



*everyone's family*

# Modern Slavery Statement 2020

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Level 9, 117 Clarence Street  
GPO Box 10500  
Sydney NSW 2001

Telephone 02 9085 7222  
Facsimile 02 9085 7299  
[thesmithfamily.com.au](http://thesmithfamily.com.au)

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## 1 Introduction

This is the first Modern Slavery Statement (“**Statement**”) for The Smith Family, as required pursuant to the Modern Slavery Act 2018 (Cth) (“**Act**”). This Statement covers the reporting period from 1 July 2019 to 30 June 2020.

The term ‘Modern Slavery’ in this statement has the same meaning as defined under the Act.

The purpose of this Statement is to report on the steps The Smith Family has taken during the financial year ending 30 June 2020 to identify and assess the risk of Modern Slavery practices in our operations and supply chains and its process to assess and address those risks.

The Smith Family’s values are:

- Respect
- Integrity
- Collaboration
- Innovation and
- Excellence

The Smith Family is fully committed to acting ethically and operating responsibly. This commitment extends to enhancing our practices and processes to better identify and minimise the risk of Modern Slavery in our operations and supply chains and to seek to ensure that we are engaging with corporate partners and suppliers that share that commitment.

The new reporting framework under the Act has presented The Smith Family with an opportunity to gain a deeper understanding about the funding partnerships and supply chains that underpin the delivery of our programs and other operations. This has enabled The Smith Family to start developing better frameworks and processes to minimise the risks of Modern Slavery in our operations and supply chains going forward.

## 2 Our Structure

The Smith Family is an independent charity, registered with the Australian Charities and Not-for Profits Commission (**ACNC**), helping disadvantaged Australian children and young people get the most out of their education, so they can create better futures for themselves.

The Smith Family is a public company limited by guarantee incorporated under the Corporations Act 2001 (Cth). It does not have any subsidiary entities.

The Board of Directors is the ultimate decision making body of The Smith Family and is responsible for its overall governance. The Board delegates day-to-day operational management and decision-making to the Executive team, while retaining its oversight role.

The Finance, Audit and Risk Committee is the Board committee that has oversight of The Smith Family’s risk and compliance obligations, including in relation to Modern Slavery reporting.

### 3 Our Operations – an Overview

The Smith Family operates in every State and Territory of Australia. It has no operations outside Australia. The Smith Family has approximately 750 employees and 9,000 volunteers nationally and supports 170,000 disadvantaged children and young people throughout Australia.

The Smith Family provides long-term educational support to disadvantaged students and young people in Australia to break the cycle of disadvantage. Our programs give young people and their families the tools to help them build a better future for themselves. We begin by providing educational support to families before children start school. This continues through primary and high school and on to tertiary education. At every stage, our aim is to give students access to a range of resources they need to improve their educational outcomes. Along the way, we work with parents and carers, helping them to play an active role in supporting their child's education. For more information about our programs see: [www.thesmithfamily.com.au](http://www.thesmithfamily.com.au).

Research and evidence-based practice underpins all of our work. It helps us to measure the outcomes and assess the effectiveness of our support and programs. Evaluation and regular reporting also drive continual improvement across the organisation.

Our Annual and Financial Reports provide a comprehensive overview of our annual activities and a summary of key statistics and financial results. These Reports describe where we obtain our financial resources and how we apply those funds, including to deliver our programs. They are available at [www.thesmithfamily.com.au](http://www.thesmithfamily.com.au).

### 4 Our Approach to identifying operations and supply chains

The Smith Family considers that '**operations**' for the purpose of Modern Slavery reporting is not limited to the delivery of our programs and the support functions and research that underpins this important work. We have determined that 'operations' includes the funding relationships that assist us to deliver our programs. This includes relationships with our major donors and corporate partners. The commitments or actions taken by these parties to minimise the risk of Modern Slavery in their operations and supply chains (where relevant), has been identified by The Smith Family as an additional relevant consideration as we enter into new funding relationships. Applying this 'lens' is a new process for The Smith Family and one that will become an imbedded practice in future years.

The concept of '**supply chains**' for our organisation is similar to other organisations delivering educational and support programs. Our wonderful people (both employees and volunteers) are, of course, the primary 'supplier' of the support The Smith Family delivers to students and families each day. Our supply chains also includes all the products and services that contribute to the delivery of our educational programs and benevolent support from the tele-support companies that engage with our supporters through our campaigns, to the cleaners of our premises, to the technology contracts that support our core functions and those programs that The Smith Family delivers digitally.

