



**MacKillop
Family
Services**



**Modern Slavery
Statement**
2020-2021

mackillop.org.au

Table of Contents

Introduction	2
Mackillop Family Services	3
Mackillop Family Services Structure, Operations and Supply Chains	5
Risks of Modern Slavery	7
Mitigation Action in Relation to Modern Slavery Risks	9
Measuring Effectiveness	12
Other Relevant Information	12



Introduction

This is the second Modern Slavery Statement (“Statement”) submitted by MacKillop Family Services Limited (“MacKillop”) pursuant to the Commonwealth *Modern Slavery Act 2018* (the “Act”).

We recognise that modern forms of slavery occur in many forms and that everyone plays a part in the elimination of modern slavery that can arise in any of the forms defined by the Act: slavery, servitude, human trafficking, forced marriage, forced labour, debt bondage, child labour, and deceptive recruiting for labour or services (“Modern Slavery”). The Act and its objectives are consistent with the values that form part of our Purpose, Vision and Values. We are deeply committed to working for the rights of children, young people and families to promote healing from trauma and loss, and to enable hopeful futures.

This is a joint Statement made together with a range of Australian Catholic organisations which form part of the Australian Catholic Anti-Slavery Network (“ACAN”). It will form part of ACAN’s compendium of modern slavery statements.

This Statement relates to period 1 July 2020 to 31 December 2021 (“Reporting Period”). Although we generally report on a 1 July to 30 June basis, we have adopted the reporting period of ACAN’s compendium members for the purpose of this Statement.

This Statement was approved by the Board of MacKillop Family Services on 27 April 2022.

Brian Keane
Chair of the Board
MacKillop Family Services

MacKillop Family Services

Our Founding Story

On 1 July 1997, MacKillop was formed as a new organisation by re-founding seven agencies operated by the Sisters of Mercy, the Christian Brothers and the Sisters of Saint Joseph of the Sacred Heart in Victoria. However, our legacy and inspiration are much older. From the 1850s, these three congregations - respectively founded by Catherine McAuley, Edmund Rice and Mary MacKillop - worked in Victoria to establish homes for children who were orphaned, destitute or neglected, and for families who were in need of care and support. Throughout the years, the original model of institutional care evolved into different forms of residential care, foster care, education, family support and disability services.

The purpose and character of MacKillop as a Catholic organisation continues to draw from the lives, works and inspiration of our three founders, who provide a living model for the way our staff and volunteers approach their work. Woven through this ethos is the acknowledgement and recognition of the inherent Aboriginal spirituality of this country and respect for the cultures of the peoples who have lived here for thousands of generations.

Our Purpose

Like our founders, MacKillop's work is underpinned by a passionate commitment to social justice - to work for the rights of children, young people and families to be safe, to learn, feel nurtured and connected to culture. We provide high quality services to promote healing from trauma and loss, and to enable hopeful futures.

MacKillop will care compassionately, respond large-heartedly and advocate courageously.

Our Vision

Children, young people and families are welcomed and supported by MacKillop to be empowered and thrive.

Our Values

We commit to the following five foundational values which we continue to embed in the culture of our organisation and practice:



Justice

We believe in the right of all people to experience respect and to have access to quality services irrespective of sex, race, ethnicity, culture, language, religion, marital status, disability, sexuality or age. We advocate for inclusiveness and social justice in the wider community and commit to these principles across our organisation and all services we provide.



Hope

We commit to creating positive and hopeful relationships where people find meaning in their experiences and relationships and are able to learn, explore their strengths and create possibilities for growth and change.



Collaboration

In our work with individuals, families and other organisations and groups, we commit to working in a collaborative spirit through cooperation, coordination, partnership and empowerment.



Compassion

Compassion is an attitude of the heart, an expression of our shared humanity and a deep desire to alleviate another's suffering. We commit to creating an attitude of openness to others and to their circumstances.



Respect

We value ourselves and other people, the earth and all creation. We seek to listen and learn from each other and build relationships with respect, being proud of what we hold in common and with understanding and tolerance of our differences.

Sanctuary Commitments

MacKillop's values are brought to life through our commitment to the Sanctuary Model. Sanctuary is an evidence-supported, whole-of-organisation framework that guides how we practice as an agency. Sanctuary enables a shared language, knowledge, and response to the impact of trauma and loss on all of us.



