



# MODERN SLAVERY STATEMENT



CHRISTIAN  
EDUCATION  
MINISTRIES

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This Modern Slavery Statement is submitted on behalf of Christian Education Ministries (ABN 65 124 826 722), under section 13 of the Modern Slavery Act 2018 (Cth) (MSA) to cover the reporting period of 1 January 2023 to 31 December 2023.

The MSS was approved by Christian Education Ministries Ltd's Board of Directors on 08 May 2024 on behalf of all entities covered by the MSA. The MSA is signed by the Chief Executive Officer as a duly authorised representative of Christian Education Ministries Ltd's Board.

**David Fyfe**

Chief Executive Officer

# CONTENTS

<u>ABOUT US</u>	4
<u>STRUCTURE AND OPERATIONS</u>	5
<u>SUPPLY CHAINS</u>	6
<u>SUPPLY CHAIN RISKS</u>	8
<u>GEOGRAPHICAL RISK</u>	9
<u>SPECIFIC SUPPLIER RISK</u>	10

# ABOUT US

Christian Education Ministries Ltd (CEM) is a not-for-profit, non-denominational, Christian organisation involved in various aspects of Christian Education, including the delivery of primary and secondary education, delivery of school support services, developing curriculum, operating early learning centres and helping home schoolers. The organisation manages seven distinct brands:

1. Our schools operate under the brands:
  - Australian Christian College (ACC)
  - Medowie Christian School
  - Brightwaters Christian College
  - River City Christian College
2. Our early learning centres and out-of-school-hours (OOSH) centres operate under the Smartplay Early Learners brand (Smartplay)
3. Our support to families choosing to home-school their children is provided under the Australian Christian Home Schooling brand (ACHS)

Under each of these brands CEM is pursuing its mission to develop each and every student to be equipped spiritually, academically, socially and physically to flourish into their full potential, and be a positive influence on the world around them.

CEM has eleven (11) wholly-owned operating subsidiaries, none of which is a reporting entity for purposes of the MSA. These are as follows:

## In New South Wales

- Australian Christian College – New South Wales Ltd (ABN 24 125 965 862), which operates a school in Marsden Park
- Australian Christian College – Singleton Ltd (ABN 57 126 319 953), which operates a school in Singleton
- Brightwaters Christian College Ltd (ABN 54 106 419 854), which operates a school in Brightwaters
- Medowie Christian School Ltd (ABN 69 085 148 965), which operates a school in Medowie

## In Western Australia

- Australian Christian College – Western Australia Ltd (ABN 45 121 476 024), which operates a school in Albany
- Australian Christian College – Darling Downs Ltd (ABN 83 126 319 622), which operates a school in Brookdale

## In Queensland

- Australian Christian College – Queensland Ltd (ABN 86 125 183 637), which operates a school in Caboolture

## In Tasmania

- Australian Christian College – Tasmania Ltd (ABN 53 620 450 651), which operates schools in Hobart, Launceston and Burnie

## In Victoria

- Australian Christian College – Victoria Ltd (ABN 49 005 784 627), which operates schools in Benalla and Skye

- River City Christian College Inc. (ABN 30 078 204 989), which operates a school in Echuca

## Operating nationally

- Smartplay Early Learners Pty Ltd (ABN 92 633 199 934), which operates early learning and/or OOSH centres in Benalla, Caboolture, Medowie and Marsden Park

This statement describes the supply chains and operations of CEM and its above-named subsidiaries. CEM operates a central services model across its subsidiaries, with financial management and procurement largely managed from CEM. As a result, procurement processes and actions designed to mitigate modern slavery risks are consistently implemented across all entities.

All of the individual entities described above have been consulted in relation to the preparation and contents of this statement, and in relation to CEM's modern slavery response generally.

CEM is committed to operating responsibly and establishing and adhering to Christian principles and values, which at their core seek to recognise the value of, and seek to extend God's love and grace to, all people.

