

Defence Housing Australia Modern Slavery Statement

Reporting period 1 July 2020 to 30 June 2021

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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.

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 2020–21 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 2020–21 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 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 2021.

Approach

This is DHA's second statement and describes our activities over the past year to further understand our potential business and supply chain risks. Areas for further investigation in 2021–22 to identify and address risks, both current and emerging are also described.

Key Achievements in the 2020–21 Financial Year



Adopted the standardised modern slavery contract clauses to manage modern slavery risks in procurement as modelled by the Australian Government for new contracts where the risk has been identified as high

Developed and piloted a Modern Slavery Act Awareness eLearning module to build understanding and capacity of DHA officials to respond to modern slavery risks

Implemented a Modern Slavery Supplier Questionnaire, where the risk has been identified as high, to increase data capture

Guidance has been incorporated into tender process and evaluation methodology for new procurement activities, where the risk has been identified as high, to assess modern slavery risks throughout the procurement and contract management life cycle.

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 2020–21 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.

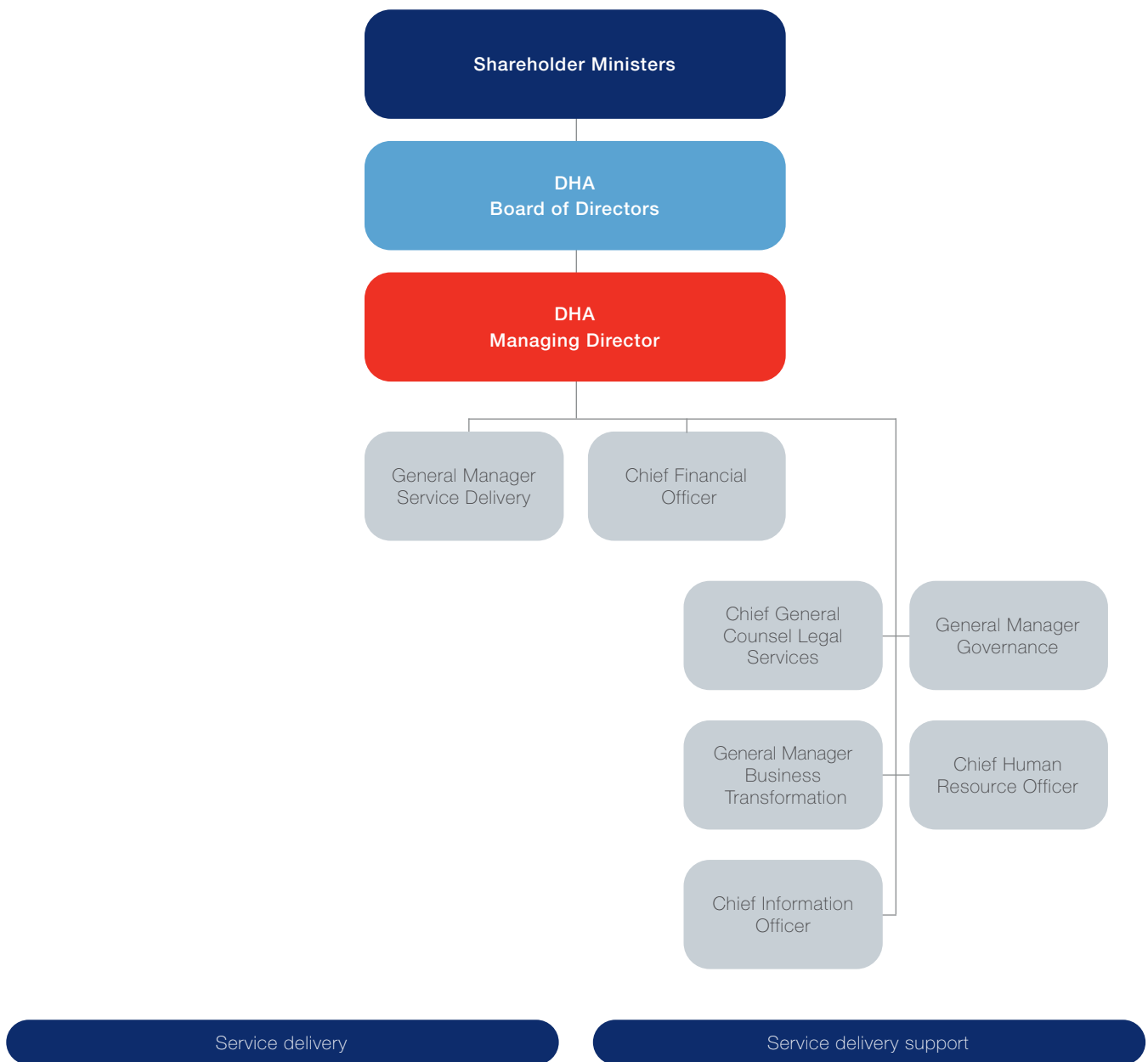
All non-executive Board members are appointed by our Shareholder Ministers following approval from the Australian Government. Members have a combination of Australian Public Service (APS), Defence and commercial experience.