Non-Violence

Mean what you say and don't be mean when you say it



Emotional Intelligence

Look out for yours and other people's feelings



Social Learning

We all learn from, and teach each other



Democracy

Everyone is heard



Open Communication

Be honest and share information



Social Responsibility

We all help each other... It takes a village to raise a child



Growth and Change

Open to new ideas and ways of thinking

Strategic Goals

1. Grow high quality, inclusive services to prevent harm, to support healing and to respond where the need is great.
2. Be an innovative and responsive leader by developing best practices and advocating for social justice.
3. Deepen our commitment to Aboriginal self-determination, reconciliation and cultural safety.
4. Ensure accountable and integrated systems that prioritise the safety and wellbeing of children, families, volunteers and staff.
5. Strengthen organisational and financial sustainability.

MacKillop's Sanctuary Commitment to Social Responsibility

"The starting point for Social Responsibility is recognising that in any situation, we are either part of the problem or part of the solution - that is, we are either actors for the positive or bystanders.

When it comes to unethical, unjust or unhelpful behaviour, the challenge with being a bystander is that it helps contribute to an unhealthy group norm. A typical bystander response might be, "Well, I knew about the problem, but..."

As leaders and managers in organisations, the challenge for us is to always create ethical environments: in our teams, in our conversations, and in all our behaviours. This can be difficult because it calls us to balance our needs with our responsibility to our teams and the people we are working for.

When we think about Social Responsibility and engaging with children and young people, Social Responsibility really encourages us to work with people towards restoration.

The way we act or fail to act will always impact on other people."

- Cameron Burgess

National Leader,

Program Development & Implementation for Sanctuary



MacKillop Family Services Structure, Operations and Supply Chains

Organisational Structure

MacKillop Family Services Limited is a registered company limited by guarantee, incorporated and domiciled in Australia under the Corporations Act 2001 (Cth). It is also a registered charity regulated by the Australian Charities and Not-for-profits Commission. It operates under the name MacKillop Family Services.

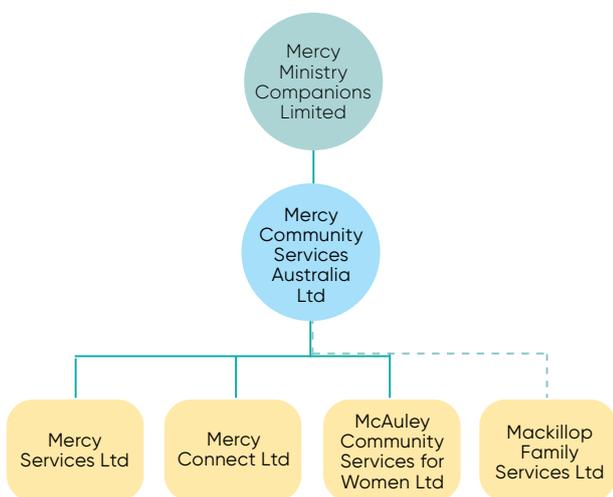
Prior to 3 December 2021, our Members were representatives from our founding congregations, being the Christian Brothers Oceania, the Institute of the Sisters of Mercy of Australia and Papua New Guinea, and the Sisters of Saint Joseph of the Sacred Heart.

On 3 December 2021, MacKillop's governance transitioned from its Founding Congregations to a Ministerial Public Juridic Person (PJP) called Mercy Ministry Companions. The change in governance does not affect our status as a separate legal entity and we do not own or control any other entities.

We had an annual revenue for the Financial Year ended June 2021 of over \$180 million.

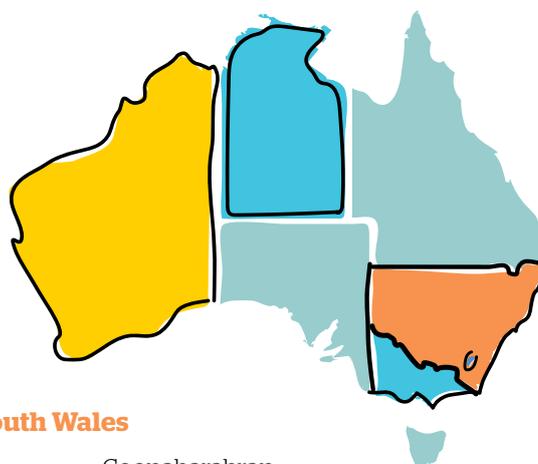
The current board of MacKillop will continue to govern the organisation until 1 January 2024. Our Board of Directors is comprised of thirteen Directors, who volunteer their time and experience.

