

Modern Slavery Statement

1 JULY 2019 TO 30 JUNE 2020

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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 support, retirement living, residential care and respite and restorative care.

This is Southern Cross Care’s modern slavery statement for the reporting period of 1 July 2019 to 30 June 2020. This is Southern Cross Care’s first 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 55 sites across South Australia, Victoria and the Northern Territory. 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. Southern Cross Care holds the "Better for Life" brand.

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 over 450 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 1,400 residents in independent living homes, villas, apartments and units across 38 retirement villages;

3. **home care** to approximately 1,800 clients including general home organisation, personal care, health treatments as well as garden and general maintenance; and
4. **health and wellness services** to approximately 3,300 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.

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

- Be approved by the central office and account set up in the financial and procurement system.
- Before entering a Southern Cross Care site, register in the Rapid Contractor Management system, which checks off a number of mandatory criteria such as appropriate insurance, police clearance 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 system 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

All 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

In the reporting period, due to external factors such as COVID-19 and its particular impact on the aged care industry, Southern Cross Care was not in a position to rollout many of the initiatives it had planned.

However, prior to COVID-19 and in the reporting period, Southern Cross Care engaged a third party to provide overall guidance on the steps Southern Cross Care would be required to take to identify risks in its supply chains.

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 in the next reporting period to identify risks of modern slavery. Southern Cross Care will focus on identifying risks of modern slavery on particular suppliers who provide linen, uniforms, certain foods (such as fish and rice), cleaning and labour hire services.

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 will commence investigating in the next reporting period whether it could be linked to modern slavery practices through the activities of its suppliers.

CRITERIA 4

Actions Southern Cross Care has taken

As foreshadowed above, due to COVID-19, Southern Cross Care was not able to implement a number of planned initiatives in the reporting period. However, in the reporting period, Southern Cross Care engaged a third party to provide overall guidance and sought advice regarding the steps Southern Cross Care should be taking.

Accordingly, in the next reporting period, Southern Cross Care will be:

1. undertaking a scoping exercise whereby Southern Cross Care will risk characterise suppliers into high, medium and low risk. This will be based upon:
 - 1.1 the approximate annual spend with the supplier;
 - 1.2 industry in which the supplier operates; and
 - 1.3 location of the supplier,
2. completing risk screenings on high risk suppliers;
3. issuing a modern slavery questionnaire to suppliers characterised as high risk;

4. implementing a modern slavery procedure;
5. commencing employee training;
6. ensuring that all new contracts entered into with suppliers contain a modern slavery clause; and
7. implement a modern slavery remediation plan.

The steps undertaken during COVID-19 to mitigate modern slavery risk included desktop research on suppliers around market intelligence and consideration of technology leaders in procurement and supply chain.

At the time of writing this statement, many of the actions described above had been commenced and implemented.

CRITERIA 5

Assessing effectiveness of actions

In the reporting period, Southern Cross Care focussed on planning how it would address modern slavery risks, including considering what actions to take. Due to the resource intensive impact from Covid-19, Southern Cross Care was unable to implement many of its planned actions and therefore did not assess the effectiveness of those actions.

However, in the next reporting period, Southern Cross Care plans to assess effectiveness of actions taken by undertaking matters such as:

1. assessing the appropriateness of and any feedback on the actions taken;
2. reviewing the number of suppliers that have been had due diligence completed;
3. reviewing processes for due diligence on new suppliers;
4. auditing which suppliers require remediation;
5. auditing compliance with the modern slavery procedure; and
6. auditing the number of employees who have completed modern slavery training.

CRITERIA 6

Consultation

This criteria is not relevant to Southern Cross Care.

CRITERIA 7

Other information

Southern Cross Care supports the global focus on combatting modern slavery practices. Southern Cross Care is committed to rolling out its planned initiatives to address the risks of modern slavery in its operations and supply chains, many of which have commenced at the date this statement was issued.

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

David Martin
Chairman

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