



CHALLENGE

Community Services

Challenge Community Services
(Challenge)

Modern Slavery Statement

Financial Year Ending 30 June 2024

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Foreword

Modern slavery is used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. It can occur in many forms including human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage and any other forms of child labour.

The introduction of the Modern Slavery Act 2018 aims to combat modern slavery in global supply chains.

Challenge Community Services (Challenge), ABN: 17 059 209 675 is a Company Limited by Guarantee and is registered as a charity with the Australian Charities and Not-for-profits Commission. **Challenge is committed to ensuring that the risks of modern slavery in our business operations and supply chain are managed and minimised.**

We are pleased to publish our updated statement on modern slavery which is an expression of our beliefs as a socially responsible organisation, and a reflection of Challenge's core values which are:

- Collaboration:** We come together to achieve our vision.
- Compassion:** We care for people.
- Integrity:** We do the right thing.
- People Focused:** We put people first in all we do.
- Respect:** We accept everybody for who they are.

Challenge's Modern Slavery Statement is made pursuant to the Modern Slavery Act 2018 and covers the reporting period 1 July 2023 to 30 June 2024.

The Statement outlines the approach Challenge has taken to identify, assess and manage modern slavery risks in our operations and supply chain.

This statement was approved by the Board of Challenge on 28 November 2024.

Signed by:

D941C71325F047E...

John Glynn
Chair of Board

Mandatory Criterion 1: Who is Challenge Community Services (Challenge)?

Challenge focuses on making a positive difference in the lives of all members of our community.

Challenge is a Public Benevolent Institution (PBI), with Deductible Gift Recipient (DGR) status and has provided innovative and people-focused service to the communities we serve for over 60 years. Our offering to regional and metropolitan communities includes Disability Services, Foster Care, Allied Health and supported employment for people with a disability as part of our range of Business Services.

Challenge operates throughout regional and metropolitan New South Wales, and the greater Brisbane area in Queensland. Our organization is built on a strong workforce of approximately 1,100 staff, including 68 employees with disability.

As a Company Limited by Guarantee, Challenge is governed by a Board of Directors. Challenge's independent Board ensures that Challenge delivers on its purpose for its clients. The Company is managed by a Chief Executive Officer who is supported by the Executive Team.



Our Purpose

We care about enriching every interaction, no matter how big or small, to make a positive difference in the lives of all members of our community. We do this because we are passionate about realising the potential of all people we support.



Our Vision

We aim to be the industry leader in the empowerment and support of people within the community through integrated services and employment opportunities. We will positively impact and influence the development of social policy to enhance the communities we engage with.

Mandatory Criterion 2: Describe Challenge's structure, operations and supply chain; and

Mandatory Criterion 3: Describe the risks in Challenge's operations and supply chain

Challenge's operations and activities are conducted wholly within Australia. Challenge operates four revenue generating services, namely: 1. Allied Health; 2. Business Services; 3. Disability Services and 4. Foster Care. We deliver services from approximately 120 sites in New South Wales and Queensland. During FY2023-2024, we supported 530 Children and Young People in the Foster Care system in New South Wales and 971 NDIS participants in Supported Independent Living, Specialist Disability Accommodation and/or Day Programs.

Challenge's Quality Framework in part measures our delivery of best practice services (including recruitment practices) to clients, staff, and employees through our governance principles and Risk Committees that demonstrate adherence to regulatory and legislative requirements. This is further demonstrated through our mandated accreditation certification audits for Disability Services and Foster Care.

In reviewing the risks of modern slavery practices within our operations, we have considered the risks across all our service areas.

This year, when we assessed the modern slavery risks amongst our suppliers we considered two levels of suppliers, namely:

1. Top Tier Suppliers – 15 were identified, due to the amount we spend with them; and
2. High Risk Suppliers - classified this way based on the country of origin of goods.

