

Charles Darwin University

2023 Modern
Slavery Statement

Table of Contents

Introduction	3
Part A – Reporting entity (Criterion 1)	3
Part B – The University’s Structure, Operations, and Supply Chains (Criterion 2)	4
Part C – Risks of modern slavery practices in the operations and supply chains (Criterion 3)	6
Part D – Actions taken to assess and address risks (Criterion 4)	7
Part E – Assessment of the effectiveness of actions (Criterion 5)	10
Part F – Consultation with controlled entities (Criterion 6)	10
Part G – Other relevant information (Criterion 7)	11
Part H – Conclusion	11

2023 Modern Slavery Statement

Introduction

Charles Darwin University (CDU) provides this statement in accordance with the *Modern Slavery Act 2018 (Cth)* (the Act). This is our fourth statement under the Act covering the period 1 January 2023 to 31 December 2023.

CDU is committed to eliminating all forms of modern slavery where coercion, threats or deception are used to exploit victims and undermine their freedom. Modern slavery is a complex global matter and can occur in various forms, such as slavery, servitude, human trafficking, forced marriage, forced labour, debt bondage and child labour. CDU acknowledges its responsibility as a higher education provider, researcher, employer, and a buyer/consumer of goods and services to safeguard human rights.

CDU is deeply committed to operating ethically and establishing processes to identify and mitigate the risks of modern slavery in our operations and supply chains.

The modern slavery risks inherent in the operations of CDU are identified in Part C, below. The role that the University, as an educator, can play in highlighting awareness of modern slavery within its sphere of influence is set out in Part D.

Part A – Reporting entity (Criterion 1)

Charles Darwin University was founded in 2003 after merging the Northern Territory University (including the Centralian College of Alice Springs, Katherine Rural College, and the University College of NT) and the Menzies School of Health Research.

CDU is a sustainable, innovative, creative and inclusive university. We offer more than 200 degrees, diplomas and certificates, spanning health, nursing, education, environmental science, business, the arts, Indigenous knowledges and more.

We are a dual-sector university committed to our core business of vocational skills and training, higher education teaching and learning, research and engagement. We are student-centered, industry-relevant, and deeply connected to our communities and our partners.

Located in northern Australia, we teach more than 22,500 students across Australia and the globe through flexible, online learning, at eleven campuses and training centres, and in over 100 regional and remote locations.

Our consolidated group consists of the following entities in 2023:

- Menzies School of Health Research (Menzies)
- Bridging the Gap Foundation Pty Ltd (a subsidiary of Menzies)

Menzies School of Health Research

Menzies was established in 1985 as a body corporate of the Northern Territory Government under the *Menzies Act 1985*. This Act was amended in 2004 to formalise the relationship with Charles Darwin University (CDU). Menzies is now a major partner of CDU and constitutes a school within the University's Institute of Advanced Studies.

Menzies is one of Australia's leading medical research institutes dedicated to improving the health and well-being of Aboriginal and Torres Strait Islander peoples. They are also a leader in global and tropical health research into life-threatening diseases. Through effective partnerships with communities across northern Australia and the Asia-Pacific region, we aim to translate our research into real change.

Bridging the Gap Foundation Limited

Bridging the Gap Foundation Limited (the Foundation) was established through the Menzies School of Health Research to fund research in health and education in order to address one of Australia's most urgent issues; the gap between Indigenous and non-Indigenous Australians' health and education opportunities and outcomes.

During the year, it was determined that current economic factors, including the cost of living, interest rates, global conflicts, and a shift in the causes supported by some corporations and philanthropists, have created significant financial pressures and challenges for not-for-profit organisations, including the Foundation. This led to the unfortunate decision of the Foundation's directors to wind up the affairs of the Foundation effective 2 January 2024.

Part B – The University's Structure, Operations, and Supply Chains (Criterion 2)

Structure

CDU is a body corporate enacted on 5 November 2003 by the *Charles Darwin University Act 2003 (CDU Act)*. We are the parent entity domiciled in Australia with about 1,500 full-time equivalent employees. Staff are employed under the CDU Enterprise Agreement 2022 and governed by the staff Code of Conduct.

For the purpose of the *Modern Slavery Act 2018*, the governing authority of CDU is the Charles Darwin University Council (the Council).

