



MODERN
SLAVERY
STATEMENT
December 2021

Contents

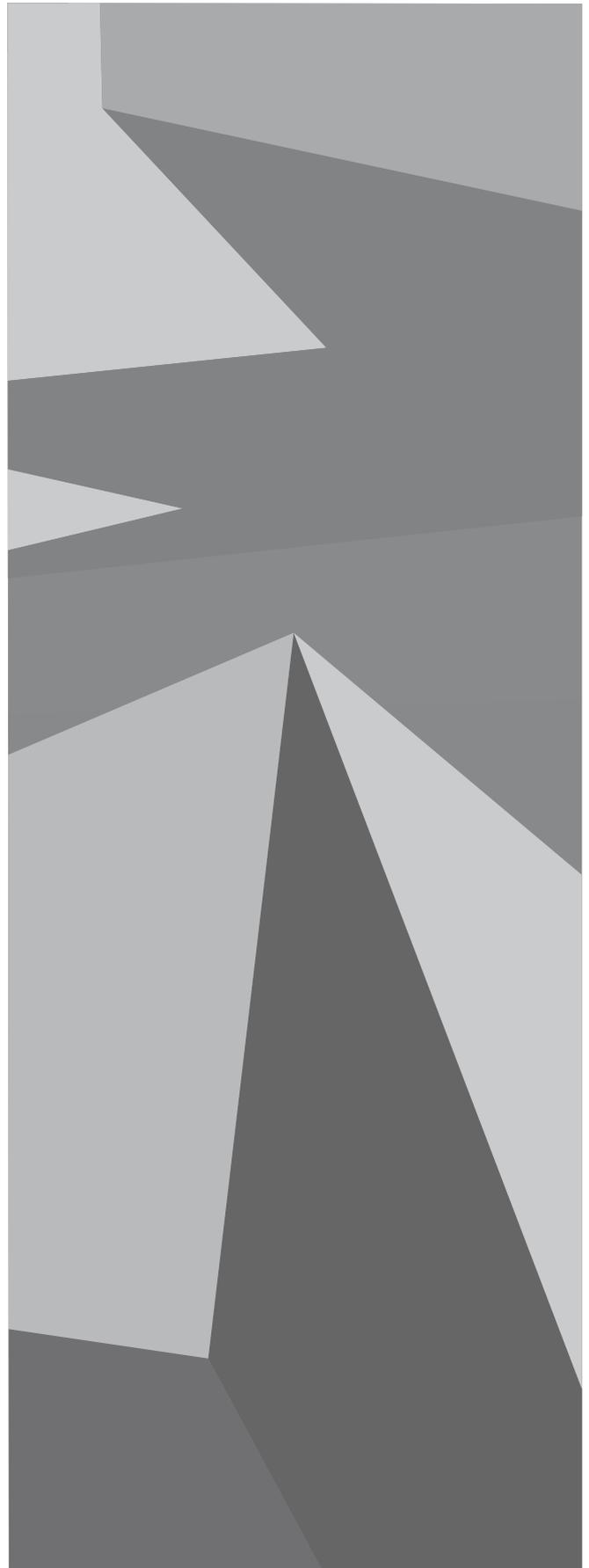
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Acknowledgment of country

We acknowledge the Traditional Custodians of the land on which we work and live, and recognise their continuing connection to land, water and community. We pay respect to Elders past, present and emerging.

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Information contained in this publication was correct at the time of publishing.
For the most up-to-date information about the University, visit usc.edu.au
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INTRODUCTION

The Modern Slavery Statement for the University of the Sunshine Coast (USC or the University) sets out the actions taken to identify, assess and address risk of modern slavery across our operations and supply chain in the financial year ending 31 December 2021.

This statement is made in compliance with the Modern Slavery Act 2018 (Cth). The purpose of this statement is to outline our commitment to be an ethically and socially responsible organisation committed to ensuring our practices combat slavery and human trafficking. We recognize our role in respecting and promoting the fundamental human rights of our people, suppliers and customers.