The main types of goods and services Challenge procures are:

- Agency staff through Labour Hire companies to supplement our permanent and casual workforce; and
- Residential and Commercial properties to enable the provision of supported accommodation and day programs for people with disabilities.

We have assessed our suppliers by using the Australian Government Risk Screening tool which focuses on the following four criteria:

1. Sector and Industry Risks – deemed low;
2. Product and Services Risks – deemed medium (relates to some Labour Hire organisations involving staff recruited on Visas);
3. Geographic Risks – deemed low; and
4. Supply Chain Model Risks – deemed low

By using this screening tool, we have deemed that this year none of our suppliers meet a high-risk threshold. Challenge will review their suppliers using this tool on a periodic basis.

1. 15 Top Tier Suppliers

Number	Supplier's Name	Supplier's ABN	\$ Spend	Risk Rating
1	Aspire Homes Australia Pty Ltd	31 732 256 639	\$3.47M	Low
2	Kensells Sales Pty Ltd	52 387 404 585	\$1.82M	Low
3	Maple Youth Services Pty Ltd	18 662 200 713	\$1.67M	Low
4	Austbrokers Sydney Pty Ltd	14 061 969 090	\$1.61M	Low
5	Cyclo Construction and Fitout Pty Ltd	31 132 028 641	\$1.36M	Low
6	Ryde Kia	79 619 139 016	\$1.29M	Low
7	Little Brown House Pty Ltd	66 158 098 367	\$1.21M	Low
8	Paul Wakeling Motor Group Pty Ltd	47 119 908 780	\$1.11M	Low
9	Servco Australia Tamworth Pty Ltd (Tamworth City Toyota)	48 001 446 608	\$961K	Low
10	Summit Auto Lease Australia Pty Ltd	87 054 704 737	\$918K	Low
11	Safe Places For Children (NSW) Ltd	12 652 936 877	\$917K	Low
12	Telstra Corporation Ltd	33 051 775 556	\$883K	Low
13	Ignite Support Services Pty Ltd	29 636 021 184	\$791K	Low
14	Pathfinders Ltd	64 146 004 524	\$767K	Low
15	Be Recruitment	82 626 742 505	\$599K	Low

The results of using the Risk Screening Tool revealed that the risk of modern slavery across Challenge's supplier network is low at this time.

2. High Risk Suppliers

Currently, Challenge has no suppliers who have been deemed as High-Risk Suppliers when matched against the Australian Government's Risk Screening tool. This is being monitored particularly in relation to labour hire organisations, particularly if their Head Office is not in Australia.

Mandatory Criterion 4: Describe the actions taken by Challenge to address the risks including due diligence and remediation

Challenge uses Service Level Agreements and contracts when using an external supplier. For larger contracts these are outsourced to relevant external Legal firms.

All Challenge staff are remunerated, and we do not currently engage volunteers to assist in the delivery of our activities.

All staff and employees are based in Australia and are covered by the *Fair Work Act 2009*, with the majority covered by the *Social, Community, Home Care and Disability Industry Award 2010*. Other staff are covered under the *Health Professional and Support Services Award 2020*. Our Supported Employees are covered by the *Supported Employment Services Award 2020*.

Our employment contracts offer conditions that are as per or above the provisions in the *Fair Work Act 2009* and relevant Award. Challenge staff and employees are Australian residents, Citizens, or long-term visa holders. Challenge is also registered to hire staff via Temporary Activities Sponsorships and Standard Business Sponsorships with the Department of Home Affairs. At present, we have no staff members who are employed under one of these sponsorship arrangements.

We do not outsource labour to organisations outside of Australia.

