



Australian  
National  
University

# Modern Slavery Statement 2021

## PREAMBLE

This statement is made pursuant to section 13 of the *Modern Slavery Act 2018* and is guided by the mandatory criteria under section 16 of the Act.

This is the Australia National University's (ANU) second Modern Slavery Statement and covers the period 1 January 2021 to 31 December 2021. It reflects our commitment to identifying and addressing modern slavery risks in our operations and supply chains. The ANU recognises that modern slavery offends against the most fundamental of human rights. It is never acceptable, in any form.

The University recognises that modern slavery occurs in a variety of forms<sup>1</sup> and that it is a global issue. In 2018, the Global Slavery Index estimated that over 40 million people worldwide existed in conditions that amounted to modern slavery, with over 15,000 of those located in Australia.<sup>2</sup> This statement sets out the commitment of the ANU to playing its part in eradicating modern slavery. The ANU recognises its responsibility to respect human rights as set out in the UN Guiding Principles on Business and Human Rights.<sup>3</sup>

This commitment relates to the University's role as an employer, an educator, a purchaser of goods and services, including those supplied by sub-contracted labour, an investor and a recipient of philanthropic support.

The modern slavery risks inherent in the operations of ANU are identified under Criterion 3, below. The role that the University, as an educator, can play in highlighting awareness of Modern Slavery within its sphere of influence is set out under Criterion 4.

As a 'Commonwealth entity' for the purposes of s15 of the Act, the ANU approach (based on advice to ANU from the Commonwealth Treasury), is that the ANU statement is not a stand-alone public statement under the Act, but part of the process undertaken by the Commonwealth towards its composite report under s15.

The statement was approved by the University's Council, the principal governing body of the University, at its meeting of 3 June 2022.

## THE REPORTING ENTITY (Criterion 1)

The Australian National University was founded by an Act of the Commonwealth Parliament in 1946. It is a body corporate established by the *Australian National University Act 1991* (the ANU Act.) ANU is considered a "corporate Commonwealth entity" under the *Public Governance, Performance and Accountability Act 2013*.

ANU is one of the leading research Universities in the world, consistently ranked in the world's top 40 institutions. The core activity of the University is advancing and transmitting knowledge, by undertaking teaching and research of the highest quality. Its functions are set out in more detail in section 5 its governing Act.<sup>4</sup>

At 31 March 2021, the University employed 1843 academic staff and 2497 professional staff. The number of enrolled students in the second half of 2021 was 20,613 encompassing

---

<sup>1</sup> The *Modern Slavery Act 2018* identifies eight forms of modern slavery. These include forced labour, forced marriage, debt bondage and human trafficking. For more detail see *Global Estimates of Modern Slavery (2017)* ILO Geneva.

<sup>2</sup> <https://www.globallslaveryindex.org/2018/findings/country-studies/australia>

<sup>3</sup> UN A/HRC/17/31

<sup>4</sup> <https://www.legislation.gov.au/Details/C2014C00377>

domestic and international students studying at undergraduate and postgraduate coursework level and as research students. This figure includes students studying in Australia and those located overseas because of the continuing closure of Australia's international borders.

## **STRUCTURE, OPERATIONS & SUPPLY CHAINS (Criterion 2)**

### **STRUCTURE**

Under the ANU Act, the governing authority of the University is its Council which comprises the Chancellor, the Hon. Julie Bishop, members appointed by the Commonwealth Minister for Education and members elected from within the ANU community of staff and students.

The Council oversees the strategic direction of the University and ensures that it has effective governance and responsible financial and risk management of its operations. The Council appoints the Vice-Chancellor, presently Professor Brian Schmidt AC, and, save where prevented by the ANU Act, delegates management of the University to the Vice-Chancellor, as principal academic and Chief Executive Officer of the University.

For the purposes of the *Modern Slavery Act 2018*, the Council is the principal governing body of the University.

