Queensland Rail did not identify any instances of modern slavery in its operations or supply chain.

Understanding our risks

Our operations

As at 30 June 2020, Queensland Rail had 7,537 employees of which 93 per cent were employed on a permanent basis, five per cent on a temporary basis and two per cent as casual. Of those employees employed on a permanent or fixed term basis, 95 per cent are covered by formal documented agreements ratified by the Fair Work Commission of which approximately 300 employees (Enhanced Remuneration Package and Award Contract) are paid above the applicable Queensland Rail enterprise agreement, while still having their employment linked to the enterprise agreement.

Queensland Rail also employs 351 contract employees (those employed on an on-going common law individual employment contract).

Labour hire arrangements, contractors and consultants have been assessed as part of the supply chain (not operations) and are addressed below.

Given Queensland Rail's recruitment process, the modern slavery risks within its operations have been assessed and have been deemed as low risk. Our risk assessment focused on our supply chain as we have less visibility and control over our suppliers and their employment terms and practices.

Our supply chains

Queensland Rail is adopting the following methodology to assess the risk in its supply chains:

1. Assess the inherent risks of modern slavery practices within supply chains by identifying suppliers in high risk industries, in high risk locations and tier one suppliers.
2. Assess the adequacy of supplier controls (by way of questionnaire responses).
3. Assess the residual risk of the supplier based on the inherent risk assessment and the adequacy of controls in place.

In the FY2019–2020 reporting period, Queensland Rail assessed the inherent risks of modern slavery within its supply chain by identifying direct suppliers in high risk industries and high risk locations.

With more than 3,700 active suppliers, a phased approach to assessing the adequacy of supplier controls and the residual risk of the supplier will be undertaken over the coming years. Tier one suppliers (highest spend and strategic value) along with suppliers in high risk industries have been prioritised for review to assess the maturity of modern slavery controls within their businesses. In addition, Queensland Rail will engage with suppliers located in high risk countries.

Queensland Rail's modern slavery risk is low based on the inherent risks of direct suppliers of which 98 per cent are based in Australia. The aforementioned assessment process will provide a better understanding of the potential future risk of modern slavery practices further down the supply chain.

Queensland Rail's actions

Queensland Rail is focussed on ensuring appropriate action is taken to mitigate the risk of modern slavery in its supply chains. Although plans were significantly disrupted by the COVID-19 pandemic, a number of key actions were completed during FY2019–2020 which are outlined below:

Action areas and achievements

Supply chain risk and compliance

- Undertook research into modern slavery risks, statistics and trends under- took an assessment of the current supply chain to align with risk area
- Completed a preliminary supply chain risk assessment
- Developed a questionnaire for direct suppliers to gather information to assess the maturity of their modern slavery controls. We sought feedback on the questionnaire from a select group of suppliers. The questionnaire will be utilised in FY2020-21 for all tier one suppliers, for suppliers in high risk industries and high-risk locations, and during due diligence for all new procurement contracts being awarded.

Policies and procedures

- Embedded modern slavery provisions within existing procurement policies, procedures and tender documents
- Drafted a Supplier Code of Conduct to be published in FY2020-21 (that has subsequently been published internally and externally).

Communication

- Delivered modern slavery training and awareness sessions for the Procurement, Contracts and Supplier Relations Team and key stakeholders throughout the business
- Established a Modern Slavery Community of Practice for Queensland based government entities and invited other Queensland based govern- ment entities (voluntary basis) to share best practice on the identification, assessment and mitigation of modern slavery risks
- Communicated directly with suppliers and through industry groups to raise awareness of modern slavery.

Contract clauses

- Developed a new modern slavery clause for Queensland Rail's standard contract templates that has been used for new procurement contracts.

Due diligence

- Adopted the Queensland Government's Ethical Supplier Mandate
- embedded an ethical procurement check with our procurement evaluation process.

Human rights

Queensland Rail is proud to support the objects of the *Human Rights Act 2019 (Qld) (HRA)* which are to protect, promote and build a culture within Queensland that respects human rights. The *HRA* came into effect on 1 January 2020 and provides for the protection of 23 human rights. Since the *HRA* came into effect, Queensland Rail has:

- reviewed its decision-making processes for matters covered by the *HRA*, with the goal of ensuring human rights are being appropriately considered
- made good progress on reviewing relevant policies and procedures for compatibility with the *HRA*, making changes where necessary
- implemented an awareness-raising campaign to educate employees about the *HRA* and its effect on Queensland Rail's operations
- created and implemented an *HRA* complaints handling procedure
- conciliated one human rights complaint that was combined with a discrimination complaint via the Australian Human Rights Commission conciliation process.

Raising awareness and reporting

Queensland Rail has a number of mechanisms for employees and third parties to report behaviours that are not aligned with its expectations and the expectations of its customers and stakeholders.

A Human Rights Unit has been established to receive complaints and can be contacted at humanrights@qr.com.au or on 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@stopline.com.au
- <http://qr.stoplinereport.com>
- App store: Stopline365
- Queensland Rail c/o Stopline, Locked Bag 8, Hawthorne, VIC 3122.

Assessing effectiveness

Queensland Rail reviews the effectiveness of its modern slavery risk management practices by:

- reporting quarterly to the Major Projects and Procurement Board Sub-committee on the progress of the Modern Slavery Action Plan and insights into supply chain risks
- conducting an annual review of the supply chain risk assessment
- investigating complaints made through various communication channels
- reporting on results of investigations and tracking the outcome of these investigations, and
- engaging regularly with like-minded entities through its Community of Practice to share insights and benchmark its modern slavery risk assessment processes and controls.

Queensland Rail's assessment processes will continue to mature over time through continuous improvement initiatives and insights gained from its Modern Slavery Community of Practice.

Looking forward

Queensland Rail is committed to maturing the processes developed in FY2019–2020 and developing additional controls in FY2020-21 to help mitigate the risk of modern slavery within its operations and supply chains. Activities planned for FY2020-21 include:

- publishing, embedding and communicating the Supplier Code of Conduct. This has been completed in FY2021
- continuing to work with other organisations to share learnings and build capability
- engaging with tier one suppliers and suppliers in high risk industries and geographical locations to better understand the maturity of their controls; and
- embedding ethical supplier checks within the supplier due diligence processes.

These actions will contribute to the development of meaningful processes to identify, remediate and sustain Queensland Rail’s approach to modern slavery risks within its operations and supply chains.

Consultation and endorsement

Consultation

This Statement was prepared in consultation with both reporting entities covered by this joint statement (Queensland Rail and QRL) and with subsidiaries of QRL. The consultation included discussion with many business units including Procurement, Contracts and Supplier Relations, 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 FY2019–2020.

David Marchant AM

Chair

Queensland Rail

Queensland Rail Limited

March 2021