Challenge has developed a range of measures that recognise the importance of treating people fairly, ethically, and with respect:

- Our Recruitment and Selection Policy guides our hiring practices and is based on the principles of equity, fairness, and transparency across our recruitment, selection and appointment processes.
- Challenge has worked hard to establish a positive work culture based on a 'safety first' approach and uses a detailed Code of Conduct to outline behavioural expectations of staff and employees. This document has been revamped this year to clearly outline a zero-tolerance approach to Physical and Sexual Abuse.
- We have implemented a range of flexible working initiatives that aim to foster our staff members and supported employee's work / life balance, including work from home arrangements, flexible working times, paid family and domestic violence leave and rostered days off.
- We are committed to standards such as the National Standards for Disability Services, to ensure quality service delivery, adherence to Human Rights Principles, promoting freedom, choice, dignity, respect, and opportunity.

- Challenge is committed to the highest standard of legal, ethical, and moral behaviour and adopts a zero-tolerance approach to any form of misconduct or fraud. Our Complaints and Feedback Policy; Grievance process and Whistleblower Policy provide mechanisms for clients, staff, and employees to raise concerns in confidence and without fear of repercussion.

Our reviews into the modern slavery risks associated with our direct workforce did not identify any areas of concern.

Mandatory Criterion 5: Describe how Challenge assesses the effectiveness of these actions

Our key focus in FY2023-2024 was to assess and identify if there were any modern slavery risks within our operations and supply chain.

This year we sent out a Modern Slavery Statement Questionnaire (see Appendix 1 – pages 10-17 of this document) to our top 15 Suppliers listed above and had 12 completed ones returned, along with any relevant policies/documents used by these organisations. Of the completed questionnaires returned, only two suppliers have not got current policies/documents developed yet to assess their own Suppliers. Three of our suppliers did not respond despite several attempts to seek their completed information. Even though we haven't received information back from them we are confident that due to the services they provide to Challenge that they remain low risk suppliers.

Challenge's Executive Team oversees the annual program of work as part of Challenge's modern slavery obligations and monitors progress to this, including:

- The approach we have taken for FY2023-2024 in assessing our modern slavery risks; and
- Development of our Modern Slavery Statement.

Our Board is responsible for ensuring that Challenge is compliant with legal, statutory and governance obligations and provides oversight of Challenge's modern slavery obligations.

Given our low risk profile, at present Challenge is not assessing the effectiveness of the actions we have put in place to ensure our compliance with the Modern Slavery requirements.

Mandatory Criterion 6: Describe the process of consultation with any Challenge entities

Challenge does not have any subsidiaries or related entities.

Mandatory Criterion 7: Provide any other relevant

information

Challenge uses a Risk Screening tool to assess any new supplier that is engaged that provides the following products and services:

- Office, sites, and vehicle leases;
- Safety/Personal Protection Equipment (PPE);
- Utilities;
- Technology contracts;
- Maintenance contractors;
- Labour Hire organisations; and
- Consulting services.

As our operations are in New South Wales and Queensland, our suppliers are located in Australia. Notably, a key requirement of our government contracts is that the customer data we collect must be stored within Australia and our key technology partners are therefore also Australian based organisations.

The results of these preliminary assessments revealed that overall, the risks of modern slavery across Challenge's key suppliers are low at this time.



Supplier Questionnaire – Identifying modern slavery risks

This is a confidential questionnaire for suppliers of goods and services to Challenge Community Services (Challenge) to assist Challenge Divisions and their suppliers to:

- identify and assess possible modern slavery risks in Challenge procurement of goods and services,
- identify mitigation efforts to combat the risk of modern slavery in Challenge procurement of goods and services, and
- foster collaboration between Challenge Divisions and their suppliers to address these risks.

As one of our critical suppliers we are asking you to complete the questionnaire honestly and with as much detail as possible. Completed questionnaires will be confidential and will not be shared beyond Challenge.

A glossary of key terms is at **Appendix A** to assist suppliers to complete the questionnaire.

Background:

Modern slavery refers to a range of serious forms of exploitation, including forced labour, debt bondage, human trafficking, and slavery. These practices are serious crimes, grave abuses of human rights and have devastating impacts on survivors.