The Council, comprising 15 members, is the principal governing body of the University. It was established under the *Charles Darwin University Act 2003*, led by the Chancellor, the Honorable Paul Henderson AO. Many of the members are appointed by the Administrator of the Northern Territory. The Council is responsible for the governance of the University, acts in its best interest, drives performance through strategy and stewardship, provides overall strategic guidance, and oversees senior management in carrying out that strategic direction.

The Council is supported by four sub-committees:

- Executive Committee of Council, which supports the Vice-Chancellor and the University's senior executive team to identify challenges and opportunities for the University as they arise.
- Finance and Infrastructure Development Committee, which reviews financial planning and reporting, people and culture, infrastructure reporting, risk management, and compliance.
- Audit, Risk, and Compliance Committee, which reviews financial reporting, external/internal audit, risk management, fraud, internal controls and compliance.
- Nominations, Honorary Awards, and Legislation Committee, which acts as a selection panel for various nominations and honorary awards.

Operations

CDU is a dual-sector university committed to our core activities of vocational skills and training, higher education teaching and learning, research, and engagement.

We have about 22,500 students across eleven campuses and centres in Australia. The main campus of CDU is in Darwin, NT. 13% of our students are international students from over 75 countries, 83% of which are from Asia.

CDU is a deeply connected university, working in partnership and collaboration with First Nations peoples, our communities and industries, government, and alumni to address the needs of the Northern Territory and regional, rural, and remote people nationally and globally.

Supply Chain

CDU is a major procurer of a wide range of services, goods and capital works necessary to support the functions of the University. Procurement at CDU is guided by our Procurement Policy and Procurement Procedure.

CDU has in excess of 2,600 suppliers which are incorporated both domestically and internationally, the majority of CDU's suppliers are Australian-based. CDU supplier spending in 2023 is spread across 38 different countries, with 96% spent in Australia, 1% spent in New Zealand, and 0.5% spent in the United States of America.

Less than 2% of suppliers are based in high-risk-rated countries. However, this is not indicative of the origins of the supply chains involved in the goods and services obtained. CDU acknowledges that modern slavery may occur within our supply chains and is committed to understanding and mitigating these risks.

We procure a diverse range of goods and services across our operations and projects, they can be summarised into the following broad categories:

- **Property & Facilities – 52%**
 - Construction
 - Plant & Equipment
 - Energy
 - Property Management
- **Business Services – 31%**
 - Corporate professional services
 - Marketing & Media
 - Travel & Entertainment
- **Research & Training – 13%**
 - Student services
 - Laboratories & Research
- **Technology – 4%**
 - IT software
 - IT Hardware

The top 10 spend categories have slightly changed from 2022 with insurance premiums and property rent dropping off the top 10. The 2023 top 10 spend categories were as follows where only student support services and payroll are new:

1. New build works
2. Consultants
3. Investments
4. Student Placements
5. Student Support Services
6. External Grants
7. Advertising
8. Electricity
9. Payroll
10. Licenses

- The new build works relates to the University constructing a new campus in Darwin City, NT, Australia and this category is expected to be the top category listing again in 2024 as construction continues on the new campus and new projects commencing on our other campuses.
- The University continues to undergo a transformational change in systems to enhance the student and staff experiences, which has attributed to the consultant's spend moving from 3rd place in 2022 to 2nd place in 2023.
- There continues to be an increase in student placement expenditure in the health sector, and this is reflected of student placement costs moving from 7th place in 2022 to 4th place in 2023.

Part C – Risks of modern slavery practices in the operations and supply chains (Criterion 3)

Risks in operations

The risk of modern slavery practices that CDU and its controlled entities, may cause or be directly linked to due to our current operations has been assessed as low for the following reasons:

Employees

In respect to the direct employment of our people, one of our goals in the Strategic Plan 2021-2026 is to be an employer of choice where people feel supported and happy. The risk of employment practices leading to modern slavery is low as most staff employed by the University are protected under the conditions in the CDU and Menzies Enterprise Agreements 2022 (EA). The EA provides support for our staff and requires the University to meet the employment conditions as a minimum. The majority of CDU & Menzies employees are employed directly on a permanent, fixed term or casual basis through standard contracts of employment administered centrally by CDU's People and Culture team and the Menzies HR team.

