



## Keystart Modern Slavery Statement FY2019-20

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## 2. Message from the CEO

Our vision at Keystart is to make the dream of affordable home ownership a reality for more people. The right to housing is more than shelter, it encompasses access to affordable and secure homes that help individuals and families live happy and healthy lives. This has become more important than ever during the COVID-19 pandemic, where our homes have become safe spaces that assist in protecting our health and communities.

We therefore acknowledge our business impacts the lives and fundamental rights of West Australians. We further recognise our duty to respect the International Bill of Human Rights, and our responsibility as an employer to respect the International Labour Organisation Core Conventions<sup>1</sup>. We consider ourselves lucky to live and work in Western Australia, and as a business and public company are taking the time to reflect on our role to uplift and protect members of our community.

The Commonwealth Modern Slavery Act 2018 (henceforth ‘the Modern Slavery Act’ or ‘the Act’), is a unique challenge for Australian businesses to reflect on how the decisions we make as a business can have substantial global impacts, such as how we use suppliers to provide for our customers. Modern slavery is an inexcusable crime that preys on socio-economic vulnerabilities for financial gain. It is vital for businesses to consider how we can be part of the solution, restore dignity to victims and survivors, and disrupt the cycle to ensure that future generations are not vulnerable to the same exploitation.

This statement is made in accordance with section 13 of the Modern Slavery Act, and represents the starting point of Keystart’s journey to understand, mitigate and remediate potential modern slavery impacts it causes, contributes or is linked to. This statement details our actions from the 1 July 2019 to 30 June 2020.

In the spirit of the Modern Slavery Act, we are committed to continuously learn and improve year after year. We are aligned with the Western Australian government’s support of the Modern Slavery Act and are prepared to engage with the Housing Authority and other government entities to minimise the likelihood and address the impacts of modern slavery. We look forward to engage, collaborate and consult with our peers, subject matter experts and the broader community to ensure a robust and holistic response to this issue.



Paul Graham CEO

Approved by the board on: 31 March 2021

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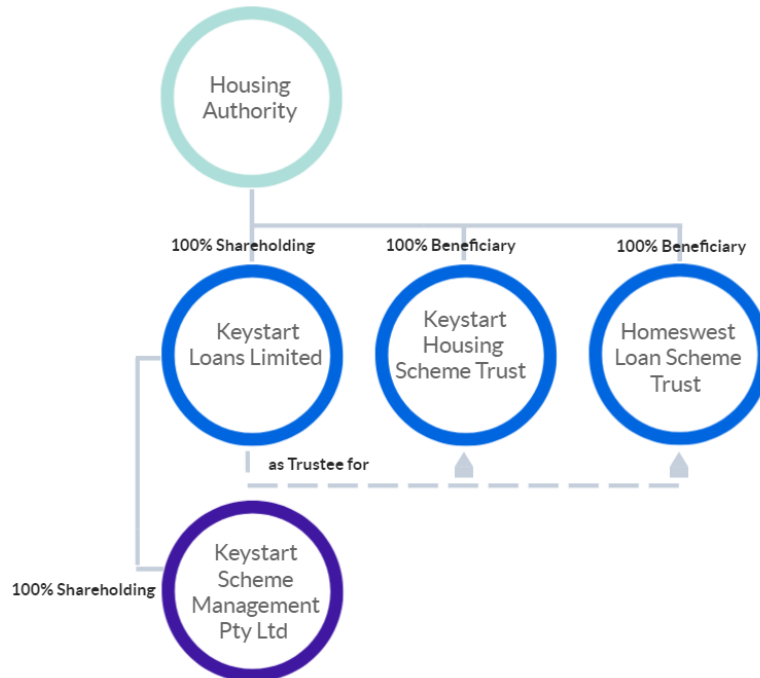
<sup>1</sup> ILO Declaration on Fundamental Principles and Rights at Work (1998); Forced Labour Convention, 1930 (No. 29); Freedom of Association and the Right to Organize Convention, 1948 (No. 87); Right to Organize and Collective Bargaining Convention, 1949 (No. 98); Equal Remuneration Convention, 1951 (No. 100); Abolition of Forced Labour Convention, 1957 (No. 105); Discrimination (Employment and Occupation) Convention, 1958 (No. 111); Minimum Age Convention, 1973 (No. 138); Worst Forms of Child Labour Convention, 1999 (No. 182). Source: <https://libguides.ilo.org/c.php?g=657806&p=4649148>

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### 3. Reporting Entity

Keystart Housing Scheme Trust is a reporting entity under the Commonwealth Modern Slavery Act (2018), henceforth referred to as the Act. This modern slavery statement relates to the activities of Keystart Loans Ltd ABN 27 009 427 034, as trustee for the reporting entity Keystart Housing Scheme Trust, and Keystart Scheme Management (Keystart Scheme Management)



Pty Ltd ABN 83 120 164 847.

