



# Modern Slavery Statement

SOUTHERN CROSS CARE  
(SA, NT & VIC) INCORPORATED

1 JULY 2020 TO 30 JUNE 2021

**Better  
for life<sup>®</sup>**

**Southern Cross Care (SA, NT & VIC) Incorporated (“Southern Cross Care”) has been providing quality accommodation and care services to members of its community for more than 50 years.**

Southern Cross Care was founded in 1968 and believes that every person has the right to experience a good quality of life regardless of age, location, economic situation, cultural background or health challenges.

Southern Cross Care operates in South Australia, Northern Territory and Victoria and has services such as health and wellness, home care, retirement living and residential care.

This is Southern Cross Care’s modern slavery statement for the reporting period of 1 July 2020 to 30 June 2021. This is Southern Cross Care’s second modern slavery statement.

## CRITERIA 1 REPORTING ENTITY

This modern slavery statement is by Southern Cross Care (SA, NT & VIC) Inc ARBN 129 895 905 South Australia, Limited Liability, ABN 53 682 143 626.

## CRITERIA 2 STRUCTURE, OPERATIONS AND SUPPLY CHAINS

### Structure of Southern Cross Care

Southern Cross Care is an incorporated association (not for profit), an Australian registered body and a charity registered with the Australian Charities and Not-for-profits Commission.

Southern Cross Care operates more than 55 service locations across South Australia, Victoria and the Northern Territory, in addition to in-home care and support services across all three regions. Southern Cross Care has its central office in South Australia at 25 Conyngham Street, Glenside, South Australia.

Southern Cross Care undertakes its business through a range of business names reflecting its broad range of initiatives. All services operate under the registered 'Better for life' trademark.

Southern Cross Care is supported by approximately 2,600 employees made up of full time, casual and predominantly part time personnel. Southern Cross Care also has more than 400 volunteers assisting with its operations.

### Operations

Southern Cross Care provides accommodation and care services across South Australia, Victoria and the Northern Territory. This includes the provision and management of:

1. **Residential aged care accommodation** to over 3,000 residents across 17 residential care facilities

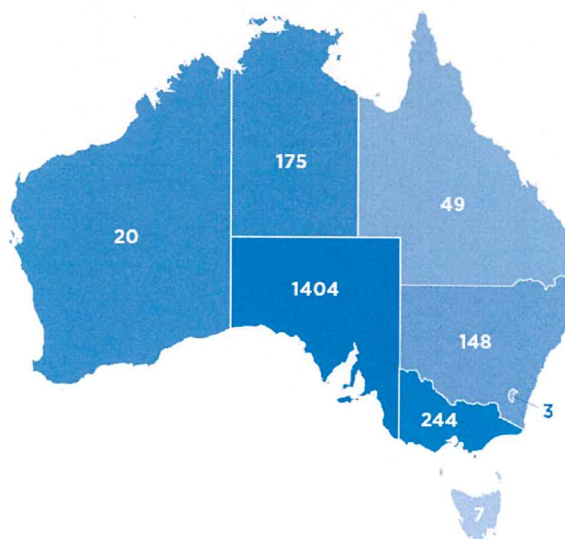
2. **Retirement living facilities** with approximately 1,350 residents in independent living homes, villas, apartments and units across 39 retirement living communities
3. **Home care** to approximately 1,500 clients including home cleaning, personal care, nursing care as well as garden and general maintenance; and
4. **Health and wellness services** to approximately 3,400 clients for rehabilitation, respite, fitness classes and individual and allied health services such as telehealth, physiotherapy, occupational therapy, massage therapy, exercise physiology and podiatry.

Southern Cross Care also holds a portfolio of financial investments which is managed by an external investment adviser and manager.

