



# Only About Children

## Modern Slavery Statement

July 2020 – June 2021



Only About  
Children



# Modern Slavery Statement 2021

## July 2020 - June 2021

### 1. Identify the reporting entities

- 1.1 This is a joint statement submitted in accordance with the *Modern Slavery Act 2018* (Cth) for the reporting period 1 July 2020 to 30 June 2021 on behalf of a group of entities ('Oac Group') that together comprise and operate the business 'Only About Children'.
- 1.2 Nemo (BC) Holdco Pty Ltd (ACN 614 209 880) ('HoldCo', a holding company) is a reporting entity, the ultimate parent company and controlling entity, and submits this joint modern slavery statement on behalf of Oac Group.
- 1.3 Other reporting entities within Oac Group and included within this statement are:
  - 1.3.1 Nemo (BC) Midco Pty Ltd (ACN 614 211 219) ('MidCo' – a holding company);
  - 1.3.2 Nemo (BC) Bidco Pty Ltd (ACN 614 212 716) ('BidCo' – a holding company);
  - 1.3.3 OAC Group Pty Ltd (ACN 169 895 229); and
  - 1.3.4 Only About Children Pty Ltd (ACN 107 666 624).
- 1.4 This statement covers the activities of Oac Group as a corporate consolidated group, controlled by Nemo (BC) Holdco Pty Ltd.

### 2. Structure, Operations and Supply chain

#### *Our corporate structure*

- 2.1 Oac Group is a group of privately owned Australian companies and trusts that are ultimately owned by Nemo (BC) Holdco Pty Ltd.
- 2.2 In addition to the reporting entities listed above, Oac Group includes several non-reporting entities, being subsidiaries or related bodies corporate to the reporting entities within Oac Group.
- 2.3 Together, these Oac Group entities operate our early years education and childcare business, Only About Children. Despite the multiple legal entities that sit within our structure, the business operates as a single operational brand, with uniform governance structures and policies in place across all entities.
- 2.4 In light of this structure, the operations and supply chains of the business are considered to be the same for all reporting entities (and non-reporting entities) within Oac Group. This statement considers the risks of modern slavery and responses to those risks by the business as a whole, as these are relevant to and similar for all entities within our corporate group.

#### *Our operations*

- 2.5 Oac Group operates in Australia, a country which has been assessed as having a lower prevalence of modern slavery<sup>1</sup>, and in an environment of robust regulatory framework under the *Education and Care Services National Law* and the National Quality Standard. Our operations span over 70 campuses across Sydney, Melbourne and Brisbane,

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<sup>1</sup> Global Slavery Index 2018, see Figure 1: Estimated prevalence of modern slavery by country: [Global Findings | Global Slavery Index](#)

providing early years education and care services to over 8,000 families and employing more than 2,000 people.

### *Our supply chain*

2.6 Oac Group's supply chain consists of goods and services that support the provision of our early learning, educational and care services. Our greatest expenditure is in remuneration, and thereafter our supply chain is predominantly related to expenditure that provides the infrastructure, facilities and other support required to enable the delivery of our early learning and educational services.

2.7 In considering the scope of our operations and tier 1 suppliers in more depth, having undertaken a comprehensive risk analysis during the reporting period, we have identified the main, highest dependency areas as follows:

- 2.7.1 Landlords/leasing costs;
- 2.7.2 Insurance and professional services;
- 2.7.3 Agency staffing;
- 2.7.4 Food supplies;
- 2.7.5 IT equipment and services;
- 2.7.6 Repairs and maintenance;
- 2.7.7 Office supplies, equipment and consumables;
- 2.7.8 Cleaning services;
- 2.7.9 Utilities; and
- 2.7.10 Building services.

### 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.

The business considered the modern slavery risks within both our operations and supply chains.

#### *Our operations*

3.1 **Employees:** Our sector is generally assessed as being at low risk of modern slavery situations being present within it. Our staff require a minimum skill level to undertake their roles (in both the operational and support teams) and are likely to be aware of their rights and not vulnerable to exploitation.

3.2 **Agency Staff:** The nature of our business, and a common and attractive feature of the child care sector for some staff, means that we have a large number of employees employed on casual contracts. This enables us, and our staff, the flexibility to fill shifts in our different campuses as the needs arise. Where we cannot meet our operational needs using our casual employees, however, we use agency staff for this purpose, particularly in the roles of child care educators and chefs. We recognise with agency staff there is less control over workers' terms and conditions and therefore an increased potential for these workers to be vulnerable to modern slavery risks.

