

# Modern Slavery Statement

Reporting Year 2020



# Modern Slavery Statement 2020

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# Introduction

Murdoch University (ABN 61 616 369 313) is a leading Australian university, established in 1976 to meet the growing higher education needs of the community. Our main campus is located at 90 South Street in Murdoch, Western Australia.

Internationally recognised as a research-led institution Murdoch University is focused on addressing the major challenges of the 21st Century. Our purpose is to be a creative force for current and future generations.

We are clear about our two core goals: to educate free thinkers who thrive in society and are sought after by employers; and to provide life changing solutions for the world's big challenges through our outstanding translational research and innovative practice.

Murdoch University has applied the founding principles, upon which the university was established, to manage its ethical engagement and sustainability of relationships with both domestic and international suppliers.

- Equity and Social Justice
- Opportunity
- Sustainability
- Global responsibility

Pursuant to the *Australian Modern Slavery Act 2018 (Cth)*, this statement sets out the actions taken by the University to address modern slavery and human trafficking risks in our business and supply chain for the financial year ending 31 December 2020. This is Murdoch University's first Modern Slavery Statement and outlines our actions and approach developed in collaboration with the Australian University Procurement Network (AUPN).



# Structure, operations and supply chain

## Operations

As a prominent public university in Perth, Western Australia, Murdoch University operates three (3) Australian campuses: South Street Campus, Rockingham Campus, and Mandurah Campus and three (3) offshore operations located in Singapore, Dubai, and Myanmar.

The University teaches approximately 25,000 students from both international and domestic origins across its campuses. The main campus spanning 227 hectares, is located at 90 South Street, Murdoch. There are approximately 1900 staff consisting of academic, research, and professional services supporting university operations.

The University also delivers teaching to students attending its offshore operations through service delivery partners.

## Governance

Murdoch University was established in 1976 under the provisions of the *Murdoch University Act 1973* ("the Act"). The Act makes provision for a body corporate in perpetual succession and defines the functions and constitution of the University. The Act also makes provision for Murdoch University By-Laws, Statutes and regulations.

The Senate is the governing body of the University, also established by the *Murdoch University Act 1973*. Our Senate Charter sets out the guiding governance principles and practices that should be upheld at all times, as well as bringing together the policies and procedures that the Senate approves and which form part of best practice governance.

The Senate oversees the University undertaking commercial and consulting activities through Controlled Entities. All Controlled Entities (including the structure of their boards) will comply with the University's policies on the establishment, governance and operations of Controlled Entities.

The Audit and Risk Committee is a standing committee of Senate established in accordance with sections 12(3) and 18(1) of the *Murdoch University Act 1973*. The Committee operates in accordance with the Principles for Senate Standing Committees and conducts its business in accordance with the Senate Standing Orders.

The Committee's purpose is to assist Senate meet its governance risk and compliance oversight responsibilities. In particular, the Committee assists Senate in setting risk management policy and critically monitoring the management of risk across the University, including commercial undertakings.

Governance offers a framework for approving the Strategic Plan of the institution, the oversight of its resources, the approval of its policies and procedures, the appointment, review and support of its Vice Chancellor, and an informed understanding of its programs and activities.

The University is led by the Vice Chancellor supported by a team of senior executives, who are responsible for the strategic management and development of all aspects of university business.

## Procurement

Each year Murdoch University purchases a wide range of goods and services to support teaching, research, and professional support functions. A decentralised procurement model operates and is governed by the University's *Procurement Policy* and the *Procurement Procedure*. The Procurement team manages and supports the strategic sourcing of high value and high-risk goods and services, and provides support to the wider university on procurement matters.

## Supply Chain

The annual expenditure of Murdoch University was approximately \$103M in 2020, spread across approximately 9500 vendors and 600 active contracts.

The regional spend profile detailed that over 94% of expenditure was focused on Australian suppliers. The remaining 6% was predominantly from South East Asia and the United States of America.