Mercy Community Services Group



Operational Structure

MacKillop's head office is located in South Melbourne, Victoria, with state-based administrative offices in Sydney, New South Wales, Perth, Western Australia and Darwin, Northern Territory. We also have many other offices and service locations in all those states.



New South Wales

- | | | |
|--------------|-----------------|--------------|
| Sydney | Coonabarabran | |
| Balranald | Coonamble | |
| Batemans Bay | Dubbo | Nowra |
| Bega | Goulburn | Nyngan |
| Bourke | Grafton | Queanbeyan |
| Brewarrina | Gulargambone | Walgett |
| Cobar | Lightning Ridge | Warren |
| Condobolin | Lismore | Weilmoringle |
| Cooma | Murwillumbah | Wollongong |

Victoria

- | | |
|-----------------|-------------|
| South Melbourne | Maidstone |
| Bendigo | Melton |
| Broadmeadows | Mildura |
| Caulfield | Preston |
| Dandenong | Swan Hill |
| Footscray | Wangaratta |
| Forest Hill | Warrnambool |
| Geelong | Wodonga |
| Hamilton | |

Australian Capital Territory

- Holt

Northern Territory

- Darwin

Western Australia

- West Perth
- Bunbury
- South Hedland
- Roebourne

Our national and international footprint

We deliver training programs such as Sanctuary, ReLATE and Seasons for Growth across Australia. We also partner with organisations and trainers to deliver Seasons for Growth internationally in Scotland, England, Wales, New Zealand, Singapore and Ireland.

Services

Today, MacKillop continues the work of our founding congregations within the framework of Catholic social teaching and in the spirit of the Gospel - one of radical inclusion, restoration and accompaniment. Just like our founders, we are deeply committed to our work and are driven by social justice. Every child should be protected from abuse, neglect and exploitation, and as a child-safe organisation, we are committed to protecting and advocating for the best interests of children and families across all our programs.

MacKillop is a national charitable organisation and a leading provider of services for children, young people and their families across all our service locations. Services and programs are offered in family support, foster care, residential care, disability services, youth support, education and training, parenting, family therapy, mental health, family violence, early childhood, and support to women and men who, as children, were in the care of MacKillop's founding agencies.

We also operate three specialist schools in Victoria and a pre-school in New South Wales. We also significantly increased our delivery of training and educational services across the country.

For more information on MacKillop and our services, go to www.mackillop.org.au.

Supply Chains

MacKillop sources significant quantities of goods and services, including stationery, IT equipment and mobile devices, cleaning, gardening and maintenance products and services, labour hire services, food, clothing, furniture and motor vehicles.

The majority of our annual procurement occurs with our first-tier suppliers located in Australia. However, we know our extended supply chains may be located overseas. For example, motor vehicles and IT equipment are mostly manufactured overseas. Our aim is to progressively develop a supply chain map to better demonstrate the geographic location and nature of products and services sourced.

Services provided in the year ended June 2021

51

Offices

1400+

Staff

118

Residential child care, homelessness and lead tenant homes

676

Foster care homes

1720

children in foster or residential care

3

Schools

143

Students enrolled in our MacKillop Education schools

Risks of Modern Slavery

MacKillop works to promote human rights - particularly the rights of children - and is committed to protecting the rights of all people including our employees, the communities in which we operate, those who may be impacted by our activities, our clients, and those within our supply chains.

Our framework for the management of Modern Slavery risks incorporates the potential risks of Modern Slavery practices across our operations and supply chains, taking into account the risks outlined in the Australian Government's Department of Home Affairs Guidance for Reporting Entities ("Guidance Report"). The Guidance Report identifies three categories of risk, being: risks that may possibly cause, contribute and/or be directly linked to modern slavery practices in the sector, industry, types of products and services, geographic locations; and business models that businesses operate within.

In considering the services we deliver, and the goods and services we procure, we believe that while our operations do not either cause or contribute to Modern Slavery practices, we may be directly linked to modern slavery risks through our supply chains.

Operational Risks

We employ approximately 1,400 staff, operating out of more than 50 administration sites and over 110 other work sites.