This is the organisation's first Modern Slavery Statement due to the 2023 calendar year being the first reporting period in which CEM exceeded the annual revenue threshold for mandatory reporting under the Act.

# STRUCTURE AND OPERATIONS

Through its subsidiaries CEM owns and operates independent Christian schools, early learning centres and OOSH centres throughout Australia. CEM provides governance and strategic leadership support, and a range of central professional services to its subsidiaries. None of these subsidiaries individually meets the reporting threshold under the MSA.

CEM and all subsidiary companies are registered as charities with the Australian Charities and Not-for-Profits Commission, and are governed by a board of directors at each individual company's level. The Principal of each school is responsible for the day-to-day management and operations of the School, reporting to their respective Boards and the Chief Executive Officer.

The principal activity of each School is provision of primary and secondary education. Smartplay Early Learners Pty Ltd provides early learning and OOSH centres as described above.



# SUPPLY CHAINS

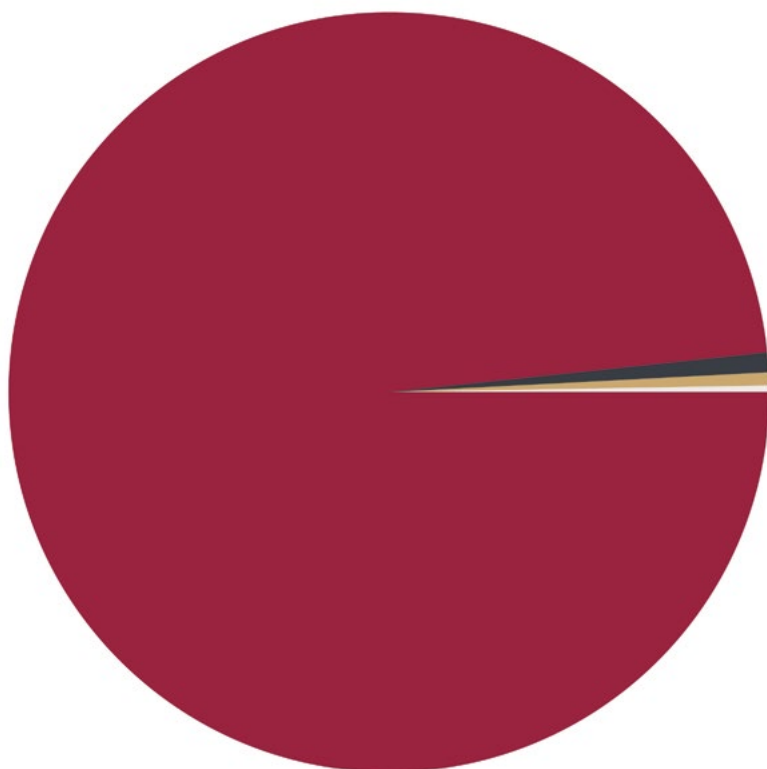
Approximately 68% of CEM’s operational cost base is represented by employment-related costs (all staff are employed within Australia and the significant majority of staff are employed pursuant to industrial Awards and other approved industrial agreements), with a further 8% represented by depreciation, interest, financing and other non-cash expenses.

CEM and its subsidiaries employed 666 full-time equivalent staff for the reporting period. Our employees filled roles primarily in primary and secondary school teaching (62%), school administration and support (4%), and early learning centers (34%).

The remaining 24%, plus CEM’s capital expenditure, (hereafter “the supply chain”) has been subjected to supply chain risk analysis where the expenditure with the individual supplier exceeds \$20,000. This represents 191 suppliers who collectively represent 92% of CEM’s supply chain. CEM’s total Tier 1 supply chain represents 1,672 suppliers such that the suppliers not subjected to supply chain analysis represent 1,481 suppliers with an average annual expenditure of approximately \$3,000, of which 99% are Australian suppliers.