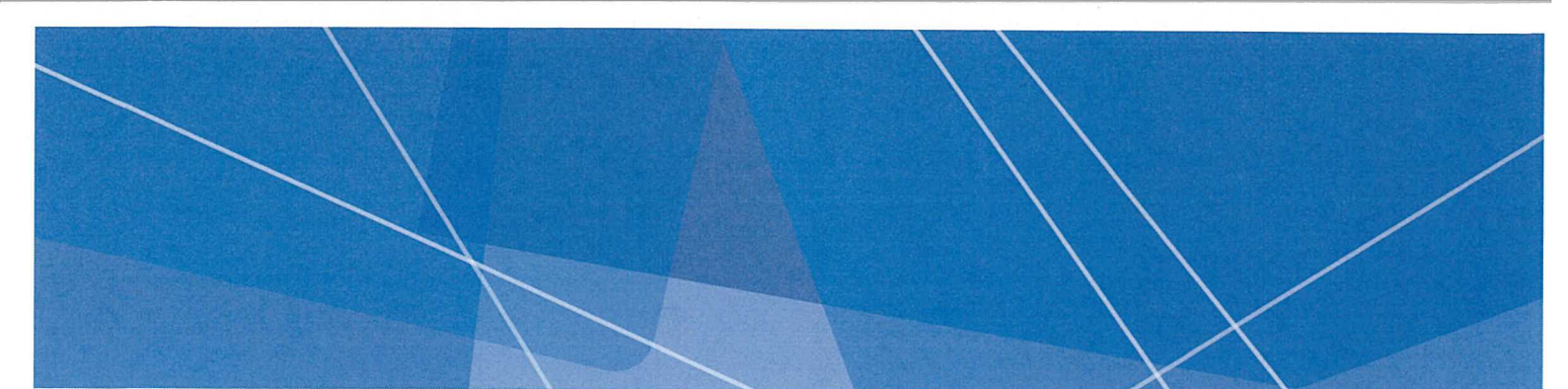
### Supplier relationships

In order for Southern Cross Care to provide accommodation and care services it requires the support of a range of suppliers across various industries. As Southern Cross Care's largest location base is South Australia, a large number of local supplier engagement relationships are based in this state as summarised below.

### Number of vendor relationships per state



*Above Breakdown of Australian supply partner relationships per state*



Southern Cross Care has a procurement policy to ensure consistent engagement with suppliers and tendering when appropriate. Southern Cross Care operates a centralised procurement team and warehouse, whereby it manages the selection and performance of suppliers. For suppliers to provide goods and services to Southern Cross Care, they are required to:

- Be approved by the central office and have an account set up in the financial and procurement system.
- Before entering a Southern Cross Care site, register in the Rapid Contractor Management system, which authenticates a number of mandatory criteria such as appropriate insurances, police clearance, relevant declarations and occupational health and safety etc.
- When arriving at a Southern Cross Care site, the supplier representative must register via the Rapid Visitor Access system which will confirm whether the supplier is cleared to enter

Southern Cross Care has implemented an electronic procure to pay platform and goods or services can only be ordered in accordance with the Board approved Delegation of Authority.

Depending upon the nature of the services or goods procured, Southern Cross Care enters into short-term or long-term contractual relationships. All material contracts are competitively tendered on a regular basis under strict probity rules.

### Supply chains

The large majority of Southern Cross Care's immediate suppliers are based in Australia.

Southern Cross Care procures goods and services to enable it to carry out its operations such as food, medical supplies, cleaning products and services, furniture, fittings and equipment, office supplies, ICT equipment and services, vehicles, temporary staff from labour-hire agencies, repairs and maintenance. Southern Cross Care undertakes capital works programs and works with construction companies and builders to deliver this service.

There is a central office which supports operations and there is a need to use external services providers and consultants such as auditors, lawyers, IT professionals and marketing etc.

## CRITERIA 3 RISKS OF MODERN SLAVERY

Southern Cross Care acknowledges that modern slavery can be present in vulnerable populations, higher risk industries and high risk locations and accordingly will focus on these sections of its supply chains to identify risks of modern slavery. In considering whether Southern Cross Care causes, contributes to or is directly linked to modern slavery:

1. Southern Cross Care considers that its operations do not directly result in modern slavery practices.
2. Southern Cross Care does not consider that it contributes to modern slavery. However Southern Cross Care is aware that setting unrealistic costs targets and short delivery timeframes can contribute to modern slavery risks.
3. Southern Cross Care continues to investigate whether it could be linked to modern slavery practices through the activities of its suppliers.

