

Modern Slavery Statement

FY2020–2021

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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 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 also remain 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 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 2020 to 30 June 2021 (FY2020–2021).

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 statement describes the activities Queensland Rail has undertaken in FY2020–2021 to assess and address the risk of modern slavery within its 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 Our actions Raising awareness and reporting
5. Describe how the reporting entity assesses the effectiveness of these actions	Assessing effectiveness
6. Describe the process of consultation with an 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 we mature our internal processes and capabilities. The approach is summarised below:

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.

Our journey

Queensland Rail has been working through the process of Identify, Remediate and Sustain and acknowledges that this will be a continuous process. The risks are assessed throughout the year with an annual risk assessment completed on high level risks and ongoing assessments on a more granular level with each supplier as part of our due diligence process.

During FY2020–2021, Queensland Rail's high-risk industries and countries risks remained unchanged based on the research undertaken including through the Walk Free Foundation. Our involvement with the community of practice is ongoing and has seen us work alongside the Queensland Government in the formulation of a whole-of-government approach to address modern slavery.

We continue to work with suppliers to address any identified risks and to broaden our knowledge in relation to modern slavery through the community of practice, research and webinars. As part of our standard practice, we have an action plan in place to improve mitigation of modern slavery through training, communication and governance.

Company overview

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 and world-class rail service for Queenslanders.

Structure

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

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
- 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's employs over 7,500 people and delivers services across our South East Queensland and Regional networks. Our network extends for more than 6,600 kilometres across Queensland.

Our business operates the following three core services across multiple customer markets:

- South East Queensland (SEQ)
- Travel and Tourism
- Regional Network and Freight.

Our SEQ team provides 8,392 weekly services, supporting our customers to reach their destination safely and on-time. In 2020-21, 33.3 million passenger trips were taken on the SEQ network (a decrease of approximately 24.3 per cent compared to 2019-20, associated with the impact of COVID-19).

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 SEQ.

Our Regional Network and Freight teams provide 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

As of 30 June 2021, Queensland Rail had over 3400 active suppliers and over 1,100 active contracts for goods and services.

Over 98 per cent of our direct spend by value in FY202-21 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.

The goods and services purchased by Queensland Rail consist of a wide range of categories and commodities. In addition to infrastructure and construction, our largest spend categories are 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.

COVID-19 response and recovery

In response to the COVID-19 pandemic, Queensland Rail supported the Queensland Government's response and recovery program, seeking to keep communities safe and keep the state moving.

Keeping Queensland moving

Despite the challenges presented by the unpredictability of the pandemic, Queensland Rail focused on delivering reliable, on-time services for all customers. Throughout the period, Queensland Rail maintained a full service SEQ timetable to support essential workers. To support staggered work hours and social distancing, Queensland Rail introduced an additional 105 extra weekly services.

Robust cleaning regimes remained in place for all stations and trains across the state, with an ongoing focus on cleaning hard surfaces and frequently touched locations including handrails and lift buttons. A fogging service was implemented to further disinfect rollingstock, including walls, doors, seating and window glazing. Hand sanitiser dispensers were also installed at all 152 SEQ stations during August 2020.

As the state's borders closed for periods, Queenslanders were encouraged to holiday at home, exploring their own backyards and supporting local tourism providers. To encourage domestic travel, Queensland Rail launched the Queensland Escape Sale, offering a discount of 60 per cent off adult and child fares on travel services, and 50 per cent off adult and child fares for tourism trains. This was in addition to the '2 for 1' Outback Rail fares sale on all western rail services and the Kuranda Scenic Railway local resident discount which was extended to all North Queenslanders.

As part of a Queensland Government initiative to promote jobs available in regional Queensland, in sectors including tourism, hospitality and agriculture, Queensland Rail Travel also offered 60 per cent off one-way fares for travel across Queensland to regional jobs.

From April to June 2021, Queensland Rail was able to reinstate 100 per cent seated capacity across regional services, following approval from Queensland Health.

A workforce adapting and responding

In FY2020–2021, Queensland Rail transitioned its initial COVID-19 emergency response practices to integrated and embedded protocols across the organisation. These protocols formed the basis for ongoing COVID-19 plans and safety measures for all Queensland Rail workplaces to ensure compliance with Queensland Government health advice and guidelines. Working closely with the organisation's Chief Medical Officer to understand and implement advice, Queensland Rail successfully managed restrictions and related impacts across its operations. This integrated and proactive approach continues to ensure Queensland Rail is prepared for the changing impacts of the COVID-19 pandemic and has proudly eliminated disruptions to customers whilst providing a safe workplace for its people.

In addition, a formalised hybrid working model was introduced this year to enable greater flexibility, accommodate social distancing, and ensure business continuity. More than 1,300 hybrid working agreements are now in place across the organisation as Queensland Rail continues to support flexible working for those employees whose roles can be performed remotely. Significant enhancements have also been made to digital platforms, with investment in new technology, expanded video conferencing facilities, and team collaboration rooms to ensure employees are connected regardless of their location.

Financial relief for community groups

Queensland Rail was proud to provide rent relief to approximately 170 tenants based in Queensland Rail owned buildings across Queensland during the COVID-19 pandemic, helping support business, tourism and not for profit/community partners experiencing hardship. Tenants that benefited from the program included local community groups and small business owners (station kiosks, tourism partners etc) who lease Queensland Rail buildings, land or assets for the benefit of the community.

Policies and governance

Queensland Rail has a number of policies, procedures, codes of conduct and standards which reflect our ethics and values and guides the way we treat our employees, work with our customers, suppliers and other business partners and contribute to the communities in which we operate. They also demonstrate our commitment to doing business with integrity, probity and accountability and our expectations of our suppliers to commit to the same standards.