During the 2023 reporting period, CEM engaged with industry experts, Fair Supply Analytics, to undertake extensive supply chain mapping based on CEM’s supply chains for the year ended 31 December 2022. This process has enabled a high degree of visibility over our supply chain reaching down multiple tiers, and a robust assessment of our supply chain risk.

The vast majority of CEM’s Tier 1 supply chain is located in Australia, as represented in the pie chart below. This localised supply chain provides CEM with a greater level of influence over the practices of its suppliers, which will be a factor in our future actions to address modern slavery risks.



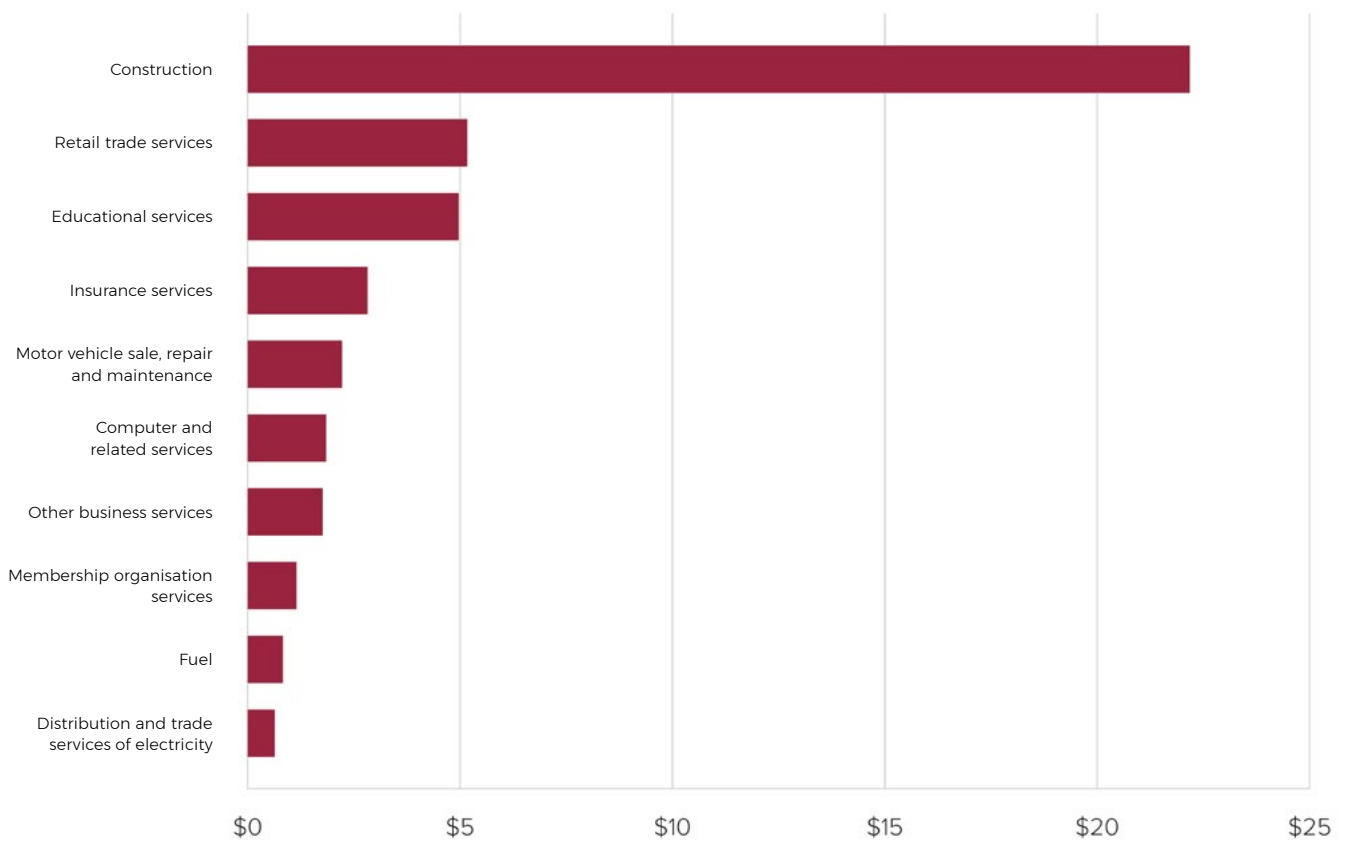
Country	Sum of Spend
Australia	\$50,981,237
United States	\$355,704
United Kingdom	\$333,763
Canada	\$55,921
<b>Grand Total</b>	<b>\$51,726,625</b>