To assist with compliance, risk assessment and investigation of modern slavery, Southern Cross Care has engaged the services of an external legal firm who has an understanding of the Modern Slavery Act.

## CRITERIA 4

### ACTIONS SOUTHERN CROSS CARE HAS TAKEN

During the reporting period the following actions have been undertaken.

**Undertake a scoping exercise where suppliers were characterised into high, medium and low modern slavery risk.**

Southern Cross Care's external legal counsel developed a Supplier Risk Matrix - Modern Slavery (Matrix), which categorises suppliers into a high, medium and low modern slavery risk. The Matrix is based upon the approximate annual spend with the supplier, the industry in which the supplier operates and the geographical location of the supplier.

Every supplier was assessed in accordance with this Matrix and assigned a high, medium or low risk classification. Further to this, Southern Cross Care revised its supplier on-boarding procedure by now including on the New Vendor Request Form a modern slavery risk assessment which will red flag potential modern slavery risk. If a new supplier is red flagged as a potential modern slavery risk, then a risk assessment is undertaken before they are entered as an approved supplier.

**Risk screening on high risk suppliers.**

Applying the Matrix to all of Southern Cross Care suppliers, a total of 86 suppliers were characterised as High Risk. The details of these 86 suppliers were sent to Southern Cross Care's external legal counsel, who undertook a detailed independent investigation of potential modern slavery. The independent investigation flagged 2 suppliers with products that had potential risks of modern slavery and they were sent modern slavery training.

**Development of modern slavery questionnaire and issuing to suppliers characterised as high risk.**

A Southern Cross Care modern slavery questionnaire (Questionnaire) was developed and reviewed by external legal counsel. The

Questionnaire poses a total of 30 questions seeking to identify country of origin, country of suppliers and country of raw material.

The Questionnaire was sent to an additional 96 suppliers who were flagged as High Risk. The suppliers identified covered a wide range of services, including labour hire, cleaning, food providers, textiles, construction, ICT and furniture. Review of Questionnaire responses identified 15 suppliers with potential modern slavery risk and their details were sent to Southern Cross Care's external legal counsel to undertake further detailed investigation. This detailed investigation revealed no modern slavery risk from those 15 suppliers.

Ongoing annual audits will be completed on suppliers who have previously been flagged as High Risk.

The Questionnaire will be reviewed and updated for the next reporting period to identify any changes in practice or sourcing in the supply chain by suppliers.

It is planned to extend the Questionnaire to additional tier 2 suppliers, deemed at medium risk of modern slavery practices, each reporting period to continually expand the modern slavery risk analysis on suppliers.

**Implementing a modern slavery procedure.**

A modern slavery procedure (Procedure) was prepared by Southern Cross Care's external legal counsel and was reviewed in detail by management. The purpose of the Procedure is to:

- Explain what modern slavery is,
- Set out the requirements with regard to employee training
- Explain how employees may report modern slavery or suspected modern slavery, and
- Explain the procedure for due diligence.

The Procedure is now published on the Southern Cross Care intranet for all staff to view and refer to as required.

### **Employee training.**

Modern slavery training material was prepared by Southern Cross Care's external legal counsel and was distributed to all Southern Cross Care's purchasers and group managers.

Regular modern slavery training has occurred throughout Southern Cross Care and will be scheduled as an ongoing occurrence.

### **Reporting mechanism.**

Southern Cross Care has now implemented feedback posters and forms at all residential aged care sites, independent living community centres and an online feedback form is also available. This form allows anyone at site, including visitors, staff, residents and clients to ask questions about Southern Cross Care's modern slavery practices or report any concerns. This feedback will then be sent through to central management and the procurement team who can then perform due diligence on modern slavery risk if deemed appropriate.