The Western Australian state government Housing Authority is the sole beneficiary of Keystart Housing Scheme Trust, and 100% shareholder of its trustee, Keystart Loans Ltd.

### 4. Keystart Business

Keystart Housing Scheme Trust is a trust established to provide housing finance to eligible borrowers. The Western Australian state government Housing Authority is the sole beneficiary of the Keystart Housing Scheme Trust, and 100% shareholder of its trustee, Keystart Loans Ltd.

### 5. Structure

Keystart Loans Ltd, which is trustee for the Keystart Housing Scheme Trust, is a non-listed public company incorporated pursuant to the Corporations Act 2001 (Cth) and regulated by the Australian Securities and Investments Commission (ASIC). Keystart Loans Ltd. holds an Australian Credit Licence under the National Consumer Credit Protection Act 2009 (Cth) Keystart Loans Ltd is also trustee for the Homeswest Loan Scheme Trust but as trustee for this trust does not employ any persons or engage in the use or supply of any goods or services.

Keystart Scheme Management is a non-listed public company incorporated pursuant to the Corporations Act 2001 (Cth). Keystart Scheme Management is wholly owned by Keystart Loans Ltd and is established to perform operational functions (including the employment of Keystart employees) associated with the performance of Keystart Loans Ltd.'s role as trustee for the Keystart Housing Scheme Trust.

Keystart reports to the Housing Authority, as the capital beneficiary of the Keystart Housing Scheme Trust.

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## 6. Operations

Keystart was established in 1989 as an initiative of the Government of Western Australia to provide low-deposit home loans to Western Australians unable to meet the deposit requirements of mainstream lenders.

Today, our mission is to provide transitional finance solutions for affordable home ownership in a sustainable way for the benefit of our community. Our office is located at Level 3, 502 Hay Street, Subiaco WA 6008. We employ 140 staff, who support our customers to make the dream of affordable home ownership a reality. Our employees work across six business units:

- Finance;
- Information Communication and Technology;
- Risk and Legal;
- Organisational Capability;
- Credit Management; and
- Customer Experience.

Keystart raises funds through the issuance of redeemable preference shares to the Housing Authority. This funding is used to run and extend Keystart's lending operations in the Western Australian market. The Keystart Board oversees the operations of Keystart Scheme Management.

## 7. Supply Chain

Keystart engages a broad range of suppliers to help enable our business and assist our staff to remain connected and engaged with our customers. A majority of our supplier arrangements are stable long-term relationships governed by a contract and may be part of a preferred vendor panel arrangement with a term between three and five years. However, when the need arises, we do engage some short-term suppliers via purchase order or one-off purchases. Whilst the majority of our suppliers are based in Australia, we have eleven overseas suppliers listed in four countries, the UK, USA, New Zealand and Ireland.

Our key areas of spend include:

- Office stationery;
- IT hardware;
- IT software;
- Consulting services (for example: audit, legal, ICT and professional services);
- Marketing services (for example: graphic design, web design and merchandise);
- Property services (for example: real estate services and maintenance) and;
- Fruit delivery.

Keystart also engages a handful of other businesses to provide broader access for West Australians. These include:

- Managing a portfolio of home loans for Bendigo and Adelaide Bank (BEN) following an equitable assignment of these loans to BEN in September 2016; an agreement with Access Housing (now a wholly incorporated subsidiary entity of the Housing Choices Australia Group of Companies) to provide shared-ownership home loans; and an agreement with Nyamba Buru Yawuru to provide shared-ownership home loans to its members in Broome.

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## 8. Modern Slavery Risks

We recognise that no business is immune to modern slavery risk; it is a pervasive criminal activity that impacts various sectors worldwide. Considering the Modern Slavery Act's definition of modern slavery, and the ongoing conversation on labour exploitation in Australia, we consider our supply chain to pose a greater risk for modern slavery than in our operations.

Our business is conducted by a highly trained and professional team based in our Subiaco office, and our practices, policies and procedures comply with or exceed the standards of our regulators. We will look for opportunities to continually strengthen our practices in this area, such as reviewing our reporting and complaints procedures to ensure our staff are aware of our grievance mechanisms and are encouraged to report ethical and labour rights concerns.