We have a small number of employees sponsored to work with us. Visa applications related to those positions are managed by our Human Resources Unit and an external immigration lawyer in accordance with immigration requirements and Australian law.

In addition to our staff, we have over 1,100 volunteer foster carers and many more contractors and agents operating across Australia.

Our employees are engaged either by contract or under an award and/or industrial agreement. Several collective industrial agreements are in place and employees have a number of unions they can join.

We also have a significant labour hire agency workforce. Labour hire is our largest spend category, with spend of just under \$29,000,000 with approximately 14 suppliers, during the Reporting Period. The labour hire workers to which this relates are predominantly contracted to work within our residential care homes. This category of suppliers is the focus of the Labour Hire Working Group, which is responsible for ensuring the labour

hire agencies meet compliance requirements have appropriate contracts in place and where state laws require, hold a labour hire licence. The Labour Hire Working Group has established an approved labour hire agency supplier list and a very robust business case approval process for any new labour hire agencies not on that list. We have updated our Standard Service Agreement which is issued to labour hire agencies in Victoria to address modern slavery. The Labour Hire Working Group is also looking at ways to embed better relationship management practices with the labour hire agencies it uses, including compliance requirements, occupational health and safety and modern slavery. To date the work of the Labour Hire Group has focussed on Victoria and will progress to dealing with other states in due course.

We have a range of systems in place to identify and action changes to employment entitlements, immigration requirements, equal opportunity requirements and health and safety legislation.

We also have a Strategic Internal Audit Plan which is reviewed by the Board Audit and Risk Committee annually and articulates the internal audits to be carried out each year, based on the needs of the business and identification of high-risk areas.

We have a significant number of Policies and Procedures which govern how we relate to our staff and volunteers as well as our expectations about how our employees conduct themselves in our operations. These are available throughout the organisation and are reviewed and updated on a regular basis. Our Policies and Procedures are based on our organisational Purpose, Vision and Values.

We also have a Code of Conduct which sets minimum expectations about how our staff, volunteers and contractors conduct themselves.

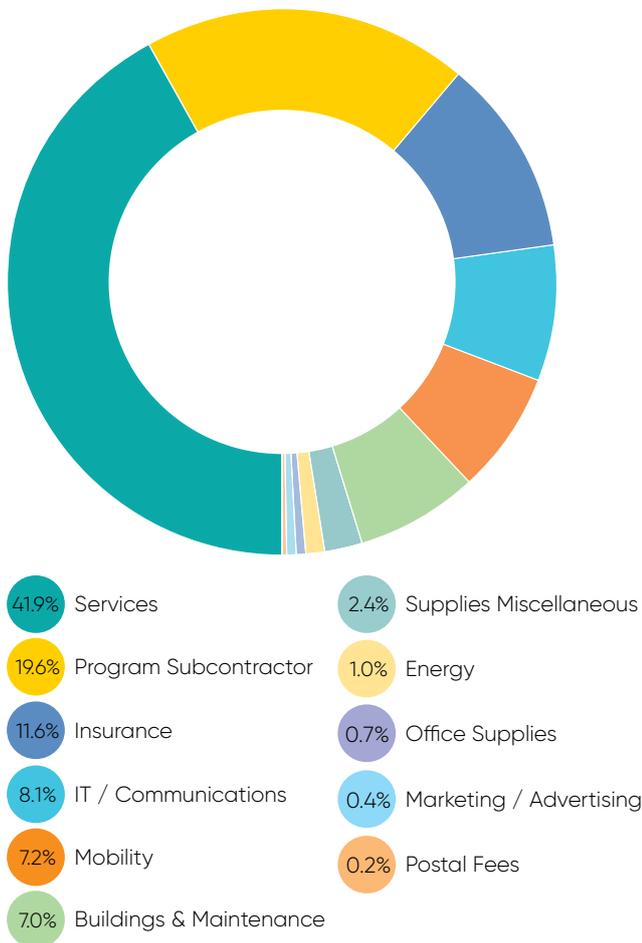
We are committed to protecting and supporting whistleblowers who disclose improper conduct, in accordance with our Whistleblowers Procedure.

Supply Chain Risks

MacKillop is committed to developing systems and processes in accordance with the recommendations made by the Internal Audit firm engaged to undertake a review of our procurement practices in 2020 ("Internal Audit") and improving how it manages modern slavery risks within its supply chains.

