

# Defence Housing Australia Modern Slavery Statement

Reporting period 1 July 2021 to 30 June 2022

# Contents

Foreword	3
<b>Overview</b>	<b>4</b>
Approach	5
Key Achievements in the 2021–22 Financial Year	5
<b>Business and supply chain</b>	<b>6</b>
Role of DHA	6
Organisational structure	6
<i>Shareholder Ministers</i>	6
<i>Board</i>	6
<i>Managing Director</i>	6
<b>2021–22 in summary</b>	<b>8</b>
<b>Office network</b>	<b>10</b>
<b>Supply chain</b>	<b>11</b>
Understanding of risk within DHA construction supply chains	12
<b>2022–23 commitments</b>	<b>14</b>
<b>Policies and procedures</b>	<b>15</b>
Procurement	15
Employees' working conditions	16
Labour hire working conditions	16
Training and capability development	16
<b>Assessing effectiveness</b>	<b>17</b>

# Foreword

Defence Housing Australia (DHA) acknowledges that modern slavery is an overarching term covering a range of exploitive practices including slavery and slavery-like practices, servitude, forced and bonded labour, human trafficking, and the worst forms of child labour. These abhorrent human rights violations present a complex and far reaching global problem.

DHA is proud to report on our ongoing action to understand, identify and address the risk of modern slavery in our operations and supply chains for the 2021–22 financial year.

We recognise that our business operations are not immune to elements of modern slavery and we must be active in identifying and responding effectively to such risks. For the 2021–22 financial year, DHA has not identified any specific instances of modern slavery harm. We continued to develop and apply strategies to build capability and understanding, internally and externally, of where risk factors of modern slavery may exist.

As an Australian Government agency, we join the global effort to combat modern slavery by working with our partners and suppliers to identify and address areas of risk. We have zero tolerance to any kind of modern slavery across our operations and remain alert to this risk across our business practices.

DHA is committed to reducing the risk of modern slavery through the implementation of effective policies and procedures that provide for transparent and accountable procurement and purchasing. We are dedicated to obtaining goods and services through ethical means and not supporting domestic or international businesses that exploit individuals for profit.

This statement has been approved by the DHA Board.



**Hon J.A.L. (Sandy) Macdonald AM**  
DHA Board Chair

# Overview

This statement was prepared by the reporting entity Defence Housing Australia ('DHA' 'the Company') (ABN 72 968 504 934). The Company's principal place of business and registered office is 35 Hinder Street, Gungahlin ACT 2912. This statement has been prepared in accordance with the *Modern Slavery Act (Cth)* 2018 (the Act) and outlines the actions taken by DHA to identify, assess, and address modern slavery risks across our operations and supply chains for the financial year ending 30 June 2022.

## Approach

This is DHA's third statement and describes our activities over the past year to further understand our potential operational and supply chain risks. Areas for further investigation in 2022–23 to identify and address risks, both current and emerging are also described.

## Key Achievements in the 2021–22 Financial Year



Implementation of the Modern Slavery Supplier Questionnaire for all potential suppliers engaged through new procurement activities

Development of an assessment and performance framework to assess the effectiveness of strategies and controls implemented by DHA to address the risk of modern slavery practices in our business and inform future actions

Organisation wide roll-out of the Modern Slavery Act Awareness eLearning module as mandatory training

Development of a modern slavery risk assessment framework specific to the key risks related to DHA construction projects, such as production of raw materials, transport and logistics and migrant workers

Continued embedding of guidance and direct training and support to DHA procuring officers throughout the tender and evaluation stages of new procurement activities to build their understanding and capacity to identify and respond to modern slavery risks

# Business and supply chain

## Role of DHA

DHA was established in 1988 under the *Defence Housing Australia Act 1987* (DHA Act) and is a Corporate Commonwealth entity and Government Business Enterprise (GBE) in accordance with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and PGPA Rule. DHA is a statutory agency under the *Public Service Act 1999* (Public Service Act) and is the only GBE to employ staff in accordance with the Public Service Act.