### **Code of conduct.**

Southern Cross Care has a Code of Conduct which requires compliance with the Modern Slavery Act. The Code of Conduct is issued to suppliers and it is a requirement that all suppliers comply.

### **Modern slavery contractual clause.**

Southern Cross Care's external legal counsel drafted a modern slavery clause which was reviewed by management. This clause has been inserted into Southern Cross Care's Contractor Agreement.

All Southern Cross Care's tender documents have a modern slavery clause which will require compliance with the Modern Slavery Act and support Southern Cross Care's position on modern slavery.

When existing supplier contracts come up for renewal, a contractual letter of variation has been prepared requiring compliance with the Modern Slavery Act and Southern Cross Care's policies on modern slavery and will form part of the renewed supplier contractual agreement.

A register has been created to track all new contracts and contract letters of variations that now include the modern slavery clause. This assists with managing which suppliers are now bound to the modern slavery clause in their contractual agreement with Southern Cross Care. Over time all Southern Cross Care suppliers will be bound by the modern slavery clause.

### **Modern slavery supplier remediation plan**

Where Southern Cross Care identifies gaps in a suppliers' knowledge of modern slavery from the responses to the Questionnaire, Southern Cross Care management will develop a modern slavery remediation plan. The remediation plan will be tailored to risk, category and scenario and may differ for individual suppliers having regard to the risks identified.

With the assistance of Southern Cross Care's legal counsel, a Modern Slavery Supplier Partner Training program (Remediation Plan) was created to assist Southern Cross Care in educating and guiding suppliers regarding modern slavery. This will be reviewed as required if further beneficial remedial actions are identified. The training plan is completed on-line so that Southern Cross Care management can track progress and completion.

From the Questionnaire responses, 14 suppliers were identified as having gaps with their understanding of modern slavery and were issued the Remediation Plan. At the time of completing this report, 7 suppliers have completed the Remediation Plan. Ongoing follow up will be maintained to ensure compliance with this training requirement.

## **CRITERIA 5**

### **Assessing effectiveness OF ACTIONS**

For this reporting period Southern Cross Care assessed effectiveness of actions taken by undertaking the following.

#### **Assessing the appropriateness of and any feedback on the actions taken**

Southern Cross Care has partnered with an external legal firm to guide, assist and review actions, processes and procedures in dealing with compliance to the Modern Slavery Act. The legal firm is a participant within the UN Global Compact (the world's largest corporate sustainability initiative focused on areas of human rights, labour, environment and anti-corruption). This ensures Southern Cross Care is current and up to date with modern slavery compliance and best practice.

Feedback received from the external legal counsel is reflected in all of Southern Cross Care's documents and procedures dealing with modern slavery.

An on-line internal feedback form has been created to record and report any evidence of modern slavery. This form is available to all employees and covers both operational and corporate sites. Feedback is treated as confidential. To date there has been no feedback from Southern Cross Care's employees evidencing acts of modern slavery.

#### **Audit of Questionnaire responses and follow up**

Southern Cross Care management audits the supplier responses to the Questionnaire. For those suppliers who don't complete the Questionnaire, written communications are sent at multiple points in the reporting period to ensure the Questionnaire is completed. If written communication is not complied with, direct contact is made with the supplier via telephone calls to communicate to the supplier that it is Southern Cross Care's requirement that the Questionnaire is completed and the nominated individual is sent the link to the Questionnaire.

#### **Audit of supplier modern slavery remediation plan and follow up**

Southern Cross Care management audits the supplier's completion of the Remediation Plan and directly communicates with the supplier if this is not complied with. The supplier is reminded of Southern Cross Care's requirement to complete the Remediation Plan.

#### **Audit of modern slavery internal training**

Southern Cross Care management audits whether employees have completed the modern slavery training and follows up with those staff who have not completed the training.

## **CRITERIA 6**

### **CONSULTATION**

This criteria is not relevant to Southern Cross Care.

## **CRITERIA 7**

### **OTHER INFORMATION**

Southern Cross Care has now completed the planned actions set out in the first reporting period including implementation of a Modern Slavery Clause and Questionnaire requirements. This will be built upon for the next reporting period.