We had an annual revenue for the Financial Year ended June 2021 of over \$180 million.

Graph One:
Material Groups for Suppliers with spend of \$100,000 or more for the Reporting Period

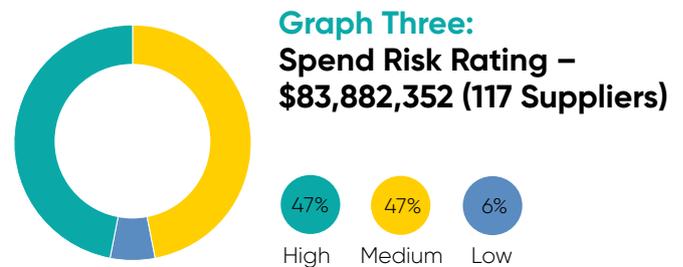
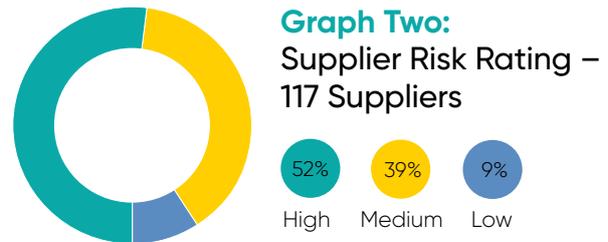


During the Reporting Period, we worked with approximately 3,115 suppliers nationally and engaged in approximately 34,700 transactions with a total spend of approximately \$99,301,377 dollars (ex GST).

During the Reporting Period, we spent \$100,000 or more with 117 suppliers. The total spend with those 117 suppliers was \$83,882,352. The spend category breakdown with those 117 suppliers is contained in Graph One.

Within our largest spend category, Services, labour hire was the most substantial sub-category, where we spent just under \$29,000,000 with approximately 14 suppliers.

A high level risk assessment of the 117 suppliers was completed using the ACAN Risk Taxonomy, the results of which are in Graph Two and Graph Three.



Potential risks to MacKillop - including modern slavery risks - can arise due to the range of goods and services we source, the large number of geographic locations we operate in and the lack of controls or regulatory systems in the countries in which extended supply chains operate. Our aim is to progressively develop a robust approach to all procurement processes, practices and dealings with suppliers, which will assist in the mitigation of modern slavery.

The focus of our supplier engagement strategy for 2022 will be to undertake our new due diligence process for the 117 suppliers where we spent \$100,000 or more and any new suppliers we engage with, where we spend \$100,000 or more. Our Procurement and Sustainability Manager will work with the relevant Business Units to retrospectively assess the Modern Slavery risks for the 117 suppliers and any new suppliers that meet that criterion.

Mitigation Action in Relation to Modern Slavery Risks

Procurement Strategic Plan

During the Reporting Period, we developed a Procurement Strategy for 2020-2023 and a Work Plan for 2021 to implement the Internal Audit recommendations. A further internal audit will be conducted when the recommendations have been implemented to ensure they have been effectively implemented.

Governance Structure

MacKillop is committed to establishing a strong governance framework to manage modern slavery supply chain risks.

The following governance structure and processes will provide the Board with oversight of implementation of the Internal Audit recommendations.

The Board of Directors:

The Board of Directors has ultimate responsibility for the governance of MacKillop, in accordance with legislative requirements, best practice standards in corporate governance and community expectations. The Board Audit and Risk Committee will report to the Board of Directors and make recommendations to the Board in relation to the approval of MacKillop's annual Modern Slavery Statement.

The Board Audit and Risk Committee:

General Counsel and the Procurement and Sustainability Manager will report to the Board Audit and Risk Committee. The Committee oversees the implementation of the internal audit recommendations and our risk framework. The Committee is also responsible for the oversight of reporting on MacKillop's annual Modern Slavery Statement and receive reports at its quarterly meetings in relation to the mandatory criteria.

Procurement and Sustainability Manager:

A Procurement and Sustainability Manager has been appointed to implement and oversee the development of a procurement framework at MacKillop, to improve our procurement practices, reporting and operationalises the strategies identified by the groups outlined below to mitigate the risk of breaching our modern slavery obligations.