The 2021–22 Portfolio Budget Statement outlines DHA's primary purpose is to contribute to Defence outcomes by providing total housing services that meet Defence operational and client needs through a strong customer and business focus. This outcome is broken down into two key purposes:

1. Provide adequate and suitable housing and related services
2. Provide value to shareholders.

## Organisational structure

### Shareholder Ministers

Two Shareholder Ministers oversee the Australian Government's interests in DHA—the Minister for Defence and the Minister for Finance. As DHA sits within the Defence portfolio of the Australian Government, the Minister for Defence or their delegate is DHA's responsible Minister. The Minister for Defence has delegated responsibility to the Assistant Minister for Defence. The Minister for Finance is responsible for overseeing DHA funding arrangements and, amongst other things, providing shareholder advice on all Government Business Enterprises, including DHA.

### Board

A Board of Directors (the Board) is established in accordance with Part III of the DHA Act and is the accountable authority of DHA under the PGPA Act. The Board is responsible for the proper and efficient performance of DHA's functions. The Board makes decisions on organisational direction and strategy, which are articulated through the Corporate Plan.

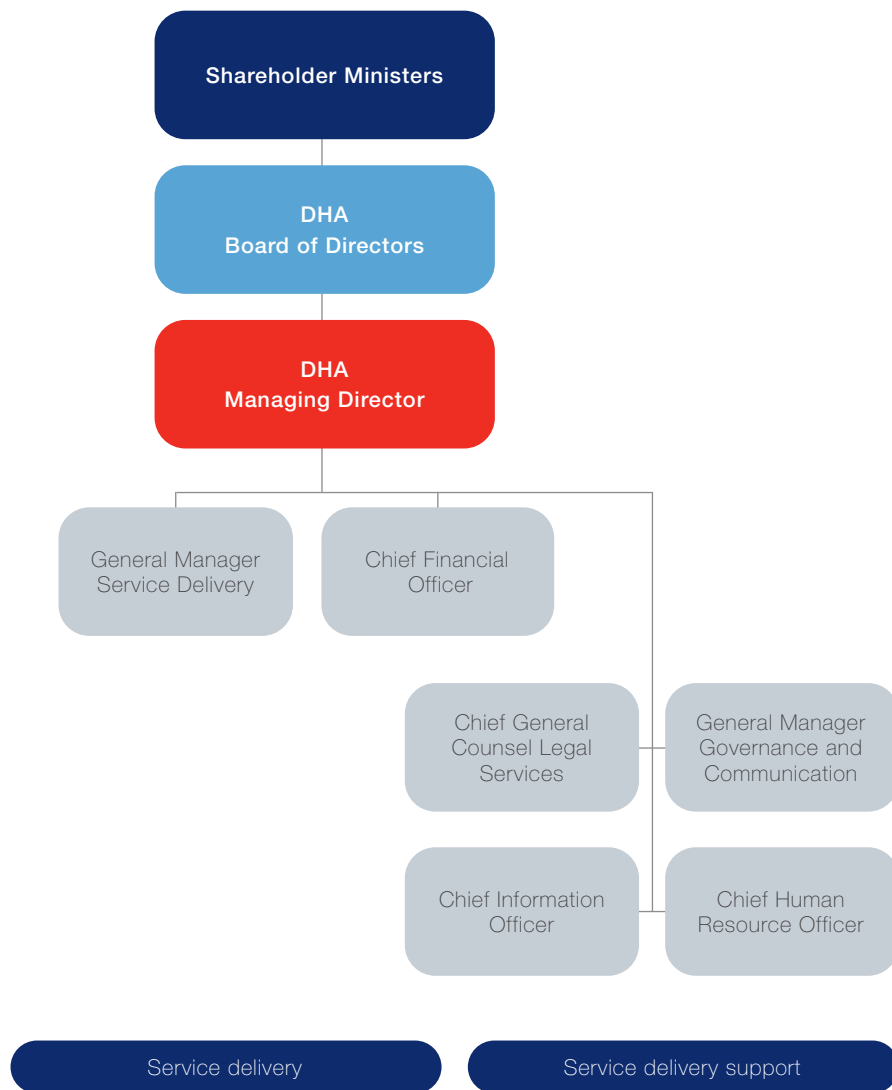
All non-executive Board members are appointed by our Shareholder Ministers following approval from the Australian Government. Members have a combination of Australian Public Service (APS), Defence and commercial experience.

