

VicTrack Modern Slavery Act Statement

2021

VicTrack

Modern Slavery Act Statement 2021

This is the second statement of VicTrack and made pursuant to the *Modern Slavery Act 2018 (Cth)* and sets out the actions we have taken to address modern slavery and human trafficking risks in our business, operations and supply chain in the reporting year 1 July 2020 to 30 June 2021.

Our approach

VicTrack recognises that Modern Slavery practices, such as human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting, physical abuse, restricting freedom of movement, confiscation of passports, wage theft and child labour (Modern Slavery), are serious violations of human rights. We also understand that Modern Slavery can be hidden in plain sight and manifest itself in a number of forms and is a multifaceted, complex issue.

We have not and do not tolerate any form of Modern Slavery in any part of our business or supply chain.

Disclosure

During our review for FY 20/21, we did not identify any instances of Modern Slavery in VicTrack's supply chains. All of the suppliers that we identified as high risk engaged with us to address our questions and indicated that they will continue to engage with us on this issue.

Doing our part to help end Modern Slavery

We respect the dignity of persons and recognise each person's rights to freedom, justice and fair work conditions. VicTrack believes that all workers deserve to be treated with dignity and respect. We are committed to operating responsibly and establishing and adhering to the highest ethical standards. In particular, VicTrack is committed to ensuring that any form of Modern Slavery is not and does not take place in its business or supply chain.

Preventing and addressing any possible involvement in Modern Slavery are central to our commitment to run a safe, responsible and profitable business. We set clear expectations and expect that our employees and suppliers are and remain alert to possible involvement in Modern Slavery, and that they should actively work to prevent and address it. We also expect our Suppliers to provide a fair and ethical workplace by upholding high standards of human rights and addressing risks of Modern Slavery.

VicTrack takes and will take any report of breach of law, regulation or policy very seriously.

Our business

Established in 1997, VicTrack is a State-owned organisation with an independent Board of Directors that oversees VicTrack's performance. VicTrack owns the transport land, assets and infrastructure of the State of Victoria (the State or Victoria/n), and its subsidiary companies hold all classes of rolling stock. The role of VicTrack is to protect and grow the value of Victoria's transport portfolio and support a thriving transport system that makes travel and living better for all Victorians.

VicTrack's transport assets – such as rail buildings, signalling, track, telecommunications network and the Melbourne Underground Rail Loop – are primarily leased via the [Department of Transport \(DoT\)](#) and franchised to the state's rail and tram operators ([Metro Trains Melbourne](#), [Yarra Trams](#) and [V/Line](#)). Assets which are not used for transport are commercialised with proceeds being reinvested to meet Victoria's transport agenda.

VicTrack works with other agencies to enhance Victoria's rail transport assets to safely connect people, places and opportunities. The VicTrack vision is, as defined in the [Transport Integration Act 2010 \(Vic\)](#): "To meet the aspirations of Victorians for an integrated and sustainable transport system that contributes to an inclusive, prosperous and environmentally responsible state".

Our core functions include:

- delivering telecommunications infrastructure and services that form the backbone of the transport network from signalling, driver communications, public information displays and myki ticketing
- managing land set aside for transport purposes, including the development and sale of land no longer required for transport to optimise its use
- generating income through land sales and commercial leases that is reinvested into the state's transport system
- providing project management, engineering and construction services to deliver a range of government transport projects from Victoria's Big Build to station and car park upgrades
- managing transport facilities and assets, including the open access Dynon Rail Freight Terminal, heritage buildings and environmental preservation.
- VicTrack's Telecommunications Network is deemed 'vital critical infrastructure' – being of state significance and therefore critical to the continuity of the supply of essential services to the state, and to the overall economic and social wellbeing of Victorians.
- VicTrack is the custodial owner of most of Victoria's tourist and heritage assets and performs the role of Tourist and Heritage Registrar.

2. Child labour includes all forms of slavery, including its worst forms: use of a child for illicit activities and work which is likely to harm the health, safety, or morals of children.

3. VicTrack's business partners, service providers, suppliers and entities directly linked to VicTrack's business operations, products and services.