Modern Slavery Working Group:

A cross-functional working group has been established and is responsible for identifying and implementing process improvements and compliance processes. The Group Director of Corporate Services will oversee the working group. The working group will be chaired by General Counsel and will be comprised of the following people/roles: General Manager of Finance, Manager of Risk and Compliance, Chief Information Officer, Manager of Fleet, Procurement and Sustainability Manager, Manager of Property, Director of Human Resources, General Manager Aboriginal and Torres Strait Islander Service Development and the Operational Directors for each of our States and Territories.

Labour Hire Working Group:

A working group led by the Director of Human Resources and comprised of the following people/roles: Group Director Operational Performance, HR Manager - Engagement, HR Manager - Business Change Enablement, General Counsel. Operational Directors are also asked to participate from time to time where their input is required. This group is a critical working group which aims to monitor and manage our engagement with labour hire agencies (and recruitment agencies) as well as ensure we are constantly monitoring and responding to our compliance obligations in relation to labour hire agencies, their staff and work health and safety issues.

Policies and Procedures

The current policies and procedures provide the foundation for our commitment to human rights. We have policies, procedures and a Code of Conduct that are intended to promote child safe, ethical and legally compliant personal and organisational conduct across all facets of the business, including directors, employees, contractors, suppliers and business partners.

Achievements During the Reporting Period

During the Reporting Period we have continued to implement the Internal Audit recommendations and have achieved the following:

- a. We developed a Procurement Strategy for 2020-2023 and a Work Plan for 2021 to implement the Internal Audit recommendations.
- b. We updated our Risk Management Framework to include Modern Slavery as a separate risk category.
- c. We conducted a review of our policies and procedures and updated our *Procurement and Purchasing Procedure*.
- d. We introduced a *Supplier Due Diligence Questionnaire and Checklist* and a *Supplier Code of Conduct*. The *Supplier Due Diligence Questionnaire and Checklist* incorporates questions to aid us in conducting a Modern Slavery risk assessment within the supplier's organisation and supply chains, which currently applies to suppliers with an annual spend of \$100,000 or more.
- e. We implemented a new process in our revised *Procurement and Purchasing Procedure* which requires material suppliers to complete a *Supplier Due Diligence Questionnaire and Checklist* and sign a *Supplier Code of Conduct*.
- f. We subscribed to *Sedex* and the *Radar Risk Assessment Tool* to identify risk ratings of Suppliers, Countries and Categories. Using *Sedex* and the *Radar Risk Assessment Tool* will assist us with the risk assessment process and recommendations for mitigation actions which a supplier can take to reduce their risk profile.
- g. We have identified our high-level spend categories for the Reporting Period.
- h. We initiated our Modern Slavery Working Group to facilitate the monitoring and review of our Modern Slavery strategy and issues.
- i. We commenced development of contractor management procedures to strengthen our engagement, onboarding and induction of contractors.
- j. We conducted regular internal stakeholder engagement to promote awareness and education of Modern Slavery aspects.

Future Goals

In 2022, the focus of our supplier engagement strategy will be the analysis of the 117 material suppliers identified during the Reporting Period. We will also apply the same due diligence requirements for any new material suppliers that we engage with. Moving forward, our Procurement and Sustainability Manager will work with the relevant Business Units to retrospectively require suppliers to complete our *Supplier Due Diligence Questionnaire and Checklist* and sign a *Supplier Code of Conduct* including carrying out an assessment of the Modern Slavery risks for each supplier.

We are committed to ensuring we provide appropriate and timely remedy to people impacted by modern slavery impacted by modern slavery as a result of our operations, or by the conduct and/or supply chain of our suppliers, in accordance with the *United Nations Guiding Principles on Business and Human Rights*, *Commonwealth Modern Slavery Act 2018 - Guidance for Reporting Entities* and relevant Australian laws.

As a participant in ACAN, we have access to Domus 8.7 - an independent program to provide remedies to people impacted by modern slavery. We will develop response procedures and engagement with Domus 8.7 and other civil society stakeholders. By partnering with Domus 8.7, we can help people impacted by Modern Slavery achieve meaningful, reportable outcomes and continuously improve risk management and our response.

Where we identify direct links to Modern Slavery through our suppliers, we are committed to working with the supplier to ensure remediation and mitigation of the risk of recurrence. We intend to implement remediation obligations and expectations in contracts with high-risk suppliers who must notify and consult with us to ensure victim-centred remediation processes are implemented to our satisfaction.