### Managing Director

The Managing Director is appointed by the Board and is the only executive director of the Board. The Managing Director is responsible for conducting the operational affairs of DHA in accordance with the DHA Act and any policies determined by, and directions given by, the Board. The Managing Director oversees DHA's strategic direction, organisational structure, staff, performance and relationships with key stakeholders.

Figure 1

DHA organisational structure as at 30 June 2022



# 2021-22 in summary

We support Defence capability by providing housing for, and housing related services to ADF members



15,844  
ADF members and families housed<sup>1</sup>



7,211  
Housing allocations



2,901  
Self-service welcome visits



16,066  
ADF members in receipt of rent allowance<sup>1</sup>



10,015  
Rent allowance applications



153,671  
Living in Accommodation bookings



95,186  
Maintenance calls received



24,881  
Online maintenance requests



224,517  
Maintenance work orders raised

<sup>1</sup> As at 30 June 2022.



We deliver value for the Australian Government by managing a property portfolio to meet Defence requirements.



16,955

Properties under management<sup>2,3</sup>



12,264

Properties leased from investors<sup>2</sup>



1,977

Total property additions to the portfolio<sup>4</sup>



55

Property added to the portfolio from DHA constructions



53,229

Property inspections undertaken



\$88.2m

Revenue raised through Property Investment Program



\$4.5m

Revenue for Defence from property sales



\$133m

Revenue raised from other property sales<sup>3</sup>



\$78.2m

Dividend payments to Australian Government

<sup>2</sup> As at 30 June 2022.

<sup>3</sup> Properties managed by DHA includes properties owned and leased by DHA, owned by Defence and annuity properties.

<sup>4</sup> Includes Property Investment Program sales.

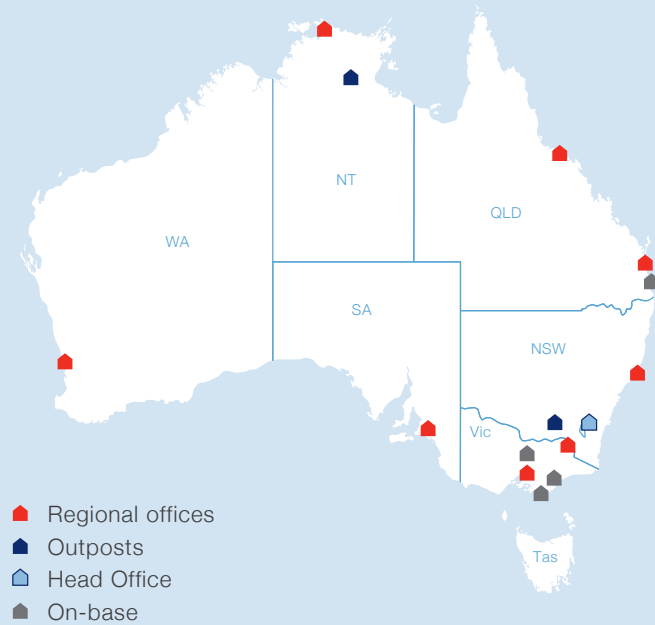
# Office network

DHA maintains offices in capital cities, major regional centres and on select ADF bases and establishments around Australia. Staff in our regional offices deliver customer facing services to ADF members and their families. Regional office staff are supported by staff in contact centres, who are the primary point of contact for housing services, maintenance services and the allocation of on-base Living in Accommodation. ADF members can also utilise online services to access a range of housing services including allocations, rent allowance and home maintenance.