As our operations are located in Australia only, our suppliers are predominantly located in Australia (but see further information in sections 6 and 7 regarding the particular functions and activities that we mapped and examined more closely during this reporting period).

## 5 Our incremental approach to addressing Modern Slavery Risk

Notwithstanding that our operations and activities are conducted wholly within in Australia, the task of mapping our operations and supply chains is, nonetheless, a significant exercise.

The COVID-19 pandemic has provided additional challenges during the reporting period due to the dislocation caused by closing state offices and having our personnel working from home for extended periods of time. It has not been possible to develop a 'whole of organisation' approach to Modern Slavery reporting for this first reporting period. Instead The Smith Family has targeted core functions and activities that underpin our operations, as further described below. It is intended that this exercise of Modern Slavery risk mapping will be further developed and implemented across general operational, administration and related support functions in the coming year.

For this first reporting period we focussed on certain functions and activities that were perceived as potentially carrying greater Modern Slavery risk. The Smith Family intends to refine its approach year on year and extend it to other core functions and support services as resourcing permits.

For this reporting period The Smith Family has focussed on identifying and assessing the Modern Slavery risks of the following activities:

1. The generation of Revenue to fund our operations – with a particular focus on:
  - a. Corporate Partners;
  - b. Campaigns.
2. Support services which underpin our operations – with a particular focus on:
  - a. Business Information Systems.

## 6 Revenue Generation – risks assessed and actions taken

### Corporate Partners

The Smith Family is fortunate to have the support of over 129 corporate partners that provide financial support, pro bono services and other in-kind support to underpin the delivery of our programs. For the reporting period we value the financial contribution by our corporate and business partnerships at approximately \$11.7m.

Our primary focus for this reporting period was to assess arrangements with corporate partners who conduct fundraising campaigns for The Smith Family in the course of their trade or business (these are sometimes referred to as 'trader' arrangements).

For the reporting period The Smith Family entered into a number of new trader arrangements and renewed several others. Corporate and business partner trader relationships were identified as an area of focus on the basis that the supply chains of the traders had the potential to carry an element of Modern Slavery risk which could in turn be seen to form part of our operations or supply chain. In particular, we were concerned to develop a deeper understanding about the supply chains for goods sold by those traders in Australia as part of

fundraising activities for The Smith Family, particularly if those goods were being manufactured outside Australia. We had not previously investigated this risk.

The Smith Family has updated its practices to:

- assess the risk of Modern Slavery in traders' operations and supply chains through due diligence inquiry at the time of engagement or renewal;
- seek undertakings about Modern Slavery practices in formal 'trader agreements' executed with these corporate partners;
- ensure our internal policies and procedures for engaging with all corporate partners (not limited to trader arrangements) gives due consideration as to whether a partner's awareness of Modern Slavery risks and associated practices are aligned with The Smith Family's values and commitments on Modern Slavery.

This updated framework ensures that Modern Slavery risk is more closely scrutinised as part of the initial on-boarding assessment. It is the responsibility of the team member managing that relationship to ensure that knowledge about that partner is maintained and the relevant assessments are re-applied on a periodic basis to ensure continued alignment with our expectations. If a concern arises during the life of a corporate partnership the matter will be escalated to the responsible Executive in the first instance, and ultimately, to the broader Executive Group for consideration as to the appropriate action to take in the circumstances.

During the next 12 months (next reporting period) we are looking to embed new practices more broadly across all major corporate partnership arrangements in circumstances where the corporate partner is provided with an opportunity to promote their financial support of The Smith Family through the use of The Smith Family's Logo.

## Campaigns

A focus in this reporting period was to assess the level of Modern Slavery awareness and protections adopted by the key suppliers we engage in our campaigns and marketing channel which underpins our fundraising initiatives with the public.

The Marketing team engaged approximately 110 suppliers during the reporting period across a range of fundraising campaign initiatives. These activities include digital campaigns on social media, electronic and direct mail, providing supporter care and other engagement with our supporters by phone and seeking new sponsors through face-to-face fundraising campaigns (face-to-face activity ceased during the reporting period).

These campaigns were conducted in Australia by engaging supplier entities that predominantly provided their services in Australia. During the initial mapping exercise the marketing team identified only one supplier that was also providing some tele-support from a country perceived as being in a higher risk category than Australia, but we are no longer working with that supplier. Whilst we assessed that our suppliers in this channel were generally likely to be 'low risk' due to the prevalence of strong employee and industrial protections in Australia, we determined this functional area as important to examine given its contribution to our overall revenues.