Our Policies, Procedures, Codes of Conduct and Standards 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.

Modern Slavery disclosure

In FY2020–2021, 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 2021, Queensland Rail had 7,590 employees of which 95 per cent were employed on a permanent basis, 3.3 per cent on a temporary basis and 1.7 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 277 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 372 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, we assessed the modern slavery risks within our operations as low. 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

We implemented the following methodology to assess the risk in our supply chains:

1. Assess the inherent risks of modern slavery practices within our supply chain 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.

As at 30 June 2021, 150 supplier questionnaires were assessed to determine the effectiveness of controls in place to mitigate the risk of modern slavery within our supply chains. Based on this assessment, our overall modern slavery risk is considered low due to the maturity of controls in place by suppliers operating in high-risk countries and high-risk industries.

These 150 supplier questionnaires were issued to high-risk suppliers and during due diligence for all new contracts created by the Procurement team. Contracts are only awarded to new suppliers if a risk assessment has been completed to confirm that there is a low risk of modern slavery within its supply chains.

In FY2020–2021, Queensland Rail published its Supplier Code of Conduct which sets out the expectations of our existing and future suppliers. The Supplier Code of Conduct outlines our expectations that suppliers will:

- conduct their activities in a manner that respects human rights, as set out in Queensland's *Human Rights Act*
- not use forced, bonded, involuntary labour or child labour
- declare in a timely manner to us any known risks that may exist within their supply chain that may contribute to Modern Slavery
- have an avenue in place in which anyone can report concerns about illegal, unethical or improper conduct associated with the supplier's business
- provide an equal opportunity workplace that is non-discriminatory, diverse, inclusive and respectful, and free from harassment and abuse
- respect all workers' workplace rights and entitlements, and comply with all relevant workplace laws and regulations
- provide fair pay for employees, including meeting minimum wage requirements and compensation
- comply with all applicable laws related to wages, employment conditions, working hours and legally mandated benefits in relation to the country in which they operate
- commit their suppliers and sub-contractors to operate to the same standards.

Queensland Rail's Supplier Code of Conduct is referenced in all tenders and contracts and demonstrates our commitment to working alongside suppliers that have the same values.

Our 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, the organisation completed a number of key actions during FY2020–2021 which are outlined below.

Action areas and achievements

Supply chain risk and compliance

- Undertook research into modern slavery risks, statistics and trends.
- Undertook an assessment of our current supply chain to align with risk area.
- Completed a supply chain risk assessment.
- Issued modern slavery supplier questionnaires to tier one suppliers, suppliers in high-risk industries and high-risk locations, and during due diligence for all new procurement contracts being awarded – a total of 150 suppliers for FY2020- 21.

Policies and procedures

- Embedded modern slavery provisions with existing procurement policies, procedures and tender documents.
- Published the Supplier Code of Conduct.

Communication

- Delivered modern slavery training and awareness sessions for the Procurement, Contracts and Supplier Relations Team and key stakeholders throughout the business.
- Facilitated the Modern Slavery Community of Practice for Queensland based government entities and invited other Queensland based government entities (voluntary basis) to share best practice on the identification, assessment and mitigation of modern slavery risks. The Modern Slavery Community of Practice meets every two months and has strong ties with the Queensland Government Modern Slavery Project led by Department of Housing and Public works.
- Communicated directly with suppliers and through industry groups to raise awareness of modern slavery.

Contract clauses

- Implemented a modern slavery clause in standard contract templates into new procurement contracts.

Due diligence

- Adopted the Queensland Government's Ethical Supplier Mandate
- Embedded an ethical procurement check with Queensland Rail's procurement evaluation process which includes a mandatory modern slavery questionnaire to be completed.

Human rights

Queensland Rail is committed to embedding the principles of the *Human Rights Act Qld* (HRA) into the decisions made and services delivered across Queensland.

During this financial year (2020-21) Queensland Rail:

- continued to review Queensland Rail decision-making processes for matters covered by the HRA, with a goal of ensuring human rights are appropriately considered
- assessed new, relevant policies and procedures for compatibility with the HRA, making changes where necessary
- continued an awareness-raising campaign to educate employees about the HRA and its effect on Queensland Rail's operations
- created and implemented an HRA 'toolbox talk' for to be delivered annually to Travel and Tourism onboard customer service employees
- conciliated one human rights complaint that was combined with a discrimination complaint via the Queensland Human Rights Commission conciliation process.

Raising awareness and reporting

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

A Human Rights Unit is in place 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@stoline.com.au
- <http://qr.stolinereport.com>
- App store: Stoline365
- Queensland Rail c/o Stoline, Locked Bag 8, Hawthorne, VIC 3122.

During FY2020–2021, there were no issues raised in relation to modern slavery through these reporting channels.

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 our Modern Slavery Action Plan and insights into supply chain risks
- conducting an annual review of the supply chain risk assessment
- investigating complaints made through our various channels
- reporting on results of investigations and tracking the outcome of these investigations, and
- engaging 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 assessment processes will mature over time from learning through continuous improvement initiatives and insights gained from our Modern Slavery Community of Practice.

Looking forward

Queensland Rail is committed to maturing the processes developed in FY2020–2021 to mitigate the risk of modern slavery within its operations and supply chains. Activities planned for FY2021-22 include:

- continuing to work with other organisations to share learnings and build capability
- working collaboratively with suppliers to develop plans to address any risk areas
- looking to adopt the Queensland Government training course for key stakeholders in Queensland Rail, and
- continuing ethical supplier checks within the supplier due diligence processes.

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

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, 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 FY2020–2021.

David Marchant AM

Chair Queensland Rail
Queensland Rail Limited
December 2021