#### **Impact of COVID-19 pandemic**

- The pandemic has impacted the staffing of our business and, when considering the risk of modern slavery, overall it in fact decreased the risk; we used fewer agency

staff to fill shifts. We had expected the risk to increase, as our industry and business relies on a skilled workforce that is heavily supported by people from overseas who are working in Australia on temporary skilled migrant visas. As there are no skilled workers joining the industry from this source, and a large number have returned to their country of origin, this has caused a skills and worker shortage in the sector. We initially needed to use more agency staff during a short period following the introduction of JobKeeper subsidy payments. However, with government measures and decisions of families during the pandemic that resulted in a reduction in childcare attendance, the reliance on agency staffing dropped, allowing us to manage operations with our own staff and without relying so heavily on an agency workforce.

3.3 **Acquisitions:** Our business is expanding and seeking to grow the number of campuses operating under the 'Only About Children' brand. In doing so, we are acquiring existing businesses and accordingly are assuming risks in relation to those businesses.

#### Impact of COVID-19 pandemic

- The COVID-19 pandemic has slowed our acquisitions process, enabling more time for the business to consider and implement appropriate measures and documentation when acquiring new businesses.

#### Our supply chain

3.4 Nearly all our tier 1 suppliers are based in Australia, (with a small number based in developed countries such as the United Kingdom and New Zealand, being low risk for prevalence of modern slavery, particularly in the industries in which these suppliers operate). However, we are aware that some of our tier 1 suppliers source goods or services from overseas, and this may include geographical locations or sectors with a higher risk of modern slavery.

3.5 Considering indicators from the Global Slavery Index 2018<sup>2</sup> and the International Labour Organisation<sup>3</sup>, we have identified the following sectors within our supply chain that may have higher modern slavery risks:

- 3.1.1. Cleaning services: through use of low-skilled or migrant workers;
- 3.1.2. Electronics suppliers: noting that the manufacture of laptops, computers and mobile phones particularly in China and Malaysia are at high risk of modern slavery;
- 3.1.3. Resources: the products we purchase to furnish our campuses; and
- 3.1.4. Construction: through use of migrant workers or temporary labour and subcontractors.

3.6 Our current visibility of supply chain is limited to tier 1. Without a better understanding of the additional tiers within our supply chain it is not possible to ascertain measures or the extent to which we can address the risks of modern slavery occurring.

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<sup>2</sup> Global Estimates of Modern Slavery (2017) ILO, page 32, Figure 9

[https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms\\_575479.pdf](https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms_575479.pdf)

<sup>3</sup> Reference taken from the Human Rights and Modern Slavery advanced e-learning module available at the Supply Chain Sustainability School's website:

[https://learn.supplychainschool.org.au/mod/scorm/player.php?scoid=85&cm=1004&currentorg=Modern\\_Slavery\\_A4\\_ORG](https://learn.supplychainschool.org.au/mod/scorm/player.php?scoid=85&cm=1004&currentorg=Modern_Slavery_A4_ORG)

3.7 With many of our current suppliers having long-term relationships with the business, built on years of providing reliable and satisfactory services, our procurement practices are not formalised nor do they include explicit consideration of modern slavery risks.

#### Impact of COVID-19 pandemic

- We recognise that the pandemic has been a challenging time for our suppliers. Some have been affected by a decline in business and may be seeking more cost-effective means to produce goods/provide services. Such cost cutting measures may have increased the risks of modern slavery occurring within the supply chain. Equally, where there may have been an increase in business for some suppliers, e.g. cleaning services, this may have resulted in increased risks of modern slavery through the use of subcontractors and low-skilled migrant workers, whose vulnerability may be enhanced by the unpredictability and lack of employment stability arising from the pandemic.
- It was brought to our attention by a cleaning subcontractor that there were delays by our supplier in making payment to them. While practices such as substandard working conditions and underpayments are not within the definition of modern slavery, we recognise that these practices can be harmful and may escalate to modern slavery if not addressed. Accordingly, we engaged immediately with the supplier to advise of the communication we had received and requested information on the status of, and arrangement with, the subcontractor, and confirmation that any payment due had been made. Further, we reminded the supplier of their obligations within our contract to ensure that all subcontractors are approved by us before commencing work on our campuses. This way we can ensure that the modern slavery risks are managed prior to any subcontractor commencing. We are working with the supplier to ensure that appropriate screening of subcontractors is in place and will seek to undertake an audit of their compliance.

