

Modern Slavery Act Statement

For the year ended 31 December 2020



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INTRODUCTION

This statement has been prepared to comply with Southern Cross University's (the University) reporting obligations under the *Modern Slavery Act 2018* (Cth) (the Act).

The Act requires entities based, or operating, in Australia, which have an annual consolidated revenue equal to or greater than \$100 million, to report annually on the risks of modern slavery in their operations and supply chains, and actions taken to manage, lessen and, where possible, remove those risks.

The University recognises that it has a responsibility under the Act to take a robust approach to slavery and human trafficking.

The University is absolutely committed to the prevention of slavery and human trafficking in all its activities, and to ensuring that its supply chains are free from slavery and human trafficking, wherever they operate.

This statement is made pursuant to the *Modern Slavery Act 2018* (Cth) and constitutes the Modern Slavery Statement of Southern Cross University for the year ended 31 December 2020. It has been approved by the Southern Cross University Council.

A handwritten signature in blue ink, appearing to read 'Nicholas Taylor'.

Nicholas Burton Taylor
Chancellor
Southern Cross University

A handwritten signature in blue ink, appearing to read 'Tyrone Carlin'.

Professor Tyrone Carlin
Vice Chancellor and President
Southern Cross University



ORGANISATIONAL STRUCTURE

The University was established under the *Southern Cross University Act 1993* (NSW).

The object of the University is the promotion, within the limits of the University's resources, of scholarship, research, free inquiry, the interaction of research and teaching, and academic excellence.

The University is governed by a Council to which the University's Chief Executive Officer, the Vice Chancellor, reports.

The Council is chaired by the Chancellor and has 13 members:

- the Chancellor
- the Vice Chancellor
- the Chair of the Academic Board
- two members appointed by the NSW Minister for Education
- four members appointed by Council
- three elected staff members
- one elected student member.

The Academic Board is the University's principal academic body. It is responsible for establishing and maintaining the highest standards in teaching and learning and research in the University. It is also the primary advisory committee of the Council on academic matters.

The University Council has adopted the Voluntary Code of Best Practice for the Governance of Australian Public Universities. In November 2020, the University Council reviewed the University's standing against the revised Voluntary Code. The University is substantially compliant with the Voluntary Code.

Reporting Entity

The financial statements include Southern Cross University as the parent entity and the consolidated entity comprising Southern Cross University and its controlled entity Southern Cross Campus Services Limited.



OPERATIONS AND SUPPLY CHAINS

Structure	Operations	Supply Chains
<p>Southern Cross University (ABN 41 995 651 524) is a not for profit statutory body incorporated by the <i>Southern Cross University Act 1993 with its registered office at Military Road, EAST LISMORE NSW 2480</i></p>	<p>Southern Cross University is a registered Higher Education Provider in accordance with the <i>Tertiary Education Quality and Standards Act 2011</i> and carries out teaching and research activities.</p>	<p>In 2020, the University directly engaged with 210 suppliers from overseas predominately in the category of business services in the form of student recruitment and research services.</p> <p>Student recruitment services are provided in the majority of cases from the Asia region due to the University's geographical footprint.</p> <p>The University indirectly engages with suppliers from China in relation to technology services in the form of network infrastructure.</p>
<p>Southern Cross University has a wholly owned subsidiary being Southern Cross Campus Services Limited. This subsidiary is a limited by guarantee company and the principal activity of Southern Cross Campus Services Limited ("the Company") during the year was to provide on campus amenities and services to students and staff of Southern Cross University ("the University").</p>	<p>Through its wholly owned subsidiary the University carries out additional activities including operating food and beverage facilities, catering services, pool, gymnasium and fitness facilities.</p>	<p>The main types of goods and services that the University procure relate to services in the technology and facilities categories. Specifically, the categories of rent, electricity, cleaning and security services along with technology software and network infrastructure.</p> <p>Additionally, the University procures external teaching services and facilities support through established arrangements with partners and other joint arrangements.</p>