The University owns and controls **ANU Enterprise Pty Ltd (ANUE)** which in addition to providing the services of business development and project management to ANU, itself holds three controlled entities; Australian Scientific Instruments Pty Ltd, The Social Research Centre Pty Ltd and ANU Enterprise Ltd.

ANU Enterprise Pty Ltd, as a consolidated entity, exists to market the research and skills of ANU and provide data collection, data analysis, business development, research consulting and project management services. ANUE also holds an overseas incorporated entity in Papua New Guinea, ANU Enterprise Ltd, which enables its project management services to be conducted there, ensuring regulatory compliance.

ANU Enterprise Pty Ltd has a board of directors that comprises both senior members of ANU staff and independent members with appropriate skills and experience in business, governance, contract research, accounting and higher education.

ANU owns and controls the **ANU (UK) Foundation**. The Foundation is incorporated under the law of England and Wales and enjoys charitable status. The purpose of the Foundation is to facilitate grants, donations and bequests to ANU that occur in the UK.

In late 2020, ANU also established a further wholly owned and controlled entity; **ANU International Holdings Pty Ltd**. This subsidiary has two directors drawn from the University's senior staff. It is the vehicle that ANU uses as its special purpose holding company for the Chinese WOFE that it has set up to conduct its student support and recruitment activities in China.

### **OPERATIONS**

The main campus of ANU is in Canberra, ACT. ANU operates from three other sites within the ACT and has two other campus locations in NT and NSW. It has offices located in Melbourne and Perth and outside Australia, in Beijing and Washington DC. 98% of ANU staff are employed at its locations within the ACT, and all ANU staff are employed within Australia.

Australian National University has 15 student residences located on or near its Acton campus in Canberra. These operate in a variety of ways. Only one of them is owned and operated by ANU and has been closed for the full reporting period. Two of them are affiliated and owned and staffed independently of ANU. The remaining 12 are all in private sector ownership with a variety of staffing models; in 4 instances ANU is the staff employer, in 5 instances Unilodge5 is the staff employer and in three instances some of the staff are employed by Unilodge and some by ANU.

With the exception of University House, which was damaged by the severe hail storms in 2020 and is under repair, all residences remained operational during 2021. COVID safe operations and protocols were enforced for the purposes of ensuring that students remained safe. On average, across the period, occupancy was approximately 70% during 2021.

On its main campus, ANU has a number of commercial tenants that operate retail premises within the Kambri precinct and food outlets across the wider campus.

## SUPPLY CHAINS

ANU is a major procurer of a wide range of services, goods and capital works necessary to support the functions of the University. The University has in excess of 5,000 vendors (excluding staff and students) incorporated both domestically and internationally, however the majority of ANU supplier spend occurs with Australian based companies. The major exception to this is in relation to IT hardware.



The breakdown of ANU supply chain spend is spread across many areas, but can be summarised into the following broad categories:

### Property & Facilities:

- Construction
- Cleaning
- Security
- Catering
- Energy

### Business Services:

- Investment Services
- Marketing and Media

- Travel
- Information Technology Services
- Research & Teaching
- Laboratory and Animal Care Supplies
- Library Supplies

## **RISKS OF MODERN SLAVERY PRACTICES IN THE OPERATIONS & SUPPLY CHAINS (Criterion 3)**

### **OPERATIONS**

ANU understands that modern slavery has the potential to occur in its core areas of operation; teaching and research. Some of this risk is inherent in the supply of goods and services and it is reported on in the supply change section below. However there are a number of risks that fall outside these areas and that are unique to ANU as a leading research-intensive university.

Teaching activities, broadly defined, include the recruitment of students domestically and internationally. Students can conceivably be at risk during the recruitment process, if they are induced into paying fees to agents to assist them with their application or fees for visa services in excess of the Australian Government imposed fee. Further risks to students can occur around their relationship with fee and stipend sponsors, if they are induced to enter into arrangements which offer very low levels of financial support in exchange for admission sponsorship.