Murdoch University has aligned the annual spend categorisation with the Australian University Procurement Network (AUPN) hierarchy across 4 main areas. These are:

Category	Supply Chains	% of total expenditure
<b>Business Services</b>	<ul style="list-style-type: none"> <li>• Corporate professional services</li> <li>• Human resources</li> <li>• Logistics &amp; storage</li> <li>• Marketing &amp; media</li> <li>• Office related supplies &amp; services</li> <li>• Travel &amp; entertainment</li> </ul>	<b>32%</b>
<b>Property and Facilities</b>	<ul style="list-style-type: none"> <li>• Buildings &amp; grounds</li> <li>• Construction, refurbishment &amp; works</li> <li>• Plant &amp; equipment</li> <li>• Property management</li> <li>• Utilities &amp; renewables</li> </ul>	<b>42%</b>
<b>Research and Teaching</b>	<ul style="list-style-type: none"> <li>• Laboratories &amp; research</li> <li>• Lecturer &amp; teaching expenses</li> <li>• Library services</li> <li>• Student services</li> </ul>	<b>16%</b>
<b>Technology</b>	<ul style="list-style-type: none"> <li>• Audio visual</li> <li>• IT hardware</li> <li>• IT professional services</li> <li>• IT software</li> <li>• Telecommunications</li> </ul>	<b>10%</b>

The largest direct areas of expenditure are property and maintenance, technology, marketing, and Murdoch University's sector leading teaching animal hospital.

The University has reviewed the 2020 spend profile and based on the AUPN supplier and spend categorisation, has highlighted that approximately 20% of expenditure and 16% of suppliers are from high risk industry types.

High risk industries identified from the spend analysis particular to Murdoch University include but are not limited to:

- Finance and banking
- IT
- Facilities management
- HR services
- Labs and research
- Library
- Office supplies

# Risks of modern slavery

The approach that the University has undertaken in identifying and addressing modern slavery has been risk-based and developed in consideration to industry type and geographic location. Murdoch University recognises that modern slavery may occur within our supply chains, but main factors tending to increase these risks are industries that employ vulnerable populations.

Certain sectors and products are at high risk for modern slavery, regardless of region.

Typically, these sectors are:

- informal and unregulated, with poor visibility over lower tier suppliers
- reliant on a workforce to carry out jobs that are considered undesirable
- hazardous or low-skilled
- seasonal and low-paying.

The University has aligned with the AUPN which has led the Australian university sectors approach to develop a program of activity and a common supplier data base to address risks associated with modern slavery. As such using the industry categorisation framework, the University has been able to identify individual suppliers and expenditure categories that present either a high, medium, or low risk to modern slavery practices.

The importance of this program of work has been recognised by Murdoch University and has a standing agenda at the Audit and Risk Committee (ARC) meetings to provide regular updates of the progress and maturity of the approach.

With the adoption of a university sector wide approach to assessing and monitoring expenditure, we can provide transparency across our supply chain. This approach enables us to consider the possibility of risk when purchasing from higher risk industries, enabling us to identify, consider and mitigate risk. A common example is the purchase of IT equipment which is traditionally produced and sourced from offshore locations where there may be an increased risk of modern slavery practices.

# Actions taken to assess and address the risk

Murdoch University has worked closely with the AUPN and collaboratively with the university sector to implement a common approach with key actions to address the issues and impacts of modern slavery.

These actions have focussed on three key areas being education and communication, procurement process development and supplier management principles.

## Communication

- Establishment of a Modern Slavery Advisory Group (MSAG) to consider impacts and delivery of approach of modern slavery issues and risks, and to promote awareness and training to the university community.

## Contracts and Procurement

- Training of procurement staff on the identification of risks of modern slavery practices.
- Inclusion of modern slavery reporting requirements in all external documentation for go to market events.
- Inclusion of modern slavery clauses in Murdoch University Documentation.