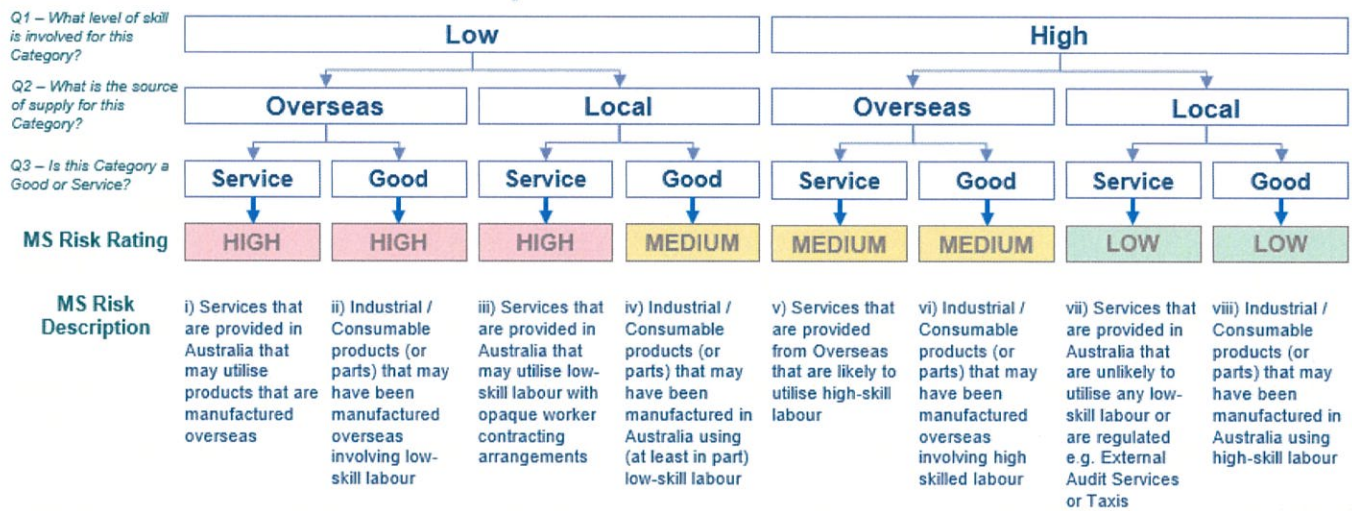
Structure	Operations	Supply Chains
<p>Southern Cross University as a consolidated group trades under the following additional key business names:</p> <ul style="list-style-type: none"> - Southern Cross University Health Clinic - The Hotel School (Sydney, Melbourne) - Southern Cross Environmental Analysis Laboratory - Southern Cross Analysis Research Laboratory - Regenerative Agriculture Alliance - SCU Fitness For You - Southern Cross Catering Lismore - The Uni Bar 	<p>The University's arrangements with suppliers are structured in many different ways depending on the nature of the category of spend. Some arrangements are short term in nature and others extended for multiple years, usually via the exercise of contract renewal options.</p>	
	<p>In addition to traditional supplier relationships the University has established long term relationships with partners to operate key strategic functions including teaching services at its metro-based branch campuses, online courses and management of its facilities at the Coffs Harbour campus.</p>	



RISKS OF MODERN SLAVERY PRACTICES IN THE UNIVERSITY'S OPERATIONS AND SUPPLY CHAINS

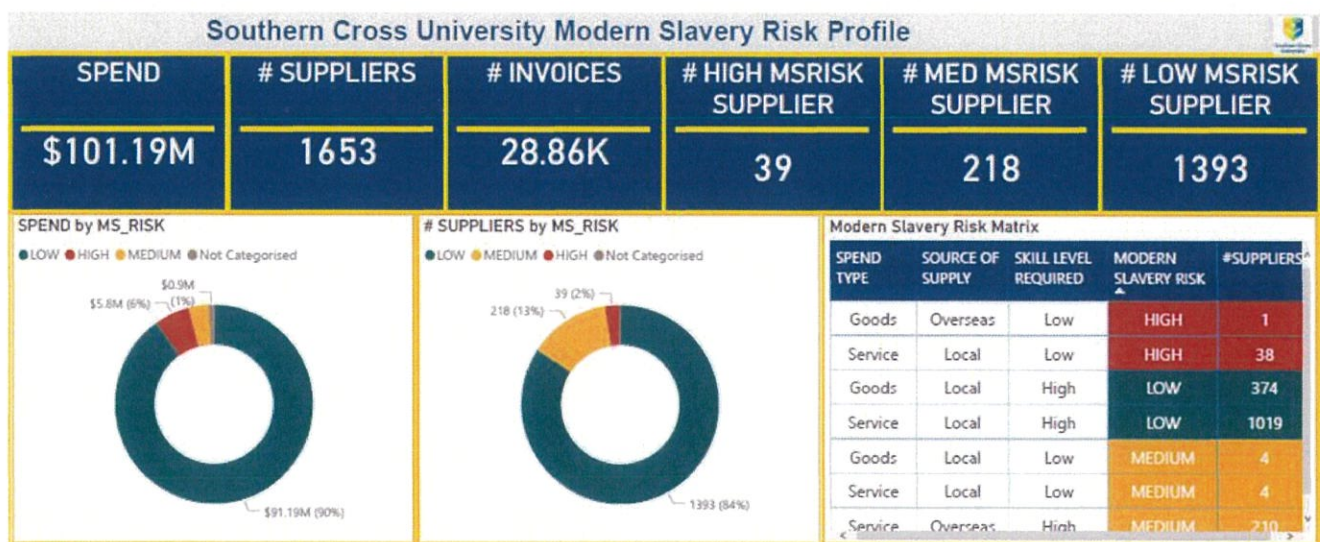
The outcome from the Modern Slavery Risk Assessment highlighted ~1% of the vendors the University engages are assessed as having a potential for 'High' risk of Modern Slavery; these vendors represent ~5% (\$5M) of categorized annual spend.