- Australia
- United States
- United Kingdom
- Canada



CEM, through engagement with Fair Supply Analytics, has further mapped its supply chain up to 10 tiers and identified those which occur in higher risk countries and industries, which is discussed further in later sections.

**Annual spend - top 10 industries (\$ millions)**

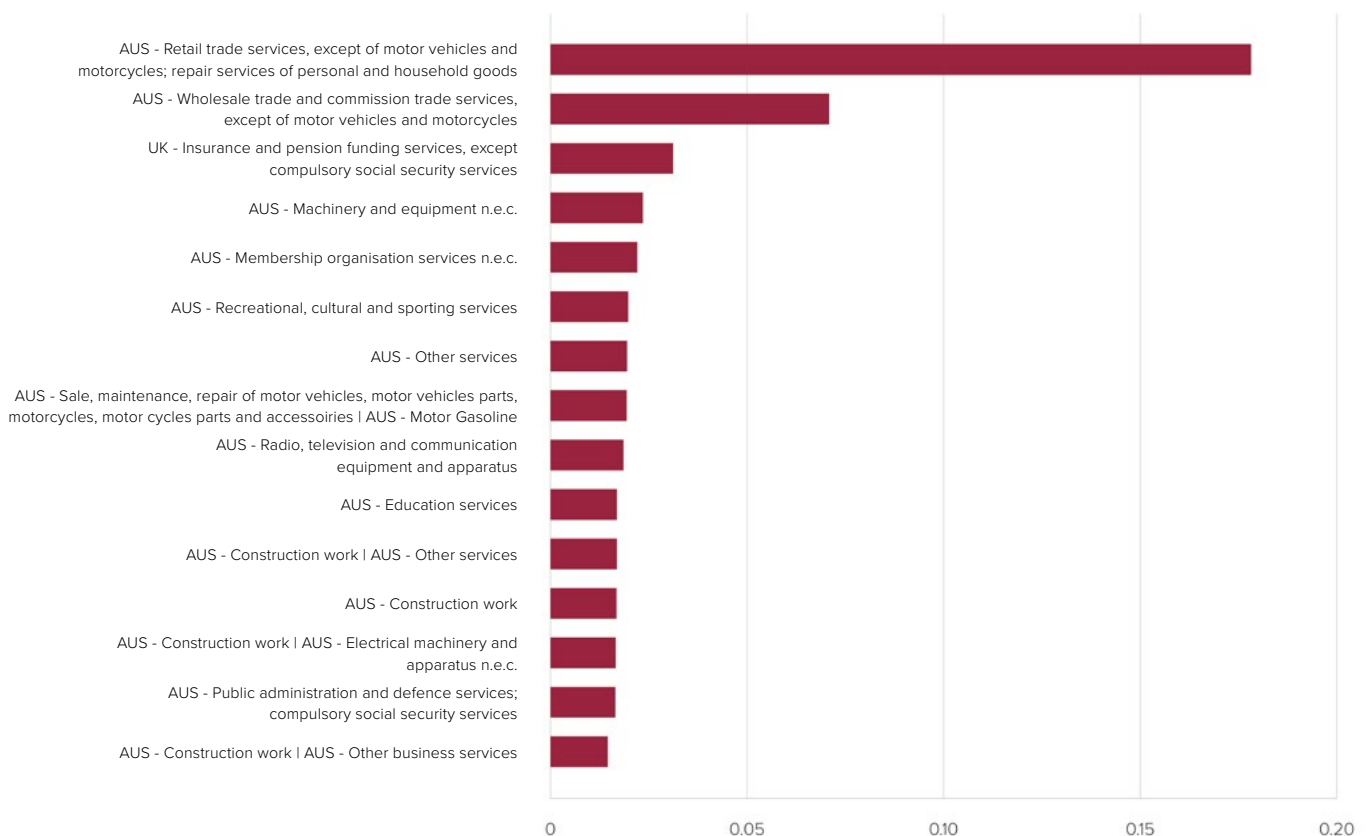


# SUPPLY CHAIN RISKS

Through the risk analysis conducted by Fair Supply Analytics, CEM has gained a deeper understanding of its supply chain risks across a range of metrics, including by supplier, supply chain tier, industry, and country. Supply chain risk is represented in the ‘theoretical slavery footprint’ (TSF) which indicates the theoretical number of people in conditions of modern slavery within the supply chain.

CEM’s TSF for the year ended 31 December 2022 was 1.6722. While it is currently difficult to benchmark this figure we consider this to be a relatively low level of risk.

CEM’s top 15 risk industries represent 81% of the supply chain spend, and are almost entirely Australian-based. One (1) industry is rated moderate risk, three (3) moderate/low risk, and the remaining twelve (12) are rated low risk in terms of theoretical slaves/\$M of spend. When applied to the actual spend with the relevant industry suppliers, the top 15 risk industries account for 94% of CEM’s TSF. Said differently, the majority of CEM’s supply chain is spent in low-risk industries.



The three industries with the highest modern slavery risk are:

- Australian Retail Trade Services (moderate risk): CEM acquires significant amounts of computer hardware, school furniture and playground equipment from suppliers operating in this industry. CEM’s total value of expenditure within this industry is approximately \$5.5 million.