The Australian Government's landmark *Modern Slavery Act (Cth) 2018* (the Act) aims to change the way entities do business to reduce the risk that the goods and services we use every day are the product of modern slavery.

The Act requires Challenge to prepare and submit an annual modern slavery statement explaining how Challenge is assessing and addressing modern slavery risks in its operations and supply chains. This questionnaire will assist Challenge with this endeavour and forms an important part of Challenge's efforts to combat modern slavery risks.

Modern Slavery and Trafficking Supplier Questionnaire

Contact details – Challenge Division	
Organisation name	Challenge Community Services
Contact person	Andrew Corbett
Contact role	Executive Director People and Practice
Contact email	Andrew.corbett@challengecommunity.org.au
Contact phone	61 2 6763 1806

Please complete the questions below in as much detail as possible and return the completed questionnaire to the nominated Challenge contact (see above) by: **COB Friday September 13 2024.**

Contact details - Supplier	
Organisation name	
Organisation address	
Australian Business Number	
Parent company	
Contact person	
Contact role	
Contact email	
Contact phone	
Date of questionnaire completion	
Additional documentation	
Is your organisation required to report under the <i>Modern Slavery Act (Cth) 2018</i> ? If so, please attach a copy of your modern slavery statement(s).	
Is there any other additional documentation you have attached to this questionnaire? If so, please list them here.	

Organisation structure	
1.	How much visibility does your organisation have over your supply chain? Please select one of the below and explain why you selected this option: ☐ High: You have mapped the full supply chain for key products and services used by your organisation and have identified key suppliers at all levels of your supply chain. ☐ Moderate: You have identified major Tier One suppliers and have partially or fully mapped the supply chains for key products and services of your supply chain. ☐ Developing: You have identified major Tier One suppliers. You have very limited or no visibility of your supply chains below the Tier One level.

2.	Does your organisation have a policy or policies in place to deal with modern slavery? ☐ Yes ☐ No If the answer is yes, please provide details of, or a copy of, the policy or policies, including information on whether your organisation has a system to monitor compliance with these policies. If the answer is no, please provide information on what your organisation is doing, or plans to do, to manage modern slavery risks.
3.	Does your organisation have a person or team responsible for overseeing modern slavery risks (including record keeping regarding contractors and subcontractors) that arise in relation to the goods or services that you deliver? ☐ Yes ☐ No If yes, please describe the role and responsibility of that person/team below.

Training	
4.	Are staff in your organisation trained on how to identify, assess and respond to modern slavery risks? ☐ Yes ☐ No If yes, please describe the nature of the training available and the positions or roles of staff that receive training. Please also specify whether training is also available to other organisations or staff in your supply chain. If no, does your organisation plan to introduce modern slavery risk training for staff?
Supplier engagement	
5.	Does your organisation perform screening of all prospective suppliers to assess the risks of modern slavery or other human rights harms that may occur in its operations and supply chains? ☐ Yes ☐ No If yes, please describe how your organisation performs this screening. If no, does your organisation plan to introduce measures to screen prospective suppliers for modern slavery risks in future?

6.	Are you aware of low-skilled migrant workers working in your organisation's supply chains? ☐ Yes ☐ No If yes, please provide information about where in your organisation's supply chain low-skilled migrant workers are employed.
Response processes	
7.	How would your organisation respond to any allegation of modern slavery or substandard working conditions in its operations or supply chains?
8.	Does your organisation engage in any other due diligence activities to identify, prevent and mitigate risks specific to modern slavery in its operations and supply chains? If so, please describe these activities. ☐ Yes ☐ No If yes, please describe these activities below.