The University supports the Australian Government's global leadership in preventing modern slavery. By working with our sector, employees, contractors, partners and suppliers on processes and practices to effectively manage modern slavery risk USC aims to create and maintain an environment in which there is no place for modern slavery, and to contribute to this achievement in the wider Australian community and in the global supply chains of Australian goods and services.

The University acknowledges that the steps it has taken in its second reporting period represent the early steps in addressing the risk of modern slavery in USC operations and procurement. The University is at an early stage in its response to these issues and recognises that an ongoing commitment to addressing these risks is needed by all organisations to tackle the complex and pervasive risks and impacts of modern slavery in global supply chains.

A. REPORTING ENTITY

The University is an Australian Higher Education Institution which provides a wide range of teaching, research and education-related activities.

The University is established under the *University of the Sunshine Coast Act 1998* (an Act of Queensland Parliament) and is a statutory body as defined by the *Financial Accountability Act 2009*. The University is parent to three wholly-owned subsidiaries whose operations are minimal to dormant and are not considered reporting entities.

- provided courses of study or instruction at levels of achievement the Council considers appropriate, to meet the needs of the community
- confer higher education awards
- disseminate knowledge and promote scholarship
- provide facilities and resources for the wellbeing of the University's staff, students and other persons undertaking courses at the University
- maximise commercially, for the University's benefit, a facility or resource of the University, including, for example study, research or knowledge, or the practical application of study, research or knowledge, belonging to the University, whether alone or with someone else
- perform other functions given to the University under the Act or another Act.

B. STRUCTURE, OPERATIONS AND SUPPLY CHAINS

USC was founded by its community in 1996 with the belief that opportunity is everywhere – especially in regional Queensland. As the first greenfield university to open in Australia since 1971, USC has helped unlock the innovation, productivity and potential of its regional communities. Its impact on economic, social, cultural and environmental development is clear, with more than 18,000 students, more than 120 higher education programs, 1,500 staff, \$500 million invested in infrastructure and more than \$9 billion flowing into the local economy, including through the contributions of its almost 30,000 graduates.

In accordance with its Act, the University's functions are to:

- provide education at university standard
- provide facilities for, and encourage, study and research
- encourage the advancement and development of knowledge, and its application to government, industry, commerce and the community

USC is a multi-campus university with campuses in the Sunshine Coast, Moreton Bay, Caboolture, Gympie, Fraser Coast and Brisbane. The University's teaching operations are fundamentally delivered in Australia through an on-campus experience complemented by technology-enabled learning. The University partners with industry, institutions and all levels of government to deliver innovative, high-quality research with real impact. Research operations are largely undertaken within Australia with some overseas delivery, particularly in the Pacific and South East Asia regions.

More information about USC, our activities and performance is available within the University's Annual Report usc.edu.au/reports and at usc.edu.au

Supply chains

USC purchases goods and services from a wide range of suppliers and across a number of categories. Our supply chain is varied and includes individuals, small-to-medium enterprises (SMEs) and multi-national organisations. We are committed to purchasing in a responsible manner and ensuring that modern slavery is not present in the procurement of these items through the supply chains of suppliers.

USC's supply chains are global and, when involving multi-tier suppliers, complex. Prioritising the analysis and monitoring of these categories of expenditure will enable USC to minimise its risks and to further develop and improve its due diligence processes.

USC also undertakes significant collaboration with research partners. These collaborations were also monitored by USC in relation to this obligation under the Modern Slavery Act.