Many students, both domestic and international, support their university study by obtaining employment. In some instances, degree pathways require a period of employment in a relevant industry. In other instances, work-related learning opportunities are arranged by ANU, as either assessed parts of the degree program or general work experience. In all of these situations there is the potential for students to be vulnerable to very low wage employment and to poor or otherwise exploitative working conditions.

Like many organisations, hitherto ANU has had little oversight of the conditions of employment offered by its commercial tenants or the external operators of student halls of residence. This is something the university is addressing, as outlined below.

Research and education activities can be supported by financial or in-kind gifts to ANU by third parties. These resources may potentially have been accumulated as the proceeds of activities that constitute modern slavery or otherwise breach the human rights of individuals.

In common with other universities, ANU also holds a substantial investment portfolio. There is a risk that these investments, unless appropriately managed, may be used by financiers to support business activities that in varying degrees of directness engage in practices of modern slavery or other breaches of human rights.

### **SUPPLY CHAINS**

The University is aware that its supply chain may potentially indicate instances of modern slavery, particularly with respect to the provision of hardware manufactured offshore in countries with large amounts of low skilled labour, where modern slavery has been identified as occurring or likely to occur.

The University, through its active participation in the Australian University Procurement Network (AUPN) Modern Slavery working group, is aware of key risks in global supply chains, for example, the supply of surgical gloves, building materials and computer chip manufacture.

ANU also recognizes that modern slavery may occur with its domestically based supply chains with the highest risk sectors being information technology, food service provision, cleaning and maintenance and building construction.

## **ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS (Criterion 4)**

### **OPERATIONS**

ANU has a clear policy statement that its international recruitment partners should not charge fees for their services on behalf of ANU. This policy statement includes information for students on how to complain to ANU about the activities of its recruitment partners. ANU reserves the right to terminate the contracts of recruitment partners that breach its operating code. During the next reporting period, express provisions will be inserted into recruitment partner contracts to alert them to the risks of modern slavery and explain the position of ANU in respect of this and the observance of human rights.

Student sponsors are also only included on the ANU approved student sponsor list for student admission if the stipend that they offer exceeds the ANU minimum threshold. Students who undertake work related learning that is supported by ANU, either as a required part of their degree program or as work experience, do so within the academic governance framework. Employers are vetted for their suitability and made aware of the conditions of employment for students required by ANU.

Commercial tenancies on the ANU campus fall within the remit of the ANU Chief Operating Officer. Unacceptable employment practices such as offering working conditions that breach human rights and/or amount to modern slavery would result in the termination of the lease for bringing the University into disrepute.

Where student residences are operated by third parties, ANU expects working conditions for employees, sub-contracted staff and independent contractors to be of a legally and ethically acceptable standard. If this were found not to be the case, ANU would take a risk-based approach in seeking a remedy, terminating the commercial arrangement if that was the only option that presented itself after discussion. It is important that ANU staff and students are trained to recognise situations and practices that amount to modern slavery and/or incompatibility with human rights. ANU has recently identified training resources that are being made available for the purpose of raising awareness and educating our wider ANU community.

The Advancement Portfolio is responsible for soliciting and stewarding financial and other gifts made to the University. It determines the source of a gift and its appropriateness for ANU. This judgment includes considering risks of connection to modern slavery and other breaches of human rights.

The ANU Council determines the investment strategy for the University portfolio. In 2019, ANU renewed its commitment to socially responsible investment. The Council restricts the percentage of revenue that can be derived from coal, gambling, pornography and tobacco (noting that the University's stock ownership in gambling, pornography and tobacco

companies is currently zero),<sup>5</sup> and states in its policy that the University will aim to avoid investment opportunities that can be considered likely to cause substantial social injury.

In March 2021 the ANU introduced a requirement that domestic equity fund managers must undertake due diligence on companies it invests in regarding the risk of modern slavