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# Defence Housing Australia Modern Slavery Statement

Reporting period 1 July 2019 to 30 June 2020

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## 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.*

*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.*

*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 and approach

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 26 Brisbane Avenue, Barton ACT 2601. 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, investments and supply chains for the financial year ending 30 June 2020.

### Approach

This is DHA's first statement and describes our activities over the past year to understand our potential business and supply chain risks. Areas for further investigation in 2020-21 to identify and address risks, both current and emerging are also described.

# 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 2019–20 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 quality 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 Minister for Defence Personnel. 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.

## 2019–20 in summary

DHA provided the following quality services to its customers in 2019–20.





208,631  
Maintenance work orders raised

42,520  
Living in Accommodation  
calls received

449,443  
Living in Accommodation bookings



330  
Properties sold through  
Property Investment Program

\$167.2 m  
Revenue raised through  
Property Investment Program

\$25.6 m  
Dividend payments to  
Australian Government



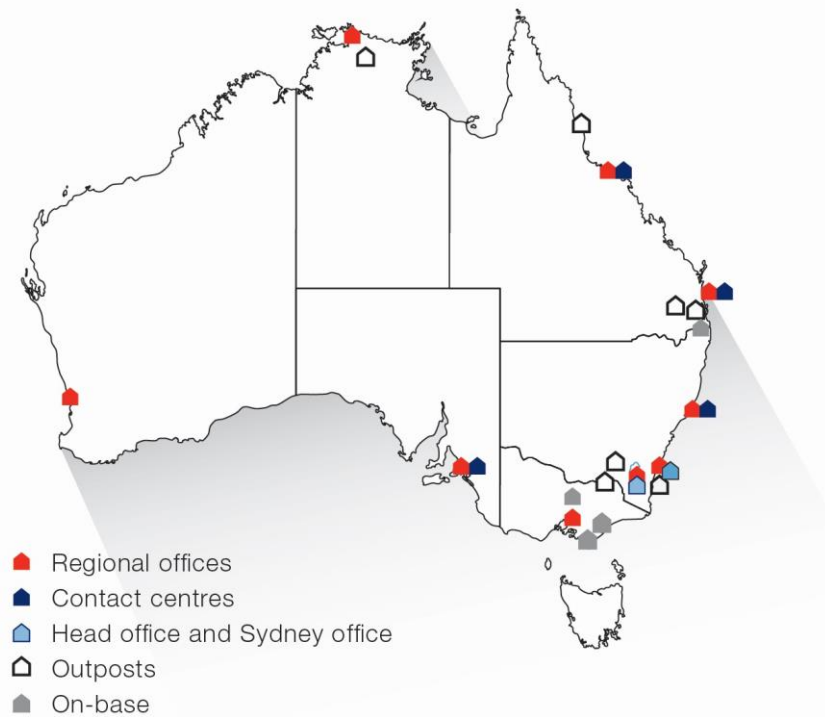
60,358  
Survey invitations released with  
a 42% response rate

\$4.9 m  
Revenue for Defence  
from property sales

\$10.8 m  
Revenue raised from  
other property sales

## Office network

DHA maintains offices in capital cities, major regional centres and on some Australian Defence Force (ADF) bases and establishments around Australia. ADF members utilise Online Services to access a range of housing services including allocations, rent allowance and home maintenance. DHA's contact centres provide more in-depth assistance for ADF members with complex queries. Regional offices provide property management services and manage relationships with local bases and ADF staff. DHA's head office is located in Canberra and provides operational, financial, information technology, human resources, communications and corporate support to the organisation.





## 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 2019–20, 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) – 49 per cent
2. construction and development services – 43 per cent
3. corporate and other contracts, including the provision of information and communications technology goods and services, office cleaning services and corporate uniforms – 8 per cent.

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. DHA's national office cleaning services provider is an Indigenous business certified by Supply Nation.

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. It is possible DHA's business operations are exposed to modern slavery practices further down its supply chains. In 2020–21, DHA will seek to further influence the eradication of modern slavery through:

- further examination of its supply chain elements with potential risk
- strengthening its procurement and contract management frameworks
- partnering with leading organisations to ensure rapid advance to maturity of approach
- obtaining additional information from potential suppliers of goods and services to DHA about their modern slavery risks and preventative business practices for consideration in procurement decisions.

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

## 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 priorities, goals and objectives
- performance monitoring and reporting through regular reviews of strategic and organisational performance measures.

### Procurement

DHA is updating its internal procurement advice and policies, building on its Accountable Authority Instructions in relation to procurement and the establishment of 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 uses the Commonwealth Contracting Suite and Source IT contract templates, which make it easier for suppliers to do business with us. This new approach enables consistency of decision making, documentation and compliance with the PGPA Act and the Modern Slavery Act.

### 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.

## Assessing effectiveness

DHA recognises that continuous business improvement will mitigate the risk of modern slavery being present in its supply chains.

DHA is reviewing its procurement and contract management frameworks to ensure better practice is employed when engaging suppliers. These updates will seek to obtain additional data from potential suppliers on their risks and business practices when participating in procurement contracting processes with DHA.

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.

## 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 and fraud and risk management.

Further, specific introduction to procurement and contract management eLearning modules have been developed for employees involved in procurement activities on behalf of DHA. These modules will be updated to reflect modern slavery requirements and considerations.

DHA has identified a standalone online modern slavery training module for delivery to staff in the next reporting period.