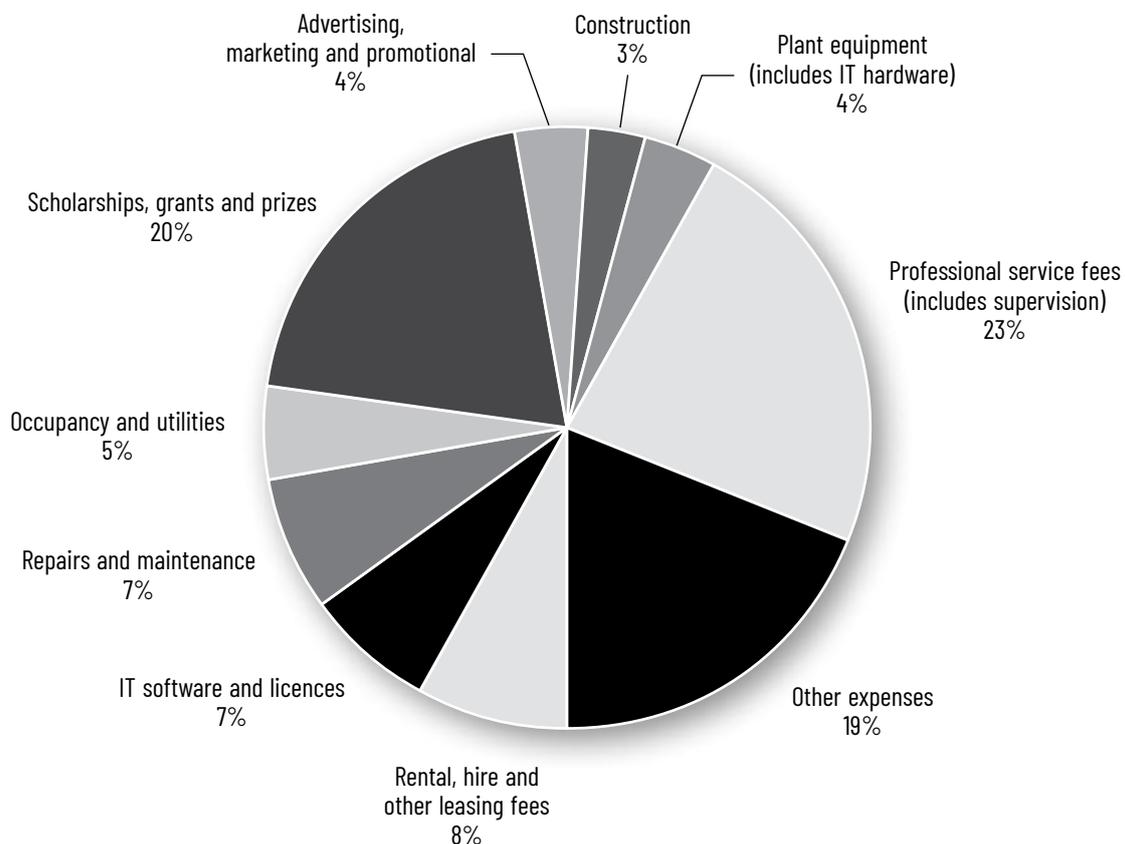
The University Procurement Framework consists of policies and procedures adhering to the requirements of the Queensland Procurement Policy (QPP). While considering the traditional aspects of procurement in value for money, integrity, probity and accountability, the framework reflects the expectations of advancement of economic, environmental and social objectives, particularly for Queensland communities.

The framework enables each organizational unit of the University to undertake its own procurements, with some exceptions relevant to expert collaboration and involvement, particularly for IT equipment, construction related activities and laboratory resources. The framework includes financial thresholds, decision-making gateways and other formal structures to enable contributions by key senior staff, procurement specialists and subject matter experts as appropriate.

As a government regulated entity, the processes, relationships and timeframes of the University's procurement practices are similar to those of Government agencies rather than other organisations where centralised procurement teams manage purchases and supplier relationships across all elements of the business.

In 2021 the University engaged with 3,000+ unique suppliers, with a total value of \$72 million (excluding salary related payments). Approximately 10 percent of suppliers and eight percent of expenditure originated overseas. According to the Global Slavery Index, the majority of overseas providers were in low risk geographical locations. Spend with medium to high risk locations was less than \$1 million.

SUPPLY CHAIN BY EXPENDITURE CATEGORY.