- Australian Wholesale Trade Services (moderate to low risk): CEM acquires a small amount of catering equipment from suppliers within this industry. CEM’s total value of expenditure within this industry is less than \$60,000.
- UK Insurance and Pension Funding Services (moderate to low risk): CEM acquires a small amount of specialist insurance cover from suppliers within this industry. CEM’s total value of expenditure within this industry is less than \$30,000.



# GEOGRAPHICAL RISK

The table to the right lists CEM's TSF by geographical location, with the Top 10 countries specifically identified.

Australia ranks highly, predominantly due to the concentration of CEM's Tier 1 supply chain in Australia, and therefore spend. The fact that Australia (being an inherently lower risk country) is at the highest risk level for CEM is a further indication that our relative risk level is low.

We have noted the number of Tier 1 (direct) suppliers within CEM's supply chain (subjected to risk assessment) that are located within each geography. Where there are no Tier 1 suppliers within CEM's supply chain, this indicates that the modern slavery risk arises solely from the upstream supply chain of CEM's Tier 1 suppliers.

This is illustrated by the cumulative TSF across Tier 1 (CEM's direct suppliers), Tier 2 (suppliers and contractors to CEM's Tier 1 suppliers), and so on through to Tier 10.

Said differently, the significant majority of CEM's TSF is with Tier 1 suppliers, the significant majority of which are, as outlined above, in Australia.