Our head office is located in Canberra and provides operational, financial, information technology, human resources, communications and corporate support to the organisation.

Figure 2

DHA office locations as at 30 June 2022



## Supply chain

DHA's supply chains have been assessed as low risk in relation to modern slavery. All of DHA's contracts with Tier 1<sup>1</sup> suppliers are located in Australia. They predominantly provide services rather than goods and their employees are covered by Australia's workplace relations legislation.

In 2021–22, DHA's three main supply chains were:

1. Trades and other services associated with property repairs and maintenance (including end of lease and other cleaning services) – representing 86% of the DHA supplier base
2. Construction and development services – representing 11% of the DHA supplier base
3. Corporate and other contracts, including the provision of information and communications technology goods and services, office cleaning services and corporate uniforms – representing 3% of the DHA supplier base.

DHA has identified industries included in its supply chain that represent a higher risk of modern slavery practices. These industries also align with those identified by the Commonwealth as presenting a high risk, for example, cleaning services and corporate uniforms (garments/textiles). To reduce this risk, for our national office cleaning contract DHA has engaged a certified indigenous business through Supply Nation and incorporated stringent modern slavery evaluation criteria into our procurement process for corporate uniforms which is currently underway.

---

<sup>1</sup> Tier 1 suppliers refers to those suppliers where DHA has a direct contractual arrangement.

## Understanding of risk within DHA construction supply chains

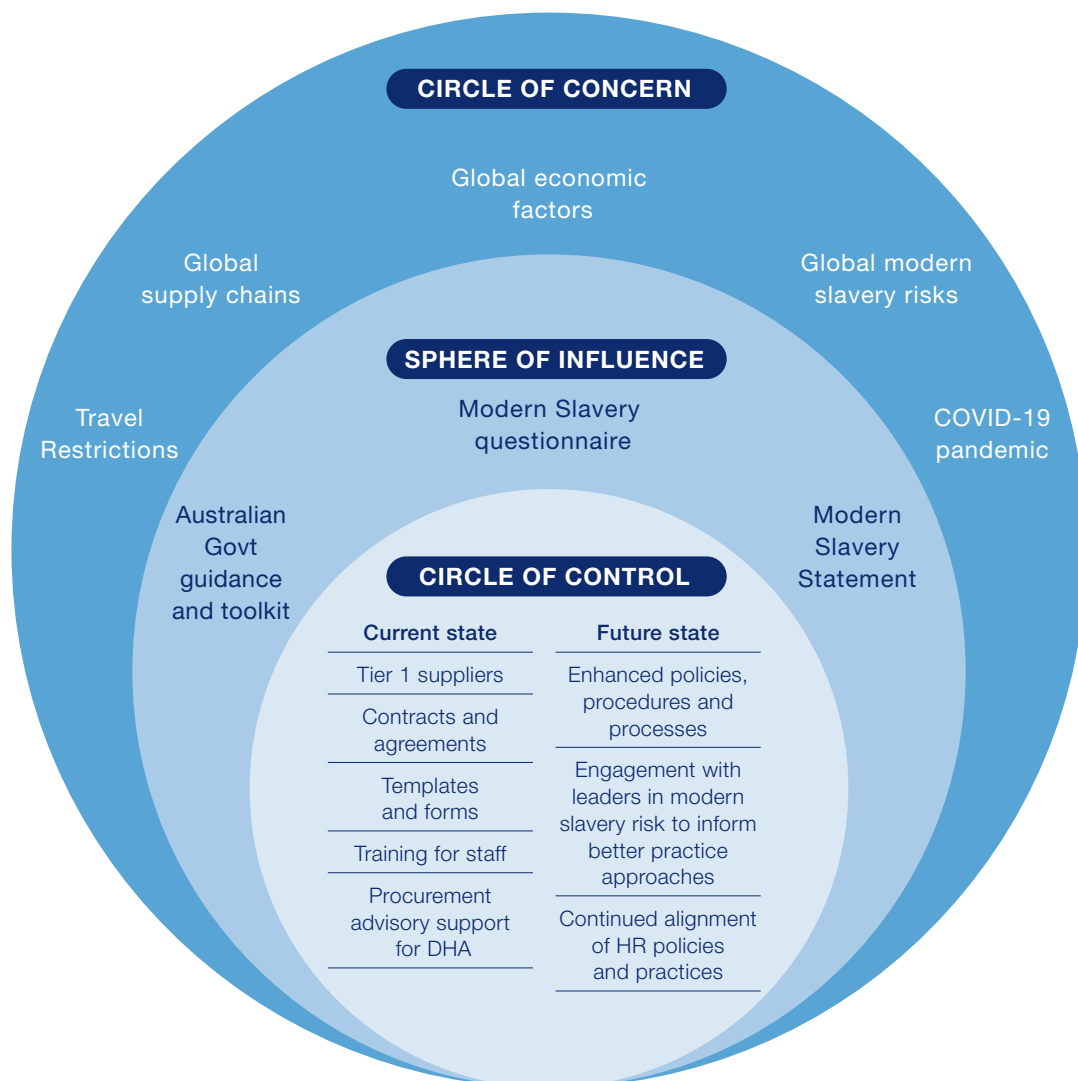
DHA acknowledges that there are risks associated with its business operations that may contribute to modern slavery practices, for example the highly competitive procurement environment and ambitious scheduling associated within construction projects. The multi-tiered supply chains and high rates of subcontracting common in the property industry can result in little visibility and control over suppliers and subcontractors' recruitment and employment practices. As such, it is possible DHA's business operations are exposed to modern slavery practices further down its supply chains.