Moving forward, some of the key initiatives we aim to undertake are:

- a. compiling a list of preferred suppliers and establishing national accounts where possible with those suppliers.
- b. adopting a centralised onboarding process for suppliers.
- c. undertaking risk assessments for suppliers and modern slavery.
- d. development of a Labour Hire Relationship Management and Assessment Strategy to be developed by the Labour Hire Working Group in collaboration with the Procurement Team.
- e. developing consistent quotation and tender documents and processes, which are coordinated centrally.
- f. developing minimum requirements for engagement, such as standard terms and conditions which address modern slavery risk assessments and remediation requirements where required (where possible).
- g. implementing changes within our finance system to assist us in easily identifying spend categories and developing reporting dashboards.
- h. compiling an Internal Communication Plan for 2022 to raise awareness among our staff of our modern slavery obligations, and the strategies we have implemented to mitigate the risk of breach of these obligations.
- i. in 2022, our Group Director of Corporate Services and the Board Finance and Investment Committee is undertaking a review of our Investment Procedure and investments to ensure all investments meet the organisations ethical investing standards.
- j. undertake the gap analysis utilising ACAN's gap analysis tool.
- k. category management strategies, in conjunction with internal stakeholders and buyers, to embed social procurement objectives in purchasing activities.



Impact of COVID-19

Given the geographical locations in which MacKillop operates, the impact of the COVID-19 pandemic and our response has varied between the states and territories in which we operate, as well as regional and remote communities in which we deliver services or have administrative offices.

We continued to care for the children, young people, carers and employees in our residential and foster care homes, as well as other family and outreach services.

COVID-19 posed a particular challenge given the requirement to rapidly source and deploy essential personal protective equipment across the organisation. The Manager, Office of the CEO has been instrumental in sourcing and deploying personal protective equipment.

While COVID-19 has not prevented us from developing our response to modern slavery, it has delayed our implementation and engagement with suppliers throughout the Reporting Period, due to senior leadership being diverted to crisis management activities.

Measuring Effectiveness

MacKillop recognises and values the importance of reviewing its practices, with the objective of improving the effectiveness of processes and systems implemented to address modern slavery risks.

The decision to engage an Internal Audit Firm to undertake a review of our procurement practices and make recommendations for process improvements, was a critical step. This engagement has helped us to establish the basis of our Procurement Strategy and develop a Work Plan to improve the framework, governance, policies and procedures reasonably necessary to address modern slavery risks, and measure the effectiveness of those processes and systems.

During the Reporting Period, our focus was on establishing the framework and governance structure we will use to identify, assess and take action to mitigate our Modern Slavery risks.

The Board Audit and Risk Committee will oversee the implementation of the recommendations, have oversight of reporting on MacKillop's annual Modern Slavery Statement, receive quarterly reports at its meetings and report to the Board. It is expected that a further internal audit will be conducted once the recommendations have been implemented.

Our Procurement and Sustainability Manager will oversee the implementation of our new due diligence process and report on areas of risk and improvement. The Procurement and Sustainability Manager has also commenced a spend analysis process to enable us to identify our significant areas of spend and risk, with a view to developing more targeted approaches with specific spend categories.

At this early stage, we are unable to adequately assess the effectiveness of measures we have undertaken. However, we have commenced and will continue to work on improving our framework and processes to ensure we can review the effectiveness of the actions we are taking to assess and address Modern Slavery risks in our operations and supply chains.



Other Relevant Information

Attendance at External Forums

MacKillop's General Counsel has joined the Quarterly Modern Slavery Charity and Not-for-Profit Forum. This Forum includes legal and procurement specialists in the Charity and Not-for-Profit sector, who come together to share resources and gain insights and learn from each other.

The Australian Catholic Anti-Slavery Network

In June 2021, we joined ACAN. ACAN brings together Catholic entities to share resources and coordinate action to manage and mitigate modern slavery risks across their industry sectors. In 2022, we plan to work with ACAN to undertake these assessments.



MacKillop Family Services Limited

ACN 078 299 288

Registered Office

237 Cecil Street
South Melbourne VIC 3205

Phone

03 9257 2288

Facsimile

03 9696 6496

*MacKillop Family Services acknowledges
the Traditional Custodians and their Elders in
each of the Communities where we work.*

mackillop.org.au