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.

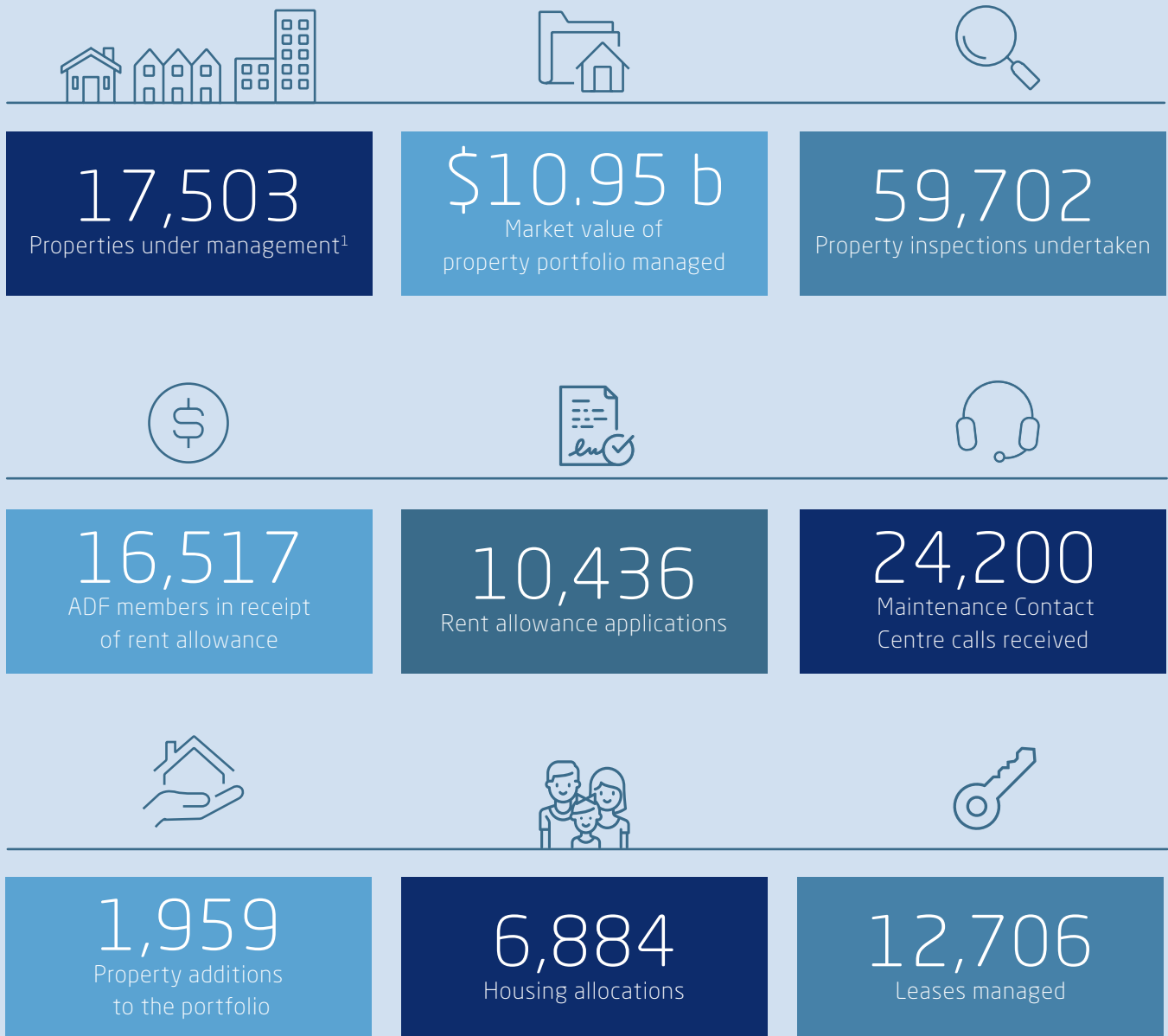
Figure 1

DHA organisational structure as at 30 June 2021



2020-21 in summary

DHA provided the following services to its customers in 2020-21:



¹ Properties managed by DHA includes properties owned and leased by DHA, owned by Defence and annuity properties.



2,505

Self-service welcome visits



537

Lease conversions²



12,215

Online maintenance requests



199,406

Maintenance work orders raised



28,704

Living in Accommodation calls received



138,327

Living in Accommodation bookings



274

Properties sold through Property Investment Program



\$155.9 m

Revenue raised through Property Investment Program



\$47.1 m

Dividend payments to Australian Government



52,435

Survey invitations released with a 43% response rate



\$1.95 m

Revenue for Defence from property sales



\$196.9 m

Revenue raised from other property sales³

² Includes properties for Member with Dependants and Member Choice Accommodation provisioning.