DHA has developed a modern slavery risk framework specifically to begin the assessment of key risks within its construction projects. This framework has been built leveraging professional relationships in government, academia and commercial industries and by developing a better understanding of our level of risk following the analysis of data provided in the Walk Free Foundation Global Slavery Index.

In the 2022–23 financial year DHA will utilise this understanding, networks and framework to undertake an assessment of the key risks specific to DHA construction projects and develop an action plan to combat these risks.

Figure 3

DHA's conceptual framework for understanding and addressing Modern Slavery risks



## 2022-23 commitments

In 2022-23, DHA will seek to focus on assessment and further improvement of the current controls and strategies to contribute to the eradication of modern slavery through:



Undertaking an assessment of DHA's strategies and controls in line with the DHA assessment and performance framework

Actioning identified opportunities for strengthening the strategies and controls following the performance assessment

Undertaking risk assessments of key risks specific to DHA construction projects in line with the DHA modern slavery risk assessment framework and developing an action plan

Monitoring compliance and effectiveness of the Modern Slavery Awareness Act eLearning Module



Building controls within the procurement framework to enable better reporting and identification of potential risks

Varying existing contracts (if executed prior to the adoption of the standard Modern Slavery contract clauses) that are valued over \$250,000 and considered high risk

Engaging with existing high-risk suppliers to undertake the Modern Slavery Supplier Questionnaire if they haven't already done so

# Policies and procedures

DHA's corporate governance structure enables outcomes to be delivered in a controlled, transparent and accountable manner.

The governance framework comprises the principles, practices and tools needed for a consistent and coordinated approach to governance.

The performance framework provides strategic direction and alignment across the organisation through a clear line of sight through all planning and reporting activities, including:

- coordinated business planning as reflected in the Corporate Plan strategic goals and objectives
- performance monitoring and reporting through regular reviews of strategic and organisational performance measures.

## Procurement

DHA regularly updates its internal procurement advice and policies, building on its Accountable Authority Instructions in relation to procurement and leveraging the Commonwealth Procurement Rules as an appropriate approach to procurement activity.

DHA accesses Commonwealth entities' procurement arrangements where they represent better value for money and pre-existing process rigour, such as the whole of government travel and legal arrangements and the digital marketplace. In addition, DHA aligns its contracting suite to the Australian Government Commonwealth Contract Suite templates and utilises the Commonwealth Source IT contract templates, making it easier for suppliers to do business with us. This approach enables consistency of decision making, documentation and compliance with the PGPA Act and the Modern Slavery Act.