In addition, the University has policies directly related to the safety and well-being of people including:

- Academic Freedom and Freedom of Speech Policy
- Anti-Racism Policy
- Bullying, Harassment and Discrimination Policy
- Child Abuse Allegation and Reporting Procedure
- Child Safety Policy
- Code of Conduct – Staff
- Code of Conduct – Students
- Diversity, Equity and Inclusion Policy
- Enterprise Risk Management Policy and Procedure
- International Students – Welfare of International Students U18 Procedure
- Sexual Exploitation Abuse and Harassment Prevention Policy
- Sustainability Policy
- Whistleblower Reporting (Improper Conduct) Procedure
- Work Health and Safety Policy

Further to the above, CDU continues to be a values-led organisation. Our Strategic Plan 2021-2026 sets out the values in which we will engage with our people and stakeholders. Three of the values below are at the forefront in how we interact with people in our business operations:

- **Courage** – we make courageous decisions to act in the best interests of our students, our people and our communities.
- **Kindness** – in all things we act with respect, decency, and integrity and strive to understand each other’s differences and points of view.
- **Openness** – we communicate and listen openly and frankly in a way that is honest and respectful. We share information with candour and empower our people with knowledge.

Students

Students may be vulnerable during the recruitment process, especially if they are persuaded to pay agents for application assistance or visa services that exceed the fees set by the Australian Government. Additionally, students face risks in their relationships with sponsors who provide fees and stipends, particularly if they are coerced into agreements that offer minimal financial support in exchange for admission sponsorship. To minimise the risk to students during the recruitment process, CDU only engages with reputable agents and also has some in-country representatives based in India and China to assist students with their application process. The in-country representatives also provide training to the local agents that help students with their submissions.

Many students, both domestic and international, support their university studies through employment. Some degree pathways require industry-related employment, while in other cases CDU arranges work-related learning opportunities as part of the degree program or for general work experience. In all these situations, students may be at risk of very low wages and exploitative working conditions. CDU employs Placement Coordinator teams, who are responsible for making sure the well-being of students is prioritised whilst on placements. CDU carries out appropriate due diligence for student placement agreements and only partners with reputable placement providers to ensure the risk of students being unfairly treated. CDU’s Work Integrating Learning Policy highlights the roles and responsibilities of placement providers to ensure a safe learning environment for students whilst on placement.

Risks in supply chain

CDU recognises that its supply chain may reveal instances of modern slavery, especially concerning materials produced in countries with a high prevalence of low-skilled labor, where modern slavery has been identified or is likely to occur.

CDU is also aware that modern slavery may occur within its domestically based supply chains with the highest risk sectors being information technology, cleaning and maintenance, and building construction.

Procurement of goods and services at CDU is governed by the Procurement Policy and Procedure. The policy enables departments to undertake their own purchasing requirements with relevant endorsement by senior staff/executives and specialists against four benchmark principles of procurement. One of the principles details the assessment of modern slavery risks.

Part D – Actions taken to assess and address risks (Criterion 4)

Our approach is founded on a culture of continuous improvement, ensuring that CDU comprehends our modern slavery risks. Key staff in the procurement team receive monthly training and awareness to effectively identify and address these risks, and we integrate essential modern slavery principles into our contracts and procurement guidelines. Additionally, through our student engagement team, our students are informed about the grievance and support services available to them if they feel exploited.

Our focus for the reporting period has been on enhancing our core capabilities for the identification of and response to modern slavery risks.

Collaboration with the Australian University Procurement Network (AUPN)

CDU, along with 38 other institutions, voluntarily joined the AUPN's Modern Slavery Users Forum (MSUF). In July 2020, the MSUF formed the Modern Slavery Academic Advisory Board, currently consisting of 10 members from 7 universities who have expertise and experience in modern slavery risk and supply chains. The board's goal is to enhance the sector approach. Meetings are held on a monthly basis to review and refine AUPN-developed materials and initiatives.

The sector-wide modern slavery program objectives & drivers:

- **Compliance** – Including the *Modern Slavery Act 2018 (Cth)* and New Zealand modern slavery legislative reporting requirements. Universities wish to demonstrate leadership on this issue.
- **Efficiency** – Working together will minimise duplication of activities and associated costs across individual universities, including risk assessment, implementation of systems, and remediation.
- **Effectiveness** – Leveraging our aggregated buying power should improve our capacity to identify and action any modern slavery risks and drive more effective changes through our supply chains.
- **Capability** – By accessing our academics across Australian and international universities and engaging with civil society organisations to build capacity and stay abreast of the latest trends and emerging issues to be industry leaders.
- **Cooperation** – AUPN members are an engaged group of procurement professionals within publicly spirited organisations, operating in a uniquely collaborative sector.