Our structure

VicTrack has three specialist delivery groups supported by the Office of the Chief Executive and the Business Services Team:

Telecommunications

As a licensed telecommunications provider with network infrastructure spanning the state, we provide a full suite of telecommunications services to the transport sector. Our networks act as the backbone for public transport customer information, myki ticketing, driver communications and other network critical systems, such as signalling. We also provide 24-hour network monitoring, as well as planned and emergency repair and maintenance to ensure the highest standards of reliability for the transport system.

Property

As land owners, our role is to ensure our transport land best serves the sector and Victorian communities. With vast land parcels across the state and air rights throughout the public transport corridor, we work across all land use matters impacting on transport land, including land sales and acquisition, property development, commercial leasing, land use and access, infrastructure and facilities management and heritage and environmental preservation.

Project Delivery

Whether we're actively upgrading the infrastructure or working alongside Victoria's major transport initiatives, our Project Delivery Group provides expertise across all disciplines that impact rail land, infrastructure and telecommunications networks. Our services include project management and project delivery in both civil engineering and telecommunications projects – as well as safety and technical services.

Our values

VicTrack has four key values which guide our operations, our behaviours and our decisions:

- **Professional:** we make decisions with integrity and respect. By behaving professionally and ethically we win the trust of our colleagues, stakeholders and customers.
- **Collaborate:** we collaborate to get things done efficiently and effectively. We have greater opportunity through leveraging our collective knowledge, building stronger bonds and respecting each other.
- **Achieve:** we perform our roles with integrity and skill. We hold ourselves accountable for delivering what is needed and own both our successes and mistakes.
- **Innovate:** we embrace all new ideas that bring about change that adds value. We become more efficient, effective and competitive.

VicTrack's operations are underpinned by the Victorian Public Sector Commission Code of Conduct which has six key principles as enshrined in the Public Administration Act 2004:

Responsiveness – public officials should demonstrate responsiveness by: (i) providing frank, impartial and timely advice to the government; and (ii) providing high quality services to the Victorian community; and (iii) identifying and promoting best practice.

Integrity – public officials should demonstrate integrity by: (i) being honest, open and transparent in their dealings; and (ii) using powers responsibly; and (iii) reporting improper conduct, (iv) avoiding any real or apparent conflicts of interest; and (v) striving to earn and sustain public trust of a high level.

Impartiality – public officials should demonstrate impartiality by: (i) making decisions and providing advice on merit and without bias, caprice, favouritism or self-interest; and (ii) acting fairly by objectively considering all relevant facts and fair criteria; and (iii) implementing government policies and programs equitably.

Accountability – public officials should demonstrate accountability by: (i) working to clear objectives in a transparent manner; and (ii) accepting responsibility for their decisions and actions; and (iii) seeking to achieve best use of resources; and (iv) submitting themselves to appropriate scrutiny.

Respect – public officials should demonstrate respect for colleagues, other public officials and members of the Victorian community by: (i) treating them fairly and objectively; and (ii) ensuring freedom from discrimination, harassment and bullying; and (iii) using their views to improve outcomes on an ongoing basis.

Leadership – public officials should demonstrate leadership by actively implementing, promoting and supporting these values.

Human Rights – public officials should respect and promote the human rights set out in the Charter of Human Rights and Responsibilities by: (i) making decisions and providing advice consistent with human rights; and (ii) actively implementing, promoting and supporting human rights.

Both VicTrack's values and the Victorian Public Sector Commission (VPSC) Code of Conduct are supported by a large number of policies and procedures including VicTrack's Public Interest Disclosure Policy and Procedure, VicTrack's Fraud and Corruption Control Procedure, VicTrack's Conflicts of Interest Policy and VicTrack's Procurement and Sourcing Procedure.

Employees are encouraged to report any breaches or issues to their managers or in accordance with the Public Interest Disclosure Policy and Procedure.

Governance and compliance framework

VicTrack operates its business responsibly, ethically and with integrity.