Modern Slavery Risk Assessment



The University has identified suppliers that are considered to have a potentially high risk of Modern Slavery based on the following criteria:

- Services that are provided in Australia that may utilise products that are manufactured overseas
- Industrial / Consumable products (or parts) that may have been manufactured overseas involving low-skill labour
- Services that are provided in Australia that may utilise low-skill labour with opaque worker contracting arrangements





RISK MANAGEMENT

The University's approach to risk management aligns with the risk management standard ISO 31000:2018 Risk Management – Guidelines. Oversight of the University's Risk Management framework is provided by Council and the Audit and Risk Management Committee.

RISK MANAGEMENT AT SCU

Southern Cross University has specific risk management processes in place, for example, audits, OH&S, equity and access provisions, among others. Risk, however, occurs in much wider contexts including environment, governance, security, quality, entrepreneurial activities, reputation etc.

One of the overriding philosophies of Risk Management for the University is that risk will be identified, assessed and managed by all employees, through supervisors and managers, appropriate to the level, and impact, of the risk.

Responsibility for managing risk rests with everyone. An effective risk management structure is one that assigns the responsibility to the appropriate operational area within which the risk is found, and establishes a timeframe for action to treat the risk.

Risk management increases every manager's capacity to identify and deal with risk as well as provide the University with useful strategic information for planning, budgeting and reduction of exposure to risk at all levels.

Used by individuals in the workplace it will also be a most useful tool to assign priority order to competing tasks, enabling employees at all levels to meet their personal objectives.



ACTIONS TAKEN BY THE UNIVERSITY TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

Due Diligence and Screening

Spend Analysis

The University has completed a number of activities relating to the screening and identification of suppliers that may have modern slavery risks embedded in their business practices or supply chains.

For the year ended 31 December 2020, the University has undertaken the following to assess and address modern slavery risks:

- Extract Spend Data for the year ended 31 December 2020
- Cleanse supplier names, locations, currency, dates and apply filters for data
- Categorise the Modern Slavery Risk at a Supplier Line level for the majority of spend. In this assessment, 85% of SCU spend was categorised this way (~117 Suppliers). Although this method has a higher accuracy level than the alternative, it is more resource intensive.
- Categorise the Modern Slavery Risk at a Taxonomy 4 Level for the minority of spend. In this assessment, 15% of SCU spend was categorised this way (~1,536 Suppliers). Although this method has a lower accuracy level than the alternative, it is less resource intensive.
- Assess taxonomy categorisation and apply Modern Slavery risk rating framework to category
- Review output from Modern Slavery assessment and adjust rating at supplier level (to mitigate incorrect categorisation)

Modern Slavery Supplier Surveys

In order to assist the University in addressing this new law, all high-risk suppliers have been issued a questionnaire which provides due diligence over the supplier's supply chain, international operations, labor recruitment practices and other factors. Additionally, each supplier is required to provide a copy of their Modern Slavery Act Statement, where applicable.

Industry Benchmarking and Collaboration

The University is a member of the Australian Universities Procurement Network (AUPN) which represents the Australian higher education sector, who work together to improve excellence in procurement practice and in the skills of procurement professionals.

The Australian Universities Procurement Network (AUPN) is working on a sector wide approach for the *Modern Slavery Act 2018* (Cth).

The AUPN MSA working group has been established to support the development and implementation of a program of works including participation by the AUPN universities in a discovery process through the contribution of supplier data, providing:

- all AUPN universities the opportunity to access shared resources to support MSA requirements
- the ability to leverage aggregated data to identify common suppliers
- a trial of the process for requesting and collating data at an aggregated level supporting the process for the MSA moving forward.