The Marketing team then identified 'material' suppliers based on both quantitative and qualitative criteria, developed a preliminary assessment of the likely risk and then contacted

those suppliers with a more detailed request for information regarding their practices for assessing and guarding against Modern Slavery.

Our new processes have provided The Smith Family with an important opportunity to 'know its suppliers' more deeply in the campaigns and marketing channel. The Smith Family will continue to embed these new practices including on-boarding due diligence and annual assessment and review. As appropriate based on these assessments, The Smith Family now seeks contractual and warranty protections in new contracts and will continue to do so with existing suppliers upon renewal.

If a material concern about a supplier's Modern Slavery practices arises during the life of a key supplier relationship the matter will be escalated to the responsible Executive in the first instance, and if necessary, to the broader Executive Group for consideration as to the appropriate action to take in the circumstances.

## 7 Support Services – risks assessed and actions taken

### **Business Information Systems**

In this reporting period we focussed on the level of Modern Slavery awareness and protections adopted by the key suppliers of information and communications technology (ICT) that are contracted by our Business Information Systems (**BIS**) team. The BIS team was responsible for managing contractual arrangements with over 25 ICT suppliers during the reporting period. This functional area was identified for priority in this first reporting period given The Smith Family's strategic focus on digital enablement and because ICT procurement sometimes carries a higher level of Modern Slavery risk where some or all of the ICT services are provided offshore in jurisdictions where workers have fewer rights and protections than those afforded to workers in Australia.

The approach to identifying and assessing Modern Slavery risk was similar to that adopted by the Marketing team in relation to campaigns. The BIS team identified suppliers that are key to the delivery of The Smith Family's operations ('material suppliers'). The BIS team developed a preliminary assessment as to the likely risk which included consideration of the geographic location of the supplier (country from which some or all of its ICT services may be provided). We then tested that preliminary risk assessment by asking the material suppliers to respond to a more detailed request for information regarding their Modern Slavery practices.

The BIS team has embedded additional due diligence processes into its on-boarding of ICT suppliers. The team will conduct an annual review of its material suppliers using the organisation's detailed "request for information" form to ensure that Modern Slavery risks are identified and managed appropriately, and will continue to seek contractual protections (where appropriate) when entering into new ICT arrangements.

If a material concern about an ICT supplier's Modern Slavery practices were to arise during the term of the relevant contract, the same escalation processes for consideration and remediation, as apply to corporate partnerships and marketing, would apply.

## 8 Effectiveness – looking forward

The new reporting framework under the Act has presented The Smith Family with an opportunity to develop a deeper understanding about some of the funding partnerships and supply chains that underpin the delivery of our programs and other operations. This has enabled The Smith Family to start developing better frameworks and processes to minimise the risks of Modern Slavery in our operations and supply chains going forward.

Our investigations and new processes in the functional activities identified in this statement have provided The Smith Family with reassurance that the risk of Modern Slavery practices in its operations and supply chains is low at this time, but we recognise that there is further work to be undertaken in future years to proactively respond to the requirements of the Act.

It is intended that the exercise of Modern Slavery risk mapping will be further developed and implemented across general operational, administration and related support functions in the coming year, as resourcing permits and current COVID-19 restrictions ease.

Further, the new processes including the annual reviews of our key partners and suppliers will be embedded in the functional areas identified in this statement and across other functional operations of The Smith Family in coming years, with a view to ensuring that The Smith Family is meeting its ongoing commitment to acting ethically and operating responsibly, including to ensure that we minimise the risk of Modern Slavery in our operations and supply chains.

The following actions will be taken to enhance compliance and monitor effectiveness going forward:

- This Modern Slavery statement will be promoted internally as a means of enhancing awareness of our commitment to minimising Modern Slavery in our operations and supply chains, with appropriate awareness training delivered that is aligned to updated team practices (as developed).
- A Modern Slavery work program identifying key priorities will be developed year on year for approval by the Executive Group and noting by the Finance Audit and Risk Committee.
- Progress on the implementation of the work program to address Modern Slavery risk will be reported regularly to the Finance, Audit and Risk Committee so that it may provide oversight of the process and consider whether external support should be sought to assess its effectiveness in future years.

This statement was approved by the Board of The Smith Family on 30 November 2020.



**Nicholas Moore**  
Chairman