#### 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.

To address the risks of modern slavery present in our operations and supply chain, and ensure these are continually monitored, we identified measures under the areas of Governance and Risk Management, Education and Training and Supply Chain Due Diligence.

##### *Governance and Risk Management*

4.1 Employees: The business reviewed its policies and procedures to update and strengthen the remediation processes in place to address adverse human rights impacts.

- We adopted a new Modern Slavery Policy, which has been published on our website for visibility to suppliers, our families and any third parties, and communicated to all staff to ensure their awareness and compliance.
- Existing policies that apply across the operations of the business were reviewed and updated to align with the Modern Slavery Policy. This included internal policies, such as the Code of Ethics and Conduct, Grievance and Dispute Resolution Policy and Whistle Blower Policy, which staff are required to acknowledge acceptance of and adherence to on commencing employment. It also encompassed our Dealing with Complaints Policy, which is made available to the families we provide a service

to. All policies now explicitly identify the risks of modern slavery practices and include mechanisms for reporting any instance or suspected instance of modern slavery.

- All employees have access to an Employee Assistance Program, providing confidential counselling and assistance at no cost.

4.2 Agency Staff: We maintain a dedicated casual staff recruitment function in-house and a large pool of staff on casual employment contracts to fill our shifts. Where we are unable to use our own staff, we use agency staff from reputable and sector-specific agencies, who have the required qualifications and training for the role. The relationships between Only About Children and the agencies we use are managed as part of our supply chain, with appropriate due diligence measures in place.

4.3 Acquisitions: Our legal and acquisitions teams worked together to update existing documentation to ensure that modern slavery risks are identified at the commencement of any acquisition process, during the due diligence process, and that obligations relating to anti-slavery laws are included within the transaction contracts.

### Continual Improvement

In the next reporting period:

- We will focus on sector engagement through our membership with Early Learning And Care Council of Australia (ELACCA), whose members represent more than 25 per cent of the nation's early learning and care places.

### Education and Training

4.4 Employees: Our staff were educated on the new Modern Slavery Policy and updates to existing policies, aligning with and strengthening our zero-tolerance approach to modern slavery.

4.5 Employees: A Modern Slavery Online Learning Module to support the Modern Slavery Policy has been developed, covering the risks, how to identify the signs and how to report instances or suspected instances of modern slavery.

4.6 Suppliers: The Modern Slavery Supplier Questionnaire educates suppliers of our expectations, raises awareness of the issue/risks of modern slavery and includes reference to, and encouragement to view, the educational materials on the Supply Chain Sustainability School website<sup>4</sup>.

### Continual Improvement

In the next reporting period:

- We will continue to deliver education and training initiatives within our operations, rolling out our Modern Slavery Online Learning Module as mandatory for all staff to undertake, as well as including this within the induction program.

### Supply Chain Due Diligence

4.7 Supply Chain: Our focus is on gaining transparency of our supply chain and the risks of modern slavery that may be present within. By improving our understanding of the supply chain risks we can address these by making appropriate procurement decisions

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<sup>4</sup> <https://www.supplychainschool.org.au/learn/modern-slavery/>

to mitigate the risks, and work with existing suppliers to ensure they have best practices in place to identify and address the risks in their operations and supply chain.

- A risk framework was developed having regard to the Global Slavery Index and International Labour Organisation data to identify high risk areas in our supply chain. Using this risk framework, a risk assessment was conducted on all our suppliers to assign a level of risk to each. Suppliers falling into the 'Extreme', 'High' and 'Significant' risk levels were issued a Modern Slavery Supplier Questionnaire aiming to gain further understanding and visibility into their supply chain, understand their level of awareness of the issue and risks of modern slavery, and promote awareness and identification of the risks and resources available. The response rate for this supplier engagement was 85%.
- The legal team reviewed and updated our building works and contractor template agreements to include the requirement for suppliers to comply with anti-slavery laws, with severe consequences for failure to do so.