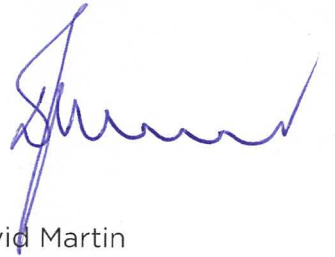
For the next reporting period Southern Cross Care will:

- Continue due diligence on tier 1 (ie High Risk) suppliers (re-issue questionnaires)
- Commence due diligence on tier 2 (ie Medium Risk) suppliers and complete risk assessments
- Continue modern slavery screenings as part of new supply partner processes
- Utilise previous modern slavery screening data and learnings to undertake further due diligence into high risk supply categories including ICT and medical equipment
- Ensure training is kept up to date with all relevant purchasing staff via training modules and in person presentations

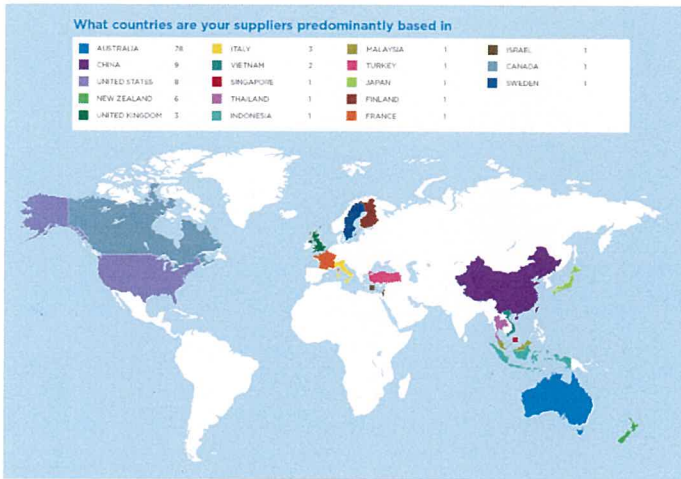
- Ensure its modern slavery screening questionnaire is reviewed and updated for the next reporting period to identify any changes in practice or sourcing in the supply chain by suppliers.

Southern Cross Care supports the global focus on combatting modern slavery practices. Southern Cross Care has rolled out a number of initiatives which are fully supported by the Board and Executive Management and is committed to continuously monitor and improve these initiatives.

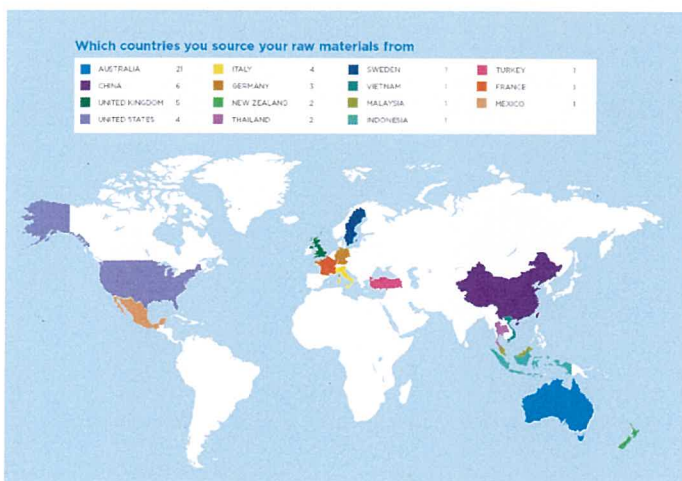
This modern slavery statement for the reporting period was approved by the Board of Southern Cross Care.



David Martin  
Chairman



Above The results of supply partner questionnaires, to summarise Tier 2 supplier operation geographically. This data will assist Southern Cross Care to complete due diligence on tier 2 suppliers.



Above Southern Cross Care included questions while screening supply partners including origins of raw materials. Above is a summary of where these raw materials are supplied from. Southern Cross Care will utilise this data to explore further due diligence requirements. This will be extended in the next reporting period.



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