As a State-owned enterprise, VicTrack abides by, among others:

- the [Public Administration Act 2004 \(Vic\)](#) which takes a comprehensive approach to supporting good public administration in Victoria by:
 - providing a broad definition of the public sector that includes 'public service bodies' (departments and administrative offices), 'special bodies' that have a special relationship with government (e.g. Victoria Police, the Auditor-General, Ombudsman), and 'public entities' (e.g. public hospitals, TAFE institutes, catchment management authorities)
 - establishing a framework to ensure the effective governance of the whole of the Victorian public sector, to help government manage both the financial and non-financial risks associated with public entities carrying out functions on its behalf
 - enshrining the core and enduring public sector values of responsiveness, integrity, impartiality, accountability, respect, support for human rights, and leadership, which represent the defining characteristics of the behaviour required of all public sector employees.
- the [Financial Management Act 1994 \(Vic\)](#)
- the [Principles of Probity](#) (integrity, fairness and honesty)
- the [Codes of Conduct](#) issued by the VPSC
- our own internal business controls, policies and procedures, which include:
 - conflicts of interest
 - fraud and corruption control
 - public interest disclosure
 - competitive neutrality
 - gifts, favours, entertainment and other payments
 - confidential information
 - discrimination and sexual harassment
 - health, safety and environment
 - accounting
 - financial reporting
 - internal controls.

Procurement, due diligence and supply chain assurance

In addition to the governance and compliance framework described above, VicTrack has robust procurement policies and procedures in place. VicTrack's Procurement and Sourcing Procedure is aligned with the Victorian Government Purchasing Board requirements surrounding procurement of goods, services and works and is underpinned by VPSC requirements which includes the [Ministerial Directions and Instructions for Public Construction Procurement](#) and requires adherence to the Victorian Government's [Supplier Code of Conduct](#).

We have in place a procurement and supply chain management solution to help identify, manage and mitigate risk within our supply chains through contractor prequalification, document management, worker management, auditing, employee-level qualification and training, insurance verification, and business intelligence. With this tool, we are able to effectively communicate and monitor supplier compliance with relevant laws and regulations as well as our corporate policies and standards.

In addition, the Victorian Government's Supplier Code of Conduct notes that suppliers are expected to proactively identify, address and, where required by legislation, to report on risks of Modern Slavery practices.

Actions taken (including by subsidiaries) to assess and address those risks, including due diligence and remediation processes

- We assessed our total spend for the period 1 July 2020 to 30 June 2021 and 65 suppliers accounted for 80 per cent of VicTrack's annual spend.
- Using the Australian Border Force's supplier questionnaire, we risk assessed these 65 suppliers against the following risks:
 - Sector and industry risk
 - Product and service risk
 - Geographic risk
 - Supply chain model risk
- We narrowed the list to 15 suppliers and sent them all questionnaires requesting detailed statements on how they are addressing Modern Slavery risks in their supply chains.
- All of the suppliers engaged with us on these requests and were keen to work together to reduce the risk of Modern Slavery in their supply chains.

Modern Slavery risks in our operations and supply chains (including our subsidiaries)

VicTrack continues to take a risk-based approach to Modern Slavery. The majority of VicTrack's procurement is of services, primarily from within Victoria in line with the Local Jobs First requirements. VicTrack considers the risk of Modern Slavery is low in terms of Victorian based labour due to the robust employment protection legislation in place in Victoria and Australia.

Telecommunications Group

As a fully licensed telecommunications provider, VicTrack sources componentry and IT services from within Australia and overseas, principally from Australia, Europe, China, Hong Kong, Japan and USA.

Of the 25 high-value suppliers to this business unit, 12 were identified as potentially high risk and the Australian Border Force supplier questionnaire was sent to these suppliers to solicit more detail.

Eleven suppliers were assessed to be low risk, based on the responses received to the questionnaire. One supplier was reclassified as medium risk and VicTrack is working with it to obtain more information on its supply chains.

Property Group

VicTrack owns a significant amount of land across Victoria and engages in a range of property management functions including development and infrastructure and facilities management. Of the eight high value suppliers to this business unit, one was identified as potentially high risk. The supplier was changed to low risk following receipt of a response to the Australian Border Force supplier questionnaire.

Project Delivery Group

VicTrack's project delivery group works on a range of infrastructure projects across the Victorian transport portfolio. Its key services include project management and project delivery in both civil engineering and telecommunications projects. Of the 18 high value suppliers to this business unit, none were identified as high risk.

Office of the Chief Executive and Business Services

VicTrack's Office of the Chief Executive and Business Services consists of the People and Culture, Communications and Engagement, Legal, Procurement, Finance and Health, Safety and Risk departments. Of the 14 suppliers to these business units, two were identified as potentially high risk and the Australian Border Force questionnaire was sent to these suppliers to solicit more detail.

One supplier was reclassified as low risk. The other was reclassified as medium risk, and VicTrack is working with this supplier to obtain more information.