C. RISK ASSESSMENT

In accordance with the Act, the University has considered the potential for USC through its operations and supply chains to cause, contribute to, or be directly linked to modern slavery. Given that the University's operations are largely undertaken within Australia, a country rated by the Global Slavery Index as low in prevalence of and vulnerability to modern slavery practices, the University considers itself also low risk in this respect. The University recognises, however, that risks exist for it to be directly linked to modern slavery practices through its business relationships with other entities within the extended supply chain.

Risk within USC operations

USC consider the risk of modern slavery in its operations is low. This assessment is based on the legislative frameworks that regulate the conditions within which the University is required to operate, which provide a robust set of safeguards against modern slavery occurring within the University's operations.

The fundamentals of these frameworks are reflected within the University's policies and agreements including:

- 🔗 Staff Code of Conduct – Governing Policy
- 🔗 Student Conduct – Governing Policy
- 🔗 Equity and Diversity – Governing Policy
- 🔗 Health, Safety and Wellbeing – Governing Policy
- 🔗 Working with Vulnerable People – Governing Policy
- 🔗 Student Grievance Resolution – Governing Policy
- 🔗 Anti-Discrimination and Freedom from Bullying and Harassment (Staff) – Governing Policy
- 🔗 Enterprise Agreement (2019-2022)

Risk within USC supply chain

In conjunction with efforts coordinated at a university sector level, USC has considered the risks within its supply chains. Within any given year approximately 10% of USC suppliers are considered high risk when considered across the range of expenditure categories and country locations of supplier head offices.

USC has identified the following areas within the supply chain for focused analysis, education and consideration of risks of inherent modern slavery practices:

IT HARDWARE

Reflecting an ever evolving, digital-enabled environment, combined with an infrastructure for growth program, the University's expenditure on information technology goods and services accounted for 12 percent of total expenditure in 2021.

Risks include:

- complexity of supply chains, potentially stretching across multiple countries, which may make it difficult to track and monitor individual suppliers and their modern slavery risk management processes
- production of parts (including raw materials required) which may involve workers subjected to modern slavery.

CLEANING AND SECURITY SERVICES

The University largely outsources these services, which reduces the direct influence and visibility that the University has over its business practices. Cleaning services procured include general, periodical and specialist cleaning services that require specialist knowledge and equipment. Security services include 24 hour presence at all USC locations with general guarding, alarm monitoring and maintenance of security technologies and information. Due to geographical locations, security and cleaning personnel are regularly interacting with surrounding community members who do not have a direct relationship with the University.

Risks include:

- workers who may be paid incorrectly – underpayment may lead to modern slavery
- workers, particularly migrant workers, who may have been exploited through modern slavery because they may not be fully aware of, or comfortable claiming, their legal rights and entitlements
- use of unskilled, contract labour and a focus on low cost service delivery.

PERSONNEL RESOURCING FOR RESEARCH ACTIVITIES

It is noted that activities related to research operations often involve personnel resources engaged through contract, particularly where the resource is in a country outside of Australia. These contracted resources are often sole or minority-owned operators within environments that may not access the benefits provided by a regulated environment such as Australia.

Risks include:

- workers for the subcontractor who may be paid incorrectly – underpayment or payment through alternative means may lead to modern slavery
- servitude and or forced labour within the supply chain.

OTHER PROFESSIONAL SERVICES

At 23 percent of 2021 expenditure, the University's suppliers of professional services, including the outsourcing of teaching delivery and student supervision, could be considered high risk according to the Global Slavery Index. Because the majority of suppliers are direct Australian entities (including some Government entities) the risk is low, however it will be important to continue to monitor this.

D. ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

Following the introduction of the Act the University commenced and continues to deliver a number of structured awareness raising and education sessions regarding the Act with key University stakeholders. These sessions help to identify areas within the University where active engagement and relevant activity would be required to comply with the requirements of the Act. These areas particularly include human resources, legal, governance, risk and procurement for analysis of policies, procedures and practices to ensure their adequate alignment with the Act.