CDU continues to participate as a member of the AUPN and its modern slavery working group. The AUPN currently has 38 Australian and 3 New Zealand member institutions working together to improve excellence in procurement practice and in the skills of procurement professionals in the higher education sector. Through our membership with the AUPN, CDU is able to leverage the aggregated buying power of \$16b+ in procurement spend across 90k+ suppliers within the 41-member group. As a sector we hope this collaboration will enhance the capacity to identify modern slavery risks and mitigate these risks by driving effective change from our suppliers and the supply chains.

As a sector via the AUPN Program, the following were achieved in 2023:

Data & Technology

- Modern Slavery software review and recommendation, AUPN data hub tender undertaken
- ArcBlue (modern slavery risk dashboard) tool implemented
- 2023 data upload to the ArcBlue modern slavery risk dashboard analysis tool

The ArcBlue tool was introduced in 2023 to complement the FRDM tool used for the 2022 modern slavery analysis. ArcBlue tool was approved by the AUPN Executive as a modern slavery risk analysis software solution, to help universities with 2023 baseline risk data.

ArcBlue is a leading procurement & supply chain consulting firm that helps clients leverage the power of procurement & supply to drive positive change in their organizations. ArcBlue provides expert support to organisations to understand their obligations, identify risks, monitor compliance and arm them with the knowledge to handle any potential Modern Slavery concerns.

Training and Capacity

- Monthly University Modern Slavery Forum with expert guest speakers
- AUPN Portal set up with internal and external Modern Slavery training resources
- ArcBlue software training sessions/recordings/user guides

Framework

- University Media Alert Process approved & implemented
- Expert legislative guidance guest speakers at forum presentations

Engagement & Communications

- Engagement with community and industry

Governance

- University Anti-slavery Program Manager commenced
- New Academic Advisory Board members appointed and meetings held
- Monthly Modern Slavery Working Group meetings
- Monthly reporting on program results to AUPN Executive

Supplier Engagement

- Australian Red Cross International Student Worker Exploitation Hub project initiated
- Contributed modern slavery data requirements to the University Procurement Analytics Service project

In addition to the above, CDU undertook the below actions to assess and address risks in 2023:

New finance system – Improved data collection

To enhance our efforts in combating modern slavery, we implemented a new finance system, specifically designing and configuring it to generate improved data for reporting on procurement activities. This enhanced data enabled us to conduct a detailed analysis of our modern slavery suppliers' risk.

Training and Awareness

CDU's procurement function is centralised and overseen by the Procurement Steering Group. To raise awareness and ensure key staff understand the CDU's responsibilities regarding modern slavery, we conducted training sessions in 2023 for relevant parties across the University. Additional training was provided in 2023, with further sessions planned for 2024. This training includes the use of the new finance system, AUPN Modern Slavery tools, FRDM, and ArcBlue dashboards.

Procurement and contracts

The University incorporates modern slavery provisions into its standard contract documents provided to all suppliers. These provisions require organisations supplying goods and services to CDU to:

- it must take reasonable steps to identify, assess and address risks of Modern Slavery practices in the operations and supply chains used in the provision of the supplies.
- Conform with the goals and requirements of the *Modern Slavery Act*.
- Assure that neither they nor their subcontractors have been convicted of offenses involving modern slavery and, to the best of their knowledge, are not currently under investigation, review, or legal proceedings by any authority regarding such offenses.

Detailed data analysis

Carried out a detailed analysis on all 2,600 suppliers to assess the risk of our supply base, a risk rating was applied based on the supplier's country of origin and the industry / sector they operate in:

- 0.38% of suppliers had a very high-risk rating,
- 22.60% of suppliers had a high-risk rating,
- 1.53% of suppliers had a medium risk rating, and
- 75.49% of suppliers had a low-risk rating.

Employee health and wellbeing

The People & Culture department at the University has conducted several information sessions for staff on employment provisions in the EA and has an employee assistance program.

