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National Disability Insurance Agency

Modern Slavery Statement

2021–22 Financial Year

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Acknowledgement of Country

The National Disability Insurance Agency (NDIA) acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures, and to Elders past, present and emerging, and extend that respect to other Aboriginal and Torres Strait Islander people.

Introduction

The NDIA's Modern Slavery Statement (the Statement) is prepared in accordance with the requirements of the *Modern Slavery Act 2018* (Cth) (the Act). The Statement reports on our actions to reduce the risk of modern slavery in our operations and supply chains for the 2021–22 financial year reporting period.

Since our last statement issued on 8 December 2021, we have reviewed our business operations and areas identified as having high risk to elements of modern slavery remain the same. In the current reporting period (1 July 2021 – 30 June 2022), we have focused on increasing awareness and reviewing our procurement policies and procedures to ensure modern slavery practices are effectively identified and are addressed within our supply chains.

We will continue to support the global effort to combat modern slavery. We have zero tolerance to any kind of modern slavery practices across our operations and are committed to building capability and transparency in our supply chain to mitigate modern slavery risks.

This statement has been endorsed by the NDIA Board.

Signed,



Mr Kurt Fearnley, Chair
26 October 2022

Executive Summary

This Statement provides an overview of the current NDIA operational situation regarding modern slavery practices, risks exposure and mitigation. The Statement summarises NDIA's actions taken during the reporting period, effectiveness measures and forward commitments.

In this reporting period, the overall risk of exposure to modern slavery situations is regarded as *low*. The NDIA has adopted a contemporary understanding of modern slavery and implemented strategic approaches necessary to reduce and minimize its risks through its procurement and supply chains.

Key activities to minimise risks include leveraging on the whole of government arrangements and panels established by Department of Finance and other Commonwealth entities and ensuring that key officials conducting high risk procurement activities are well trained in this issue. These key activities, supported with appropriate policy, guidance and systems, has proven to be an effective mitigation strategy.

Mandatory Criteria 1 & 2 Covered Entities, Structure, Operations and Supply Chains

Who we Are

The NDIA is a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) with statutory authority under the *National Disability Insurance Scheme Act 2013* (NDIS Act). The NDIA has responsibility for implementing the National Disability Insurance Scheme (NDIS) providing funding for Australians living with permanent and significant disability.

The NDIS was launched in July 2013 to provide specialist disability supports that complement mainstream services provided by the Commonwealth, state and territory governments.

The NDIA is spread across over 140 different towns and suburbs across Australia. As of 30 June 2022, a total of 565,560 participants have had an approved plan since the NDIS was launched. Of this total, 534,655 of these plans continue to be active.

Our key role is to:

- provide information and referrals, links to services and activities, individualised plans and where necessary, funded supports to assist people over a lifetime
- help empower and inform people living with disability to be confident consumers
- provide service providers with clarity and transparency so they can grow their business and respond to need
- raise community awareness for people living with disability and encourage greater inclusion and access to mainstream services, community activities and other government initiatives.

NDIA Structure

The NDIA Board (Board) is the accountable authority of the NDIA, with the NDIS Act setting out the corporate governance framework, including matters such as selection principles, eligibility criteria, tenure and remuneration.

The Board sets the strategic direction of the NDIA, develops and maintains relationships with stakeholders, ensures compliance with statutory requirements and manages risk. The Board has wide-ranging powers to ensure it can deliver the NDIS.

The Board is also responsible for monitoring the performance of the NDIA and reporting to the Disability Reform Council and Commonwealth Ministers, as set out in the NDIS Act, the PGPA Act and Intergovernmental Agreements. The Board manages the NDIA's costs and liabilities, including through the development of a reserve and investment of funds.

The Board has five subcommittees:

- Audit Committee
- Information, Communication, Technology and Digital Committee
- People and Remuneration Committee
- Risk Committee
- Sustainability Committee.

The Chief Executive Officer (CEO), Ms Rebecca Falkingham, is responsible for the day-to-day administration of the NDIA.

NDIA Operations

All Australian governments are involved in decisions relating to the NDIS policy, funding and governance.

- The Commonwealth Minister is responsible for administering the NDIS Act, and exercises statutory powers with the agreement of states and territories, including a power to make the NDIS Rules and direct the NDIA.
- The Standing Council on Disability Reform is the National Federation Reform Council (formerly the Council of Australian Governments (COAG)).
- The Council's Disability Reform Ministers' meeting is the decision-making body on NDIS policy issues. The Council is made up of Ministers responsible for disability from the Commonwealth, states and territories.
- The NDIA administers the NDIS, governed by a Board.
- The NDIA Board is advised by the Independent Advisory Council.
- The NDIA holds all funds contributed by the Commonwealth, states and territories in a single pool, manages NDIS funds, administers access to the NDIS and approves the payment of individualised support packages.