In addition to this internal focus, the University is an active member of the Australian Universities Procurement Network (AUPN). A university sector-wide body, the AUPN identified at an early stage the value in sector collaboration to support all member universities to meet the challenge of human rights transparency and risk management in their supply chains, and to contribute to the fulfillment of members' reporting obligations under the Act. In early 2019, the AUPN established the Modern Slavery Working Group (MSWG) which undertook a discovery exercise leading to the development of the sector-wide Modern Slavery (MS) Program. This program of works is ongoing and continues to meet milestones set. Further details are available in Appendix 1.

The internal and sector-wide due diligence activities undertaken by USC in 2021 to assess and address risks included:

- data analysis of the University's suppliers through the application of the Modern Slavery Risk Dashboard (data analytics tool) to provide an indication of the University's risk across expenditure categories and geographical locations
- Monitoring, managing and responding to impacts relevant to the MSA environment through the FRDM software
- requirement for all new tenders to include a returnable schedule that enables the tender respondent to attest their compliance with the Act (if applicable)
- introduction of appropriate contract clauses in new USC agreements, terms and conditions
- development of a supplier code of contact and obtaining signature of same to the top 400 suppliers in the first instance
- targeted awareness sessions for University staff.

All resources relevant to the above originated from or are supported by templates and activities provided through the MS Program.

E. ASSESSMENT OF THE EFFECTIVENESS OF ACTIONS

Assessment of actions undertaken to date has focused on a number of activities occurring at the sector level.

For USC suppliers, awareness of the Act is generally limited to large entities who are also required to comply. The volume of enquiries regarding the purpose for the request is still high for tenders and new contract signings, with many suppliers unaware of and unfamiliar with the Act.

At a sector level, the AUPN engaged modern slavery specialist Pillar Two to provide modern slavery subject matter expertise and support for the MS Program. To date Pillar Two has provided:

- a review of the AUPN MS Program, including 25 recommendations to enhance the sector's approach
- modern slavery SME support throughout the technology solution tender process, and
- review of the Modern Slavery Risk Dashboard and risk ratings.

Additionally, an Academic Advisory Board has been established consisting of 12 academics from nine universities with experience and expertise in modern slavery principles aimed at enriching the sector approach. Meetings are held monthly and are structured to review and refine AUPN developed artefacts and initiatives. An AUPN community virtual session enabled members to engage in a panel discussion with the AUPN community and provide academic insight into modern slavery risks and actions.

As a community of practice, the AUPN participants through the MSWG and MS Program, consider case studies, alert notifications and similar industry/sector developments to assess, address and evaluate actions in relation to risk of modern slavery occurring within a university operation or supply chain.

F. CONSULTATION

As the University's controlled entities are largely dormant it has been unnecessary to extend the consultation beyond the University entity itself. The AUPN MSWG efforts continue to be key to University collaboration activities when creating the Commonwealth Statement.

G. OTHER INFORMATION

Impact of COVID-19 on modern slavery risks

Like many organisations, USC's operations were and continue to be affected by the impacts of the pandemic on global operations. Recovering International student enrolments, reduced commercial operations, construction industry developments and pausing of some research activities has required an adjustment in expenditure on salaries and with suppliers.

These reductions in expenditure can increase the risks of modern slavery, particularly for vulnerable individuals and groups, through decreasing job security and shortened delivery timelines due to pandemic pressures.

The University worked collaboratively with affected suppliers throughout and continues to do so. Amongst other actions, the University:

- relaxed contractual rights where appropriate to address COVID-19 circumstances
- avoided the use of termination rights or liquidated damages
- collaboratively agreed extension of time deliveries
- enabled quicker payment arrangements (earlier than terms) to provide cashflow to suppliers.

The University also provided increased student scholarships, stipends, emergency bursaries and tuition fee discounts to support the student body, particularly those whose loss or reduction in employment affected their ability to meet ordinary expenditure. The University also worked collaboratively with grant providers to enable extension of time on related staffing appointments and recognition of inability to undertake grant activity (particularly in overseas locations).