Part E – Assessment of the effectiveness of actions (Criterion 5)

Throughout 2023, CDU implemented and integrated various enabling processes and activities to contribute to the elimination of modern slavery within the community. This approach involved leveraging insights from our partnership with the AUPN and its member network. We will continue to monitor and assess the effectiveness of these actions through our internal governance and oversight mechanisms.

- The enhanced data from our new finance system has improved our precision in capturing expenditure categories and supplier origins. This advancement has allowed us to assign a risk rating to each supplier, thereby enhancing our ability to monitor and mitigate modern slavery risks effectively.
- CDU continues to strengthen its collaboration with the AUPN. In 2024, we plan to include additional representatives from the University in the AUPN group, thereby broadening our reach and further embedding modern slavery awareness and prevention within the University.

Part F – Consultation with controlled entities (Criterion 6)

CDU's controlled entities were consulted during the development of this report. During this reporting year under the Act, the consultation process focused on gaining a deeper understanding of the operations and supply chains of these entities and identifying suppliers of high-risk goods and services utilised by the entities.

MSHR is the only controlled entity where modern slavery risks may occur in supply chains. CDU continued to engage directly with MSHR throughout 2023 with the awareness campaign.

MSHR continued reviewing their suppliers for any online alerts on modern slavery with minimal risks identified. CDU will work with MSHR in 2024 to embed the same reporting functionality from the new finance system, this will help us to assign a risk rating to each supplier of MSHR.

Part G – Other relevant information (Criterion 7)

We are dedicated to continuously adapting, improving, and reviewing our processes to meet our modern slavery obligations effectively. This commitment includes enhancing our collaborative efforts to ensure that our mechanisms for mitigating modern slavery risk are both sustainable and effective. In 2024, CDU will implement the following focused measures:

- Establish a new Modern Slavery Committee with a particular focus on the supply chain, governance, students, and employees.
- Embed the same reporting functionality from the new finance system for our controlled entities.
- Continue engagement with controlled entities, stakeholders including students.
- Improving staff awareness of modern slavery risks and improve capability via training and leveraging subject matter experts.
- Promote student-specific programs so that students can develop their knowledge, skills and confidence to have conversations about modern slavery and important human rights issues.
- Continue reviewing contract renewals and update those that require modern slavery provisions.
- Benchmark University modern slavery statements to support continuous improvement.
- Commence drafting best practice guidelines and templates.

Part H – Conclusion

While Charles Darwin University considers the risk of modern slavery in its activities to be low, it is proactively working to fulfill its obligations under the *Modern Slavery Act*, especially regarding its supply chains, by actively identifying, managing, and reducing the risks.

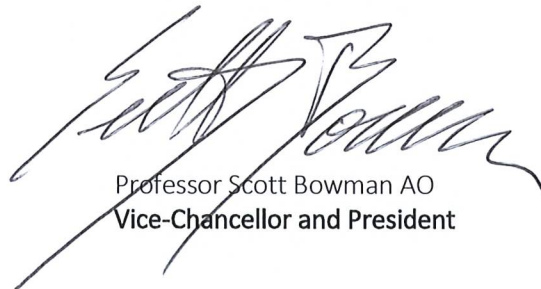
We recognise that eliminating modern slavery requires a sustained and long-term commitment. While we have made particular progress in enhancing the maturity of our practices, continued strategic and focused efforts are essential to further advance our approach in the coming years. We remain dedicated to this cause and will persist in our efforts to ensure the highest standards of ethical practice throughout our operations and supply chains.

Approval

On the 13th June 2024 the CDU Council approved this Modern Slavery Statement for the year ending 31 December 2023 on behalf of CDU and its controlled entities pursuant to the *Modern Slavery Act 2018 (Cth)*.



The Hon. Paul Henderson AO
Chancellor



Professor Scott Bowman AO
Vice-Chancellor and President

Compliance

The table below identifies where, in this statement, each of the mandatory requirements prescribed by section 16 (1) of the *Modern Slavery Act 2018* has been addressed.

Modern Slavery Act – Section 16 (1) Criterion	Part	Pages
a. Identify the reporting entity	A	3 – 4
b. Describe the reporting entity's structure, operations, and supply chains	B	4 – 6
c. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	C	6 – 7
d. Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address those risks, including due diligence and remediation processes	D	7 – 10
e. Describe how the reporting entity assesses the effectiveness of such actions	E	10
f. Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls	F	10
g. Provide any other relevant information	G	11