In our supply chain, we recognise that certain products may be exposed to higher rates of forced labour reported in production, such as electronic equipment, while some services are considered more at risk for labour exploitation, such as cleaning services. After reviewing our spend data, and informed by research conducted by the Global Slavery Index, we have identified the following categories of spend represent as higher risk:

- IT Hardware:
  - Computers, mobiles, and laptops are manufactured through a complex supply chain where raw materials and factories can increase modern slavery risk<sup>2</sup>. The Global Slavery index estimates the Australia imports over \$7 billion USD of laptops, computers, and mobile phones from Malaysia and China; both considered high risk.<sup>3</sup>
- Property Services:
  - Cleaning services have been a priority health service during 2020, however the workforce that has supported our community is known to be vulnerable to exploitation. There are ongoing reports of underpayment, and staff have faced barriers to access entitlements such as superannuation and leave.<sup>4</sup>
- Marketing Services:
  - As part of our marketing strategy we commission custom apparel and clothing. The Global Slavery Index estimated in 2018, Australia imported over \$4.5 billion USD of apparel from overseas<sup>5</sup>. Fashion is one the most labour-intensive sectors, and has been subject to reports of underpayment, hazardous work conditions, and sexual violence against workers by supervisors.<sup>6</sup>

## 9. Impact of COVID-19

Over the last year, the COVID-19 pandemic has had an impact on our business, as with other organisations across Australia and more globally. We consider ourselves lucky to be in Western

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<sup>2</sup><https://knowthechain.org/#:~:text=The%20KnowTheChain%20benchmarks%20aim%20to,companies%20have%20performed%20over%20time.>

<sup>3</sup> <https://www.globallslaveryindex.org/2018/findings/country-studies/australia/>

<sup>4</sup> <https://www.business-humanrights.org/en/latest-news/cooperation-between-building-owners-contractors-tenants-is-vital-in-protecting-cleaners-rights-suggest-surveys/>

<sup>5</sup> <https://www.globallslaveryindex.org/2018/findings/country-studies/australia/>

<sup>6</sup> <https://www.business-humanrights.org/en/latest-news/asia-manufacturers-from-six-countries-launch-a-collective-campaign-calling-on-western-brands-to-guarantee-ethical-business-practice-amid-covid-19/>



Australia, where the impact has been less significant than elsewhere. We understand that such events can exacerbate inequalities and increase vulnerabilities in our society. Keystart has continued to support our suppliers throughout Covid-19. An example of this is a continued support of our fruit providers despite the office closure. We donated fruit to charity rather than reducing our orders with the supplier.

#### **10. Actions Taken**

To draft this statement, Keystart engaged leadership across all Keystart functions to provide insight on the potential modern slavery strategy, with the assistance of an external consultant.

For the period of July 2019 to June 2020, Keystart has undertaken several steps to review and improve our procurement function through the review of policy, organisation wide training and increased governance controls. These have assisted in the analysis of our risks and the development of this statement.

Our immediate intention for the next reporting period is to conduct a high-level risk assessment of our tier one, or direct suppliers, which will inform our understanding of our greatest areas of risk and shape our modern slavery strategy.

In the upcoming financial year, we also intend to:

- Update our procurement policies and procedures to better incorporate modern slavery risks into our decision making;
- Conduct training for procurement experts to monitor, detect, and respond to modern slavery risks
- Engage suppliers on modern slavery risk management appropriate to their business.

#### **11. Assessing effectiveness**

As part of our ongoing commitment to addressing our modern slavery risk, we will be developing a roadmap to guide our activities for the next reporting period. Actions will include determining and approving internal governance and accountability for our modern slavery response moving forwards, and a commitment to review the effectiveness of our actions in this area.

#### **12. Consultation**

Under 16(f)(i) of the Modern Slavery Act, this statement must be made in consultation with any entities owned and controlled by Keystart Housing Scheme Trust. Keystart owns one entity, Keystart Scheme Management. All persons employed for the purpose of carrying out the business of Keystart Housing Scheme Trust are employed by Keystart Scheme Management and the boards for Keystart Loans Ltd and Keystart Scheme Management are constituted of the same individuals.

As detailed above, the Homeswest Loan Scheme Trust is dormant, does not employ any persons or engage in the use or supply of any goods or services. As such, it is not possible to consult with this entity.