Although disruptions in 2020 and in part 2021 required resources to be reprioritised, the University is making satisfactory progress with its agenda, particularly with respect to its supplier engagement and education sessions for University stakeholders.

LOOKING FORWARD

The University is committed to maturing its practices to best provide for human rights transparency and address the risk of modern slavery within its operations and supply chain. Activities to be undertaken in the coming reporting periods include:

- enhancing the University's understanding of its existing suppliers (particularly within high risk categories) and their level of compliance with the Act through the facilitation of questionnaires and capturing of statements (where applicable)
- continue to obtain acceptance via signature of the supplier code of conduct from suppliers (progressing beyond the large suppliers in the first instance)
- undertaking business-focused 'deep dive' sessions with the University's core research groups, particularly those operating with vulnerable communities, to ensure education of the Act's principals are translated to action, not just awareness
- continuing to enhance the University's standard terms and conditions, policies and procedures to enable an integrated response to the Act
- continuing to guide the development and application of tools to support University officers in:
 - assessing modern slavery risks in new and existing procurements
 - inclusion of modern slavery contract clauses within contracts
- continuing to be an active participant in the AUPN agenda of identification, management and remediation of modern slavery risks within the University sector, ensuring the value that can be brought by Universities to meeting the intentions of the Act.

This Statement was approved by the University of the Sunshine Coast Council on 9 June 2022.

Signed



Professor Helen Bartlett
Vice Chancellor and President
University of the Sunshine Coast

9 June 2022

APPENDIX 1

A sector-wide approach

The Australian University Procurement Network (AUPN) is leading a sector collaboration to support all member universities to meet the challenge of human rights transparency and risk management in their supply chains and contribute to the fulfilment of members reporting requirement to the *Modern Slavery Act 2018 (Cth)*.

In the beginning of 2019, the AUPN established a Modern Slavery Working Group (MSWG) with nine universities actively contributing time and effort on a voluntary basis. The MSWG underwent a Discovery Phase and developed the following sector-wide Modern Slavery (MS) Program (see figure below).

This Program aims to deliver the following:

- a collection and aggregation of sector procurement data;
- a solution that allows members to identify risk, focus resources and inform action – supported by a third-party technology enablement solution;
- a sector approach/action plan for addressing, mitigating and/ or remediating identified risks;
- flexible templates and guidance; and
- continuous improvement.