## Supplier Management

- Introduction of the requirement for completion of either a modern slavery questionnaire or supplier modern slavery statement during strategic sourcing activity and supplier reviews
- Centralised vendor documentation for ongoing supplier management.

Further work has been undertaken to use state government Common Use Agreements (CUA's) whereby suppliers demonstrate compliance to the Western Australian Government modern slavery framework.

# Assessment of effectiveness of controls

Murdoch University will periodically monitor on an annual basis, the effectiveness of the prescribed actions to assess the controls implemented through the year one discovery phase. Performance of the implemented controls will be measured on the reduction of the supplier and industry risk detailed in the 2020 statement, and reported in future modern slavery statements. This will align to the Commonwealth Modern Slavery framework to ensure a consistent and sustainable approach to satisfy modern slavery obligations.

Areas for improvement targeted by the University will focus on continued monitoring and assessment programs. Initiatives will be directed at communication and awareness, staff training, and industry specific risk assessments.

A Supplier Management Framework will be implemented in 2021 to address supplier onboarding, supply risk, modern slavery compliance, and supplier performance to satisfy modern slavery obligations for both local and international vendors.

The University will continue to adopt the AUPN approach, reporting and technology to measure the effectiveness of modern slavery initiatives across the sector.

## Consultation

This statement has been submitted with the inclusion of controlled entities' information and consolidated with the University's expenditure profile. As these entities are controlled by Murdoch University, they are guided by the same principles of ethical supplier engagement defined in our approach to modern slavery.

The following subsidiaries are included in Murdoch University Modern Slavery Statement

- Murdoch Investments Pty Ltd – Owner of Murdoch Retirement Service
- \*Murdoch Retirement Services Pty Ltd – St Ives Retirement village operations
- \*Innovative Chiropractic Learning Pty Ltd – Chiropractic Clinic
- Murdoch Ventures Pty Ltd – Investment entity
- \*Murdoch Singapore Pte Ltd – Murdoch Singapore operating entity
- The Alan and Iris Peacocke Research Foundation – Philanthropic entity for research and grant distribution

The focus of our modern slavery statement is contained to only four (4) \*entities who actively engage vendors.

# Other relevant information

## COVID 19

Throughout 2020, the University's local and extended supply chains were impacted by COVID19. The immediate effects experienced was the lack of availability of key items of Personal Protective Equipment (PPE), reduction in the availability of sanitising products and an extended lead time for suppliers who were reliant on sourcing materials from offshore locations. With the limitation of availability of PPE products nationally and global manufacturing constraints, the University was reliant on increased sourcing requirements coming directly from offshore locations. This resulted in an elevated risk exposure to modern slavery practices.

As the workforce was mobilised to work remotely to support university operations the University also experienced a high demand for IT hardware. Already classified as a higher risk industry further pressure was applied to an extended supply chain to secure availability. Murdoch University has since undertaken steps to secure ongoing availability with our preferred service partners with minimal supply risk.

# Next steps

The future focus of Murdoch University will be directed on several key activities to further develop our stance on modern slavery and formalise our expectations of our suppliers.

## Code of Conduct

A supplier code of conduct will be developed and published detailing the acceptable standards and behaviours we expect from our suppliers.

## Contract documentation

Contract documentation will be refreshed with modern slavery contracts clauses when renewing supplier engagements.

## Vendor onboarding

Continued focused approach on the issuance and receipt of modern slavery questionnaires or statements for all new vendors and high-risk vendors.

## Communications and Education

The University will continue to deliver training and education to the university community both locally and internationally, on the risks of modern slavery risks across our supply chains.

Murdoch University will maintain its commitment to support the AUPN initiatives and continue to demonstrate an aligned and consistent approach to address the modern slavery risks across the university sector as a whole.



# Statement approval

Approved by Senate Resolution: S/30/2021

**Prof Eeva Leinonen**  
Vice Chancellor  
Murdoch University