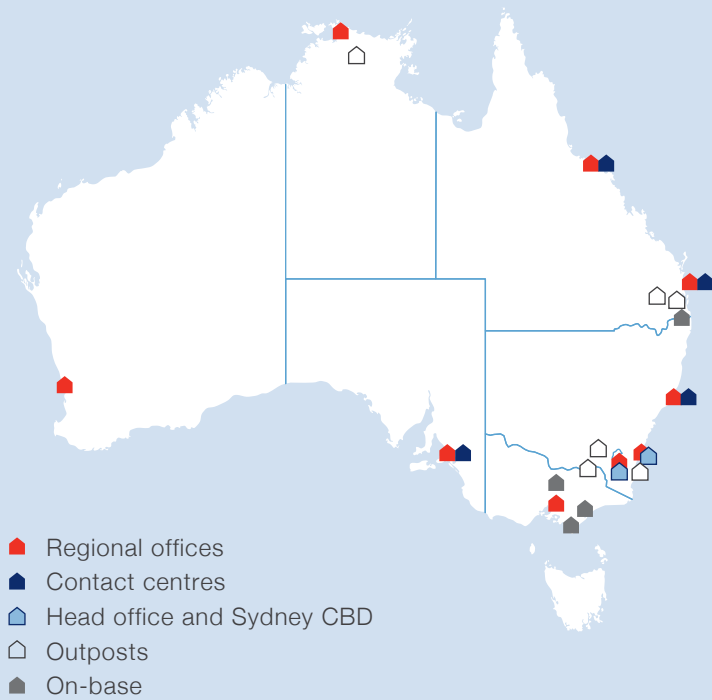
³ Includes Property Investment Program sales, but excludes disposal of Allara Street and Waterloo as they are categorised as land sales.

Office network

DHA maintains offices in capital cities, major regional centres and on select 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. Staff in our regional offices deliver customer facing services to ADF members and their families. Regional office staff are supported by staff in our contact centres. DHA's 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 2021



Supply chain

DHA's supply chains have been assessed as low risk in relation to modern slavery. All of DHA's contracts with Tier 1¹ suppliers are located in Australia. They predominantly provide services rather than goods and their employees are covered by Australia's workplace relations legislation.

In 2020–21, 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)
2. construction and development services
3. corporate and other contracts, including the provision of information and communications technology goods and services, office cleaning services and corporate uniforms

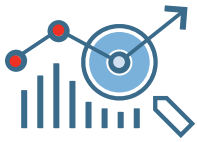
DHA has identified industries included in its supply chain that represent a higher risk of modern slavery practices. These industries also align with those identified by the Commonwealth as presenting a high risk, for example, cleaning services and corporate uniforms (garments/textiles). To reduce this risk, for our national office cleaning contract DHA has engaged a certified indigenous business through Supply Nation. We are also reviewing arrangements for the supply of corporate uniforms going forward.

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. Its multi-tiered supply chains and high rates of subcontracting 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.

1 Tier 1 suppliers refers to those suppliers where DHA has a direct contractual arrangement.

2021-22 commitments

In 2021-22, DHA will seek to further influence the eradication of modern slavery through:



Risk assessments of the key risks specific to DHA construction projects, such as production of raw materials, transport and logistics, migrant workers.

Further strengthening its procurement and contract management frameworks through the creation of a Modern Slavery toolkit for officials undertaking procurement activities, including a Modern Slavery Risk Screening Tool

Organisation wide roll out of the Modern Slavery Act Awareness eLearning Module requiring mandatory completion by all DHA officials by 30 June 2022.

Full deployment of the Modern Slavery Supplier Questionnaire for current and future suppliers/service providers to obtain information about their modern slavery risks and preventative business practices for consideration in procurement decisions.

Development of an Assessment and Performance Framework to assess the effectiveness of our actions

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 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 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.

DHA is adopting the standardised contract clauses related to modern slavery as developed by the Australian Government and they are consistently used for contracts drafted utilising the Commonwealth Contracting Suite. DHA will continue roll out these clauses (or similar) across other contract templates over the 2022 financial year. Currently, at a minimum all DHA contracts require that *'The supplier must comply with, and ensure its officers, employees agents and subcontractors comply with all Commonwealth laws and policies relevant to the Goods and/or Services'*.

During the 2021 financial year DHA recognised that in order to have a solid understanding of our supply chains we needed to invest in gathering 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 our, and our suppliers understanding of modern slavery risks and preventions.

DHA commenced administering the Modern Slavery Supplier Questionnaire as part of tender processes where the market, category or location presented a high risk of modern slavery risk. This questionnaire will be rolled out more broadly across procurement activities in the 2022 financial year and the data collated will be used to inform supplier profiles, undertake assurance activities and inform procurement decisions.

To further support risk based procurement decisions, in the 2022 financial year DHA will develop a toolkit to increase awareness and provide practical guidance to procurement officers undertaking procurement activities on behalf of DHA.

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 and fraud and risk management.

Further, 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 will be updated to 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, it will be rolled out organisation wide as a mandatory component of DHAs learning and development suite in the 2021-22 financial year. It is anticipated that all officials will complete the training by 30 June 2022.

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 will develop an 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.

DHA continues to review its procurement and contract management frameworks to ensure better practice is employed when engaging suppliers. Updates will 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.

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.