Appendix A

Glossary	
Term	Explanation
Child labour	Child labour, in accordance with the definition used by the International Labour Organisation, is work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that: is mentally, physically, socially or morally dangerous and harmful to children; and/or - interferes with their schooling by: - depriving them of the opportunity to attend school; - obliging them to leave school prematurely; or - requiring them to attempt to combine school attendance with excessively long and heavy work. A child is defined as a person below the age of 18. Child labour has three categories: (1) The unconditional worst forms of child labour, which are internationally defined as slavery, trafficking, debt bondage and other forms of forced labour, forced recruitment of children for use in armed conflict, prostitution or pornography, and illicit activities. (2) Labour performed by a child who is under the minimum age specified for that kind of work (as defined by national legislation, in accordance with accepted international standards), and that is this likely to impede the child's education and full development. (3) Labour that jeopardises the physical, mental or moral well-being of a child, either because of its nature or because of its nature or because of the conditions in which it is carried out, known as "hazardous work".
Commercial sex act	Commercial sex act is defined as any sex act on account of which anything of value is given to or received by any person.
Debt bondage	Debt bondage describes situations where the victim's services are pledged as security for a debt and the debt is manifestly excessive or the victim's services are not applied to liquidate the debt, or the length and nature of the services are not limited and defined.
Deceptive recruiting for labour services	Deceptive recruiting for labour services describes the situations where the victim is deceived about whether they will be exploited through a type of modern slavery.
Due diligence	Due diligence describes the process organisations take to identify, prevent, mitigate, and account for how they address their impacts on slavery and human trafficking.
Forced labour	Forced labour describes situations where the victim is either not free to stop working or not free to leave their place of work.
Forced marriage	Forced marriage describes situations where coercion, threats or deception are used to make a victim marry or where the victim does not understand or is incapable of understanding the nature and effect of the marriage ceremony.

Modern slavery	The <i>Modern Slavery Act (Cth) 2018</i> (the Act) defines modern slavery a term used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. Modern slavery is only used to describe serious exploitation. It does not include practices like substandard working conditions or underpayment of workers. The Act defines modern slavery as including eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour services; and the worst forms of child labour.
Migrant worker	Migrant workers are people who leave home to find work outside of their hometown or home country. Migrant workers include both foreign and domestic (internal) migrant workers.
Organisation	Organisation is a person or group that has its own functions with responsibilities, authorities and relationships to achieve its objectives. The concept of organisation includes, but is not limited to, sole-trader, company, corporation, firm, enterprise, authority, partnership, association, charity or institution, or part or combination thereof, whether incorporated or not, public, or private.
Policy	A policy refers to documented guidelines or rules of conduct within an organisation. Human rights-related policies generally fall into two categories: stand-alone statements and policies that are integrated within an organisation's wider standards literature (e.g. Worker codes of conduct and ethical sourcing standards).
Recruiter	A recruiter refers to both private and public entities that offer labour recruitment services. Recruiters – variously referred to as labour intermediaries, middlemen, labour brokers, and recruitment agents, among other terms – recruit, hire and/or manage workers.
Servitude	Describes situations where the victim's personal freedom is significantly restricted, and they are not free to stop working or leave their place of work.
Slavery	Describes situations where the offender exercises powers of ownership over the victim, including the power to make a person an object of purchase and use their labour in an unrestricted way.
Supplier	A supplier is defined as an organisation or person that provides a product or service used in your supply chain. The supplier can have a direct or indirect relationship with your organisation. Examples of suppliers are: brokers, consultants, contractors, distributors, franchisees or licensees, home workers, independent contractors, manufacturers, primary producers, sub-contractors, and wholesalers.
Supply chain	A supply chains is defined as a sequence of activities or parties that provides products or services to the organisation.
Tier One supplier	A manufacturer who provides products directly to a company without dealing with a middleman or other manufacturers.
Trafficking in persons	Trafficking in persons describes the recruitment, harbouring and movement of a person for exploitation through modern slavery.
Training	Training can be focused on helping agents better understand organisation policies, how to effectively implement them and ways to avoid modern slavery risks associated with inaction.
Worker	A person who performs work, including seasonal, contract and other temporary labour. Both employees and independent contractors are considered workers.