Further information about NDIA governance arrangements is available on our website:

www.ndis.gov.au/about-us/governance

Our performance and operations are detailed in our Annual Report which is tabled in Parliament and is publicly available on our website and the Commonwealth Government's Transparency Portal (www.transparency.gov.au).

The NDIA does not own or control other entities.

NDIA Supply Chains

Our supply chains involve diverse products and services provided by a wide variety of suppliers through contractual agreements. Our suppliers provide goods and services that:

- enable the NDIA's corporate functions to support the implementation of the NDIS
- assist the NDIA to perform its functions under the NDIS Act via outsourced staffing and service agreements
- deliver the reasonable and necessary supports to NDIS participants to pursue their goals.

In addition, we provide significant funding to NDIS participants, not under contractual agreement, who engage providers directly for reasonable and necessary supports. This Statement reports on the procurement activity from supply chain providers engaged through either Open Tender or Limited Tender procurement approaches.

Our Values

Our core values, in addition to the Australian Public Service values, underpin our actions and reflect our commitment to human rights and a socially inclusive culture. In line with our values, all our staff and partners are recognised as having an important role to play in identifying and managing all types of risks, including those related to modern slavery. These values drive our actions to mitigate modern slavery.

We value people – the wellbeing of the NDIA's staff and participants lies at the core of our operations. We upskill our workforce through training and professional development, enabling them to achieve their professional best. A skilled and informed workforce is well equipped to manage risk and build strong supplier relationships. This approach strengthens our understanding of modern slavery exposure and our capacity to recognise and address risk.

We aim higher – we strive for excellence in our procurement conduct by recognising and escalating risks openly, honestly and swiftly. We protect the integrity of the NDIS, its participants and their families by implementing the policies and procedures that underpin the NDIA's legislative framework. This approach ensures fair and equitable outcomes for all.

We grow together – we commit to annual improvement of risk assessment and procurement procedures, to ensure operational and skills growth. The NDIA works collaboratively to develop internal skills and external relationships, for best practice in procurement and risk management, Agency-wide.

We take care – the NDIA takes pride in its delivery of efficient, effective, economical and ethical procurement practices. This includes understanding and applying our risk management principles. In this way, we build trust and confidence in our supplier relationships and are committed to managing procurements in accordance with the Commonwealth Procurement Rules.

Mandatory Criterion 3 Risks

Our Risks

We maintain a structured approach to identifying, managing, escalating and communicating key organisational risks. We use resources such as the *Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities* and *Addressing Modern Slavery in Government Supply Chains* to assess our risks across the categories of:

- sector and industry
- products and services
- geography
- entity

Most goods and services procured by the NDIA are sourced from suppliers and contractors based in Australia. Our major categories of procurement are for the provision of:

- **human resources**
- **service delivery** of the NDIA functions under the NDIS Act to NDIS participants
- **professional services**
- **property** and operational supports
- **information communications technology**

Our three potential risk areas in this reporting period remain:

Risk 1 – Offshore sub-suppliers

Information and Communications Technology hardware and software are critical tools for the NDIA's function and operations. These goods and services are recognised as high-risk products, with relatively high amounts of exposure to modern slavery practices. The Asia-Pacific region is a global centre for the production of ICT hardware and carries the highest concentration of people exposed to slavery-like conditions.

Risk 2 – Facilities Management Services

Facilities Management services typically employ unskilled workers from low socio-economic backgrounds and vulnerable populations. This group includes migrants, culturally and linguistically diverse persons and other vulnerable workers. We will continue to engage with our suppliers to mitigate and prevent exposure to modern slavery practices within this service base.

Risk 3 – Providers of supports

The NDIA's core function is to deliver the NDIS. Where we engage providers on a limited basis, to provide support services to NDIS participants, suppliers are required to abide by the NDIS Code of Conduct which upholds the human rights of every individual. Registered providers must meet the NDIS Practice Standards. Both registered and unregistered providers must adhere to the NDIS Code of Conduct.

Risk Exposure

NDIA's visibility over its supply chain is considered *high*. This transparency is achieved through the prevalent use of panel arrangements established by other Commonwealth entities, and open tender procurement approaches, for all goods and services procured by the NDIA.