Rolling Stock Holdings (subsidiary companies)

Rolling Stock Holdings owns the majority of the State of Victoria's rolling stock (trains and trams). The Department of Transport sources the rolling stock and transfers ownership of the assets to VicTrack. The Modern Slavery risk here is that parts are made outside of Australia, in countries which are identified as being high risk for Modern Slavery.

Rolling Stock Holdings has not entered into any new contracts to purchase additional rolling stock during the period of 1 July 2020 to 30 June 2021.

How the organisation assesses the effectiveness of the actions taken

VicTrack has implemented an Anti-Modern Slavery Policy that meets our moral and ethical obligation to end Modern Slavery and is designed to help identify, prevent, mitigate and address the risks, and where appropriate, remedy any identified instance of Modern Slavery.

As part of its broader Ethical Behaviour and Practice Program, VicTrack is committed to developing, implementing, and improving our business practices, controls, policies and procedures. We have revisited our public interest disclosure, reporting and investigation policy and framework (whistleblowing). VicTrack has made available, to employees, suppliers and the general public, a means to report breaches of any law, regulation or VicTrack policy through its [website](#).

VicTrack has not identified any instances of Modern Slavery in its supply chain as a result of its investigations and we have not received any notifications or complaints of Modern Slavery through our reporting mechanisms. However, we understand that this is not determinative of the lack of Modern Slavery in its supply chains and will make regular risk assessments of our key suppliers to ensure that they continue to uphold their own Modern Slavery obligations. VicTrack's goal for the 2021-22 reporting period is to expand our investigation into our "tier 2" suppliers, regular suppliers with smaller financial exposure to VicTrack.

Process of consultation with subsidiary entities in preparation of the Modern Slavery statement

The Board of the numerous Rolling Stock Holdings is the same as the VicTrack board and so they have been consistently updated on the Modern Slavery strategy. This statement has been approved by the Board of Rolling Stock Holdings.

Impact of COVID-19 on our supply chain

Victorians had lengthy lockdown periods during the reporting period for this statement, including an order to work from home, a curfew, a restriction on the distance that Victorians could travel from home unless for specified periods and closing of schools and childcare services.

The impacts of COVID-19 on the supply chain are potentially broad and far reaching, including:

- the potential for order cancellations due to a constrained working environment
- factory shutdowns, both in Australia and overseas which impacted the supply of componentry and other goods for VicTrack's services
- workforce reductions due to the financial impacts of COVID-19
- sudden changes to supply chain structures, for example an unexpected need for large quantities of personal protective equipment (PPE).

As the operator of essential infrastructure, VicTrack was able to continue to operate during the periods of lockdown but experienced some difficulties with its supply chain due to restrictions on movement of goods and people. VicTrack worked closely with its key suppliers and took the following steps to ensure the ongoing engagement with our suppliers and to minimise any risks of Modern Slavery:

- VicTrack did not seek unnecessary variations or changes to existing contracts
- VicTrack reduced its payment terms to seven days to ensure greater cashflow for its suppliers.

Future commitments

Over the next year, our focus will be on reviewing our 'tier 2' suppliers' procedures for addressing Modern Slavery risks in their supply chains and reinforcing the education program for our staff and suppliers.

VicTrack will continue to undertake regular risk assessments and to monitor the local operations conditions.

Knowledge sharing, such as targeted training programs for employees, and action, including mitigation measures where we see a risk of involvement, are vital to ensure our work stays effective.

Approved by the VicTrack Board of Directors on 21 October 2021.

Approved by the Rolling Stock Holdings (Victoria) Pty Limited Board of Directors on 21 October 2021.

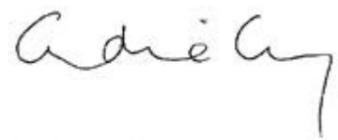
Approved by the Rolling Stock (Victoria – VL) Pty Limited Board of Directors on 21 October 2021.

Approved by the Rolling Stock (VL-1) Pty Ltd Board of Directors on 21 October 2021.

Approved by the Rolling Stock (VL-2) Pty Ltd Board of Directors on 21 October 2021.

Approved by the Rolling Stock (VL-3) Pty Ltd Board of Directors on 21 October 2021.

Signed



Geraldine Gray
Chair, VicTrack