DHA has adopted the standardised contract clauses related to modern slavery as developed by the Australian Government for all contracts and agreements relating to corporate type procurements. However, DHA recognised the increased risk of modern slavery within the construction, repairs and maintenance industries, and therefore have developed tailored modern slavery clauses for these contracts and agreements in an effort to proactively identify, assess and monitor modern slavery risks. DHA will continue to monitor and refine these clauses (or similar) across our agreement templates over the 2022–23 financial year and into the future where required.

DHA recognised that in order to have a solid understanding of our supply chains, we needed to gather data throughout the procurement phase in order to use this information for risk-based decisions and throughout the contract management stage to increase the maturity of ours and our suppliers' understanding of modern slavery risks and preventions. DHA administers the Modern Slavery Supplier Questionnaire as part of tender processes across all procurement activities and it forms part of a mandatory tender response document in order for participation in DHA procurement activities. The data collected is used to inform supplier profiles, undertake assurance activities and inform procurement decisions. As part of further enhancements and refinements to the DHA procurement framework, DHA has commenced building a toolkit which includes guidance and principles for DHA procuring officers to consider when assessing modern slavery risks associated with doing business with potential new suppliers.

## Employees' working conditions

All of DHA's employees are employed either under the Enterprise Agreement or a Determination made by the Managing Director under the Public Service Act, which meet or exceed the National Employment Standards. This mitigates the risk that employees are being made to work in unfair conditions.

## Labour hire working conditions

DHA engages contracts for labour hire through other Commonwealth entities' panel arrangements, predominantly the Recruitment and Related Services Panel established by the Australian Digital Health Agency. All labour hire personnel are engaged under employment contracts that meet the National Employment Standards.

## Training and capability development

DHA has a comprehensive training suite, delivered through online eLearning modules, awareness videos and face-to-face tutorials that ensures all employees and contractors are aware of their obligations in regards to code of conduct, ethics, fraud and risk management.

A specific introduction to procurement and contract management eLearning module has been developed for employees involved in procurement activities on behalf of DHA. This module is being updated as part of a broader update to DHA's procurement framework and will reflect guidance for assessing modern slavery risks throughout the tender process and evaluation.

In the 2020–21 financial year, DHA developed and piloted a standalone online modern slavery training module called Modern Slavery Act Awareness. Following the trial of the eLearning module over 2020–21, this training module was rolled out organisation wide as a mandatory component of DHA's learning and development suite in 2021–22. Participation is sitting at an 85% completion rate which provides an acceptable margin to account for DHA staff on long term leave, secondments, new starters etc.



# Assessing effectiveness

DHA recognises that continuous business improvement will mitigate the risk of modern slavery being present in its supply chains and that assessing the effectiveness of our actions to assess and address modern slavery risks is vital to this process.

In the 2021–22 financial year, DHA developed an assessment and performance framework aligned to the Australian Government assessment and performance framework in order to assess the effectiveness of actions taken to address the risk of modern slavery and inform future actions to ensure we are focussing on tangible and sustainable changes. During the 2022–23 financial year, DHA will utilise this framework to undertake an assessment of the strategies and controls currently in place to assess their effectiveness and respond accordingly.

DHA continues to review its procurement and contract management frameworks to ensure better practice is employed when engaging suppliers. Updates seek to obtain additional data from potential suppliers through the deployment of the Modern Slavery Supplier Questionnaire which draws out information on their risks and business practices when participating in procurement contracting processes with DHA and provide tailored guidance to DHA procuring officers when assessing modern slavery risks.

Continuing to encourage positive relationships with our suppliers is key in sharing our learning and growing a more equitable society. Given some of our suppliers are required to publish their own Modern Slavery Statements we have an opportunity to work together to identify and address risks, and implement effective elimination strategies.