Agreements, Policies and Procedures

Southern Cross University has completed a review of its Procurement related documentation to assess their alignment to the *Modern Slavery Act 2018* (Cth) with a specific focus on the University's supply base and procurement operations.

In the delivery of this review the University has reviewed the following artefacts:

Sourcing process documents:

- Tendering Procedures
- Request for Tender Template
- Request for Proposal Template
- Request for Quotation Template
- New Supplier Request Form
- SCU Purchase Order Terms and Conditions
- SCU Modern Slavery Supplier Questionnaire

Procurement strategy & guideline documents:

- Purchasing Process Map (Future State)
- Contract Management Framework
- Procurement Policy
- Purchasing Procedures
- Procurement Plan

Training

The University has developed a Modern Slavery Training Pack that has been initially distributed to members of the University's Procurement Board, with a view to completing a broader training roll out with the support of the University's Human Resources team.

The University has also engaged an external consultant to conduct specific training programs across key risk areas including Property Services, Technology Services, Student Recruitment and Research.

Reporting incidents or concerns of modern slavery

The University is advising staff, students and external parties to raise concerns about modern slavery, which should be reported to purchasing@scu.edu.au.

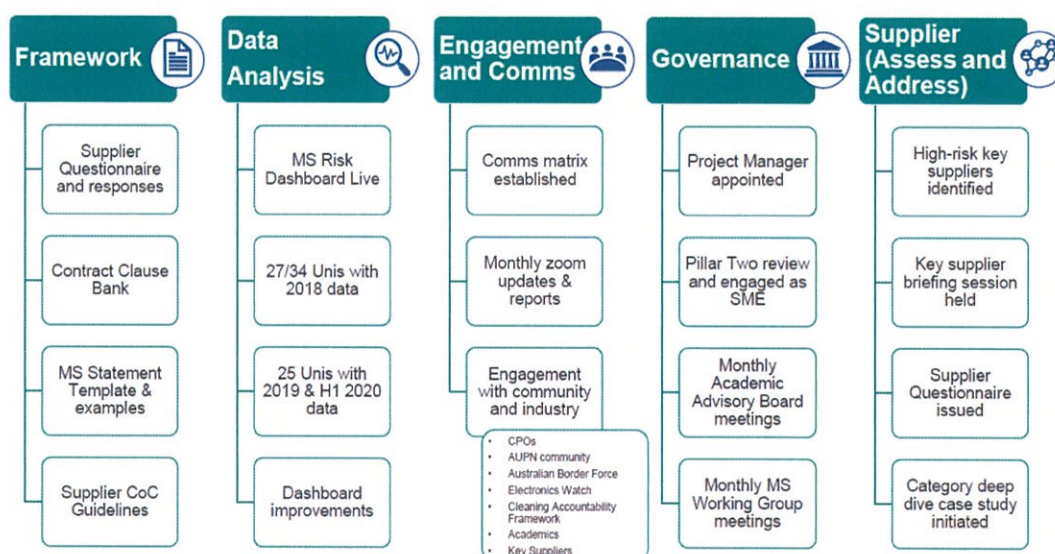


HOW THE UNIVERSITY ASSESSES THE EFFECTIVENESS OF ACTIONS BEING TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

During the 2020 calendar year, the University focused on steps that established a framework for identifying, assessing and mitigating risks of modern slavery.

In collaboration with the broader Higher Education Sector, the Australian University Procurement Network established a Modern Slavery Working Group that delivered and developed the following across the sector:

- Modern Slavery Risk Framework
- Data Analysis
- Engagement and Communications
- Governance
- Supplier Assessment and Action



The *Modern Slavery Act 2018*(Cth) is applicable to most AUPN Member universities, and seeks to demonstrate leadership on this important issue. AUPN members are an engaged group of procurement professionals within publicly spirited organisations, operating in a uniquely collaborative sector. Working together will minimize the duplication of activities and associated costs across individual universities, including risk assessment, implementation of systems and remediation. Leveraging the sectors aggregated buying power should improve our capacity to identify and action any modern slavery risks, and drive more effective changes through our supply chains.

The AUPN working group, in partnership with FRDM, will deliver a technology solution that will support collaboration of University members to gather and interrogate supplier data, identify risk, focus resources, inform action, and measure effectiveness.

FRDM is a supply chain technology company that is transforming how businesses identify, monitor and mitigate social and environmental risks in their global supply chains.