Country	TSF%	Tier 1
Australia	80.50%	183
India	4.22%	-
China	3.44%	-
Indonesia	1.52%	-
United States	0.68%	5
Vietnam	0.63%	-
Malaysia	0.62%	-
Thailand	0.59%	-
Bangladesh	0.53%	-
United Kingdom	0.45%	2
	<b>93.18%</b>	<b>190</b>
Rest of the world	6.82%	1
<b>Total</b>	<b>100.00%</b>	<b>191</b>

Tier	TSF
1	70.3%
2	10.9%
3	7.1%
4	4.7%
5	3.0%
6	1.8%
7	1.0%
8	0.6%
9	0.3%
10	0.3%
	<b>100.0%</b>

# SPECIFIC SUPPLIER RISK

Using the risk analysis, CEM has ranked each of its suppliers with a total annual spend greater than \$20,000 by risk level. This enables greater due diligence and engagement with higher risk suppliers to ensure that CEM is able to influence anti-modern slavery practices in the highest impact areas of its supplier base through supplier agreements and other direct engagement.

Further information about CEM's future measures is provided in later sections.

## Operational risks

CEM provides (either directly or through a subsidiary):

- Early Learning, for children aged 3-4 in Australia
- Schooling for international and local children aged 5-18 in Australia
- Out-of-school-hours care for children aged 5-18 in Australia

We acknowledge potential risks that CEM's operations present through:

- the engagement of Tier 1 suppliers within Australia which might contain a higher risk of modern slavery (e.g. security and cleaning services, building and construction services), appreciating that the 2023 Global Slavery Index estimates that Australia had 1.6 people per thousand in modern slavery; and/or
- the supply chain of CEM's suppliers where those supply chains are conducted in countries, or involve upstream suppliers, with greater modern slavery risks (e.g. in the manufacture of computer and other electronics, solar panels, and garments manufactured offshore for use within CEM's operations).

CEM has detailed below the actions taken in order to address those potential risks.

## Actions taken to assess and address risks

During the year ended 31 December 2023 (our first reporting period), CEM undertook significant work to gain better insight into its suppliers and organisational spend with each, the industries in which they operate and took initial steps to better understand our modern slavery footprint as a means of identifying future actions to mitigate potential supply chain risks.

This has included:

- Streamlining supplier records to ensure that ABN-level information on spend is consistently and readily available across all entities within the Group.
- Reviewing data elements associated with our suppliers to ensure that industry and geographic information is more readily available.
- Engaging with specialist providers to assist in undertaking detailed mapping and risk assessment of its supply chain.
- Internal discussions at Board level to improve awareness of the Modern Slavery Act 2018, the responses available to the Board to identify and respond to modern slavery risks, and establishing CEM's future response.



### Supply chain risk assessment

During the 2023 reporting period, CEM engaged with Fair Supply Analytics to undertake detailed supply chain mapping and risk assessment for our supplier base where annual spend exceeded \$20,000. Fair Supply Analytics employed their proprietary analysis methods to CEM's supplier and spend data, and a multi-regional input-output table, to thoroughly map our supply chain reaching up to 10 tiers.

A slavery footprint using existing research data was then overlaid to estimate the impact and risk level of CEM's supply chain, represented as our TSF.

This extensive analysis has provided invaluable insights to CEM to understand our existing risk profile as well as informing anti-modern slavery initiatives moving forward.

### Looking ahead

Utilising this deeper understanding of our supply chain risk, CEM will establish an action plan to appropriately respond to its modern slavery risks. Necessarily, this will target higher risk suppliers and industries where we can achieve the highest impact.

During the year ending 31 December 2024 we will:

- Conduct modern slavery surveys with higher risk suppliers.
- Refresh our supply chain risk analysis based on the 2024 spend data and looking specifically to any new suppliers within our supply chain.
- Implement processes and systems to better manage the onboarding of new suppliers to ensure that the required data elements for new suppliers are captured and inform future risk assessments.
- Consider the refinement of Board delegation, and other policies and related processes, to better support assessment of supply chain risks at or before the point of onboarding. This may include enhanced governance responses in the context of formalising CEM's modern slavery policy, supplier code of conduct, and/or inclusion of contractual provisions addressing modern slavery risks within material or high-risk supplier contracts.

During 2024 CEM will evaluate the implementation of the above measures and develop a more detailed framework to measure the effectiveness of its response to modern slavery risks in its supply chain.



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