### Continual Improvement

In the next reporting period:

- We will be issuing the Modern Slavery Supplier Questionnaire to suppliers in the 'Moderate' risk level category.
- We will collate all responses received and analyse these to identify suppliers with whom we can engage to enhance their practices around assessing and addressing risks of modern slavery. We will gain further visibility into the next tiers of the supply chains to establish any additional risks in this area that should be addressed.
- We will identify suppliers with whom we can collaborate to strengthen their approach to managing modern slavery risks, both within their operations and supply chain.
- Our online contractor induction module will be enhanced to include relevant modern slavery education and training for contractors.
- We will be refining our procurement practices and formalising these within a procurement policy, to take account of the risks of modern slavery and ensure these are considered at the outset of any supplier engagement.

## 5. Describe how the reporting entity assesses the effectiveness of these actions.

5.1 During this reporting period, our focus was to work on addressing the areas identified as risks in our operations and supply chain. We commenced by implementing relevant actions within our operations, enabling our people to gain an understanding of the risks of modern slavery and how to identify and report signs of modern slavery. Compliance with the policies that have been created or updated and communicated to the business will be monitored to identify the efficacy of this approach. Further, in the 2022 reporting period we will be releasing a bespoke modern slavery online learning module as a mandatory training for all staff. An assessment is included within this training module, requiring a pass rate of 80% for successful completion. Targets will be set for the timeframes in which this online learning module is to be completed by all staff within the business.



- 5.2 We also used this reporting period to gain more visibility over our supply chain by issuing supplier questionnaires to our highest risk suppliers. While the effectiveness of this action was measured in the 85% response rate initially, we recognise that additional measurements around effectiveness of our actions in supplier due diligence and working with suppliers to promote an understanding of, and response to, modern slavery risks will require development and ongoing monitoring for improvement, as we continue to engage with suppliers for this purpose.
- 5.3 All progress on our modern slavery action plan is reported monthly to our Quality and Compliance Committee ('QCC'), represented by Oac Group's senior management. The QCC review all actions and consider whether they are aligned to our Modern Slavery Statement and the risk framework established for the business. The QCC also reviews the business KPIs and performance in relation to operational matters including grievances, whistle blowing and workplace health and safety. Through this existing mechanism we can monitor the effectiveness of our actions within our operations.
- 5.4 Upon review of this reporting period's actions and processes, it was recognised that a layer of support is missing from our approach to continual improvement and implementation of measures to reduce modern slavery risks, ensuring that these actions can be more effectively assessed. It has been agreed that a more structured framework will be implemented during the 2022 reporting period, with a new representative working group to continually consider and action modern slavery risks, reporting to and monitored by the QCC, with ultimate reporting to the Audit and Risk Committee who are chartered to assist the Board in fulfilling its responsibilities for corporate governance and oversight of relevant areas, including risk management systems. Our new framework is represented in the below diagram:



## 6. Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls

- 6.1 Members of the QCC (being senior and executive management, representing all entities in Oac Group except holding entities HoldCo, MidCo and BidCo) are aware of and discuss the reporting requirements under the *Modern Slavery Act 2018* (Cth), the risk framework of the business and actions being taken to ensure that the business is actively working towards identifying and mitigating the risks of modern slavery in its operations and supply chain.
- 6.2 The QCC reports to the Audit and Risk Committee, which includes representatives from all Oac Group entities' boards of directors (including holding entities BidCo, MidCo and HoldCo). Through this collaboration the Audit and Risk Committee is instrumental in considering and shaping the governance and controls relating to modern slavery risks as part of the overall risk management framework.
- 6.3 Together they contribute to developing the content of the Modern Slavery Statement, which is approved by the Audit and Risk Committee and recommended for signature by the ultimate parent entity HoldCo, for submission on behalf of the Oac Group.
- 6.4 Accordingly, the process of consultation is effectively joint among the Oac Group entities, with knowledge of, and contribution to, the development of the statement across all entities.

## 7. Any other information that the reporting entity, or the entity giving the statement, considers relevant.

- 7.1 No further information of relevance.

This modern slavery statement was approved by the principal governing body of Nemo (BC) Holdco Pty Ltd as defined in the *Modern Slavery Act 2018* (Cth) ("the Act") on 19 October 2021.

This modern slavery statement is signed by a responsible member of Nemo (BC) Holdco Pty Ltd as defined in the Act.



Michael Murphy  
Director



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