Our first-tier suppliers are primarily Australian based organisations, and in this reporting period we have not identified connections with modern slavery practices amongst these suppliers. Within the 2021–22 financial year, risk of Modern Slavery exposure for the NDIA is determined as *low*, due to the following measures:



Procurement from Australian Suppliers

- *The Commonwealth Modern Slavery Statement 2020-21* cites the risk of modern slavery within Australia as being lower than known high-risk foreign regions.¹
- Almost all NDIA contracts are held with **Australian suppliers**, with 0.24% of all procurements within the reporting period made from overseas suppliers.



Panel Approaches for Procurement

- Most NDIA contracts are awarded under panel arrangements established by Australian Government agencies bound by the Commonwealth Procurement Rules. This practice helps assure that suppliers are ethical participants in the Australian supply chain.

Risk Screening

The NDIA operates a centralised procurement model, meaning that all NDIA procurements over \$100,000 must be managed by procurement officers trained in identifying modern slavery risks that are pertinent in some industries, and in minimising these risks for the NDIA.

In September 2021, the NDIA Board established the Risk Committee, functioning as a subcommittee to the Board. The Risk Committee provides oversight of the NDIA's management of risk. Robust processes have since been established including reporting mechanisms for breaching any regulatory and legislative obligations. To date, zero incidents relating to modern slavery legislation have been reported.

¹ Commonwealth Government of Australia, *Commonwealth Modern Slavery Statement 2020-21*, accessed 14 September 2022, pg.13. <https://www.homeaffairs.gov.au/criminal-justice/files/commonwealth-modern-slavery-statement-20-21.pdf>

Mandatory Criterion 4 Actions

Monitoring Compliance

Since the introduction of the *Modern Slavery Act 2018*, the NDIA has included Modern Slavery clauses in its high value and high-risk contracts when providing goods and/or services. As part of a Procurement Policy update, modern slavery considerations have been embedded into the NDIA procurement policy.

Procurement officers are directed to use the “Modern Slavery Toolkit for Government Procurement Officers” available on the Commonwealth Government’s *Modern Slavery Register* webpage.

The NDIA has taken the following steps to mitigate the risk of Modern Slavery exposure within our major procurement activities:



Human Resources

The overwhelming majority of all labour hire engagements by the NDIA are conducted under panel arrangements. We are committed to using panel arrangements as our preferred procurement method. For the reporting period, 99.6% of labour hire engagements occurred under a panel approach. All labour hire contracts use exclusively Australian-based companies, and effective 31 July 2022, new labour hire staff are required to be Australian citizens, with any exemptions approved by NDIA Security Office. In addition, we consolidated our labour hire supplier base to more efficiently manage workforce contracts and build stronger relationships with the providers of workforce labour to the NDIA.



Service Delivery

The NDIA’s largest service delivery output is the **National Contact Centre**. The outsource and compliance of the centre is managed by the Contact Centre Branch and operated by Serco Citizen Services, part of the Serco Group (UK) under a service agreement. This supplier provides annual Modern Slavery statements to the Commonwealth Government’s public register. The NDIA manages a suite of assurance plans and compliance mechanisms that frame the contract management for this major supplier. These contract management activities enable the NDIA to maintain close management of the contract and the operations of this significant activity.



High Value Contracts

We assessed our top ten, high-value contracts for identifiable risk elements. These contracts included engagements for the NDIS National Contact Centre, the Local Area Coordinator program (LAC), IT Hardware and servicing, and labour hire. The risks associated with these contracts are considered *low*. NDIA uses panels for all ICT hardware procurement and most labour hire arrangements and is working with a major supplier for the National Contact Centre that is committed to Modern Slavery eradication.



Property and Operational Supports

Our property services are delivered by **Jones Lang LaSalle (JLL)** through the whole of government property services coordinated procurement arrangements. JLL demonstrates a strong commitment to eradicating modern slavery instances within its operations and supply chains. Their supplier framework guides each vendor through the life cycle of their contracts. JLL publishes current modern slavery statements on global statement registers.



Information Communications Technology (ICT)

All procurements of ICT equipment and labour hire are conducted through the Digital Transformation Agency (DTA) panel. As a qualifier DTA requires all suppliers under this panel to supply risk mitigation summaries including Modern Slavery management measures. NDIA contracts for ICT Hardware during the reporting period represents **0.59%** of all active contracts during the 2021–22 financial year.

Mandatory Criterion 5 Effectiveness

Assessing Our Effectiveness

The effectiveness of our actions is reliant on implementing a structured whole-of-agency approach that is supported at the highest level of our leadership and engages our people, our partners, and our suppliers.

Positive relationships with our partners and suppliers are essential to being able to share our learning and grow a more equitable society. As many of our suppliers are required to provide their own modern slavery statements, we are presented with a greater opportunity for a shared development in identifying and addressing risks, as well as collaboratively implementing effective strategies.

We continue to seek to procure goods and services from suppliers who meet high standards for business practices and comply with all applicable laws and regulations.

Staff Training and Awareness

During the reporting period, NDIA staff completed Modern Slavery training, offered by the Commonwealth Government's online training modules, available on the Australian Border Force's *Modern Slavery Register* webpage.² The required training modules were:

- *Modern Slavery in Public Procurement*
- *Identifying and Assessing Modern Slavery*
- *Managing Modern Slavery Risks*

The NDIA achieved the following training results:

- **100%** of Procurement specialist employees completed the online training.
- **82%** of total staff in the Procurement and Corporate Services Branch completed the online training.

The NDIA has committed to achieving a **100% compliance result** for all Procurement staff to complete the Modern Slavery online training modules offered by the Australian Government Department of Home Affairs. Procurement Officers occupy an important role assisting NDIA Delegates and their colleagues to conduct Efficient, Effective, Economical and Ethical procurement. As such, the NDIA commits to maintaining a 100% annual compliance rate in Modern Slavery training for all procurement staff. Compliance is managed through an internal registration list, required of all staff upon completion of the online training courses.

² Commonwealth Government of Australia, Department of Home Affairs, *Modern Slavery Register*. Accessed 15 September 2022: <https://modernslaveryregister.gov.au/>

Progress and Next Steps

Our operational policies must address the issue of modern slavery and its associated risk factors. In this reporting period we focused on ensuring that the issue of modern slavery is widely recognized within the NDIA. We are improving capability within our procurement teams by:

- leveraging existing **modern slavery resources** and training modules developed by Australian Border Force to provide training for NDIA procurement staff.
- **continuing to update policy and templates** with the recommended Modern Slavery Contract Clauses recommended by the Australian Border Force and included in the Department of Finance's Commonwealth ClauseBank.³

In this reporting period we have reviewed our procurement policies, code of practices and procedures and updated them to align with procurement guidance issued by the Department of Finance and the Australian Border Force. The NDIA board has also improved our risk monitoring across a range of matters with the establishment of a Risk Committee. Our new procurement framework and guidance for the NDIA will be implemented during the next reporting period.

Forward Commitments

Over the next year we will continue to improve our processes through:

- **contributing a submission** to the Australian Government's Review of the Modern Slavery Act 2018, due by 22 November 2022.⁴
- **improve Modern Slavery awareness** across the NDIA, setting an annual goal of 100% of all Procurement Officers completing the Australian Government's online e-learning modules on modern slavery. For remaining staff, this training is highly recommended and promoted widely within the NDIA through internal agency communications.
- **improve our ability to report** and monitor on this issue as part of a newly built procurement management system.
- **implement a revised procurement framework**, using guidance documents and templates to further align our processes with the Department of Finance's *BuyRight* webpage.⁵
- use as an active resource in all procurement policy advising, the **Australian Government's toolkit**, *Addressing Modern Slavery in Government Supply Chains*.⁶

³ Commonwealth Government of Australia, Department of Finance, "Modern Slavery" in *ClauseBank*, accessed 20 September 2022, www.finance.gov.au/government/procurement/clausebank/modern-slavery.

⁴ Commonwealth Government of Australia, Attorney-General's Department, *Review of Australia's Modern Slavery Act 2018*, accessed 20 September 2022, <https://consultations.ag.gov.au/crime/modern-slavery-act-review/>.

⁵ Commonwealth Government of Australia, Department of Finance, *BuyRight*, accessed 20 September 2022, www.finance.gov.au/government/procurement/buyright.

⁶ Commonwealth Government of Australia, Department of Home Affairs, *Addressing Modern Slavery in Government Supply Chains*, accessed 15 September 2022: https://modernslaveryregister.gov.au/resources/Modern_Slavery_Toolkit_of_Resources.PDF

We will continue to ensure modern slavery risks are understood by all NDIA staff and that human rights are upheld by our partners and suppliers through the inclusion of modern slavery awareness resources in our procurement processes, policies, and contract documentation.

Mandatory Criterion 6 & 7

The NDIA is not required to report on the **Mandatory Criterion 6** (the Act, section 16.1(f)) due to its status as a Corporate Commonwealth Entity that does not control or own other entities.⁷

The NDIA has **no other information** to supply under Mandatory Criterion 7 (the Act, section 16.1(g)).

⁷ Commonwealth Government of Australia, *Modern Slavery Act 2018*, Accessed 15 September 2022: <https://www.legislation.gov.au/Details/C2018A00153>.