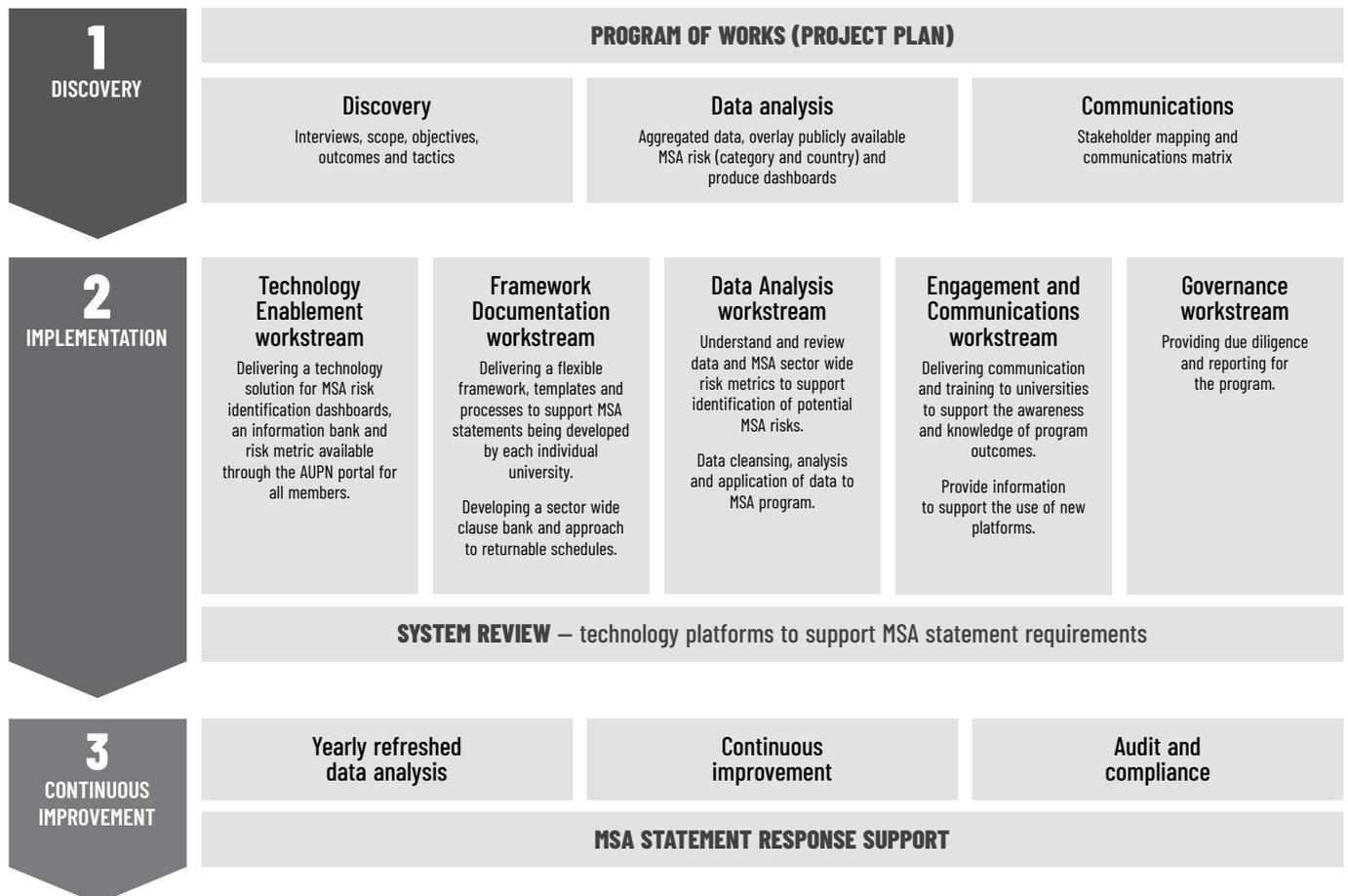
It is envisaged that both the AUPN members and their suppliers will benefit from the improved operational efficiencies of the collaboration and gain improved effectiveness in mitigating risk and improving social performance within supply chains. By December 2021, the MSWG has substantially completed phase 1 and 2 of the MS Program with phase 3 currently in action.

TECHNOLOGY DATA GATHERING

A Modern Slavery Risk Dashboard has been developed and made available to all AUPN members via the AUPN portal. To date, 35 Australian universities have entered data on expenditure between 2018 to 2021 into the dashboard and MS Program. Data continues to be gathered from other universities.

The dashboard provides an indication of a university's risk across two different areas:

- potential risks of modern slavery applied against spend categories using the AUPN taxonomy, and
- potential risks of modern slavery applied against country locations using supplier head office location.



These risks have been determined through publicly available modern slavery risk (eg Global Slavery Index) and prevalence information, together with some reasonable assumptions. The dashboard provides only an indicative view of where risks may exist and the AUPN aims to continue to evolve risk ratings over time as the analytics mature.

The aggregated data reflect the broad supply chains of the sector. Analysis of the expenditure data provided covers over \$37.5 billion across more than 337 thousand individual suppliers. Suppliers with the highest expenditure are in the construction, Information and Communications Technology (ICT) and research markets.

The MSWG has also tendered and implemented a third-party technology solution that algorithmically identifies modern slavery risks throughout universities' supply chains, enabling each University or the sector collectively to make informed decisions, focus resources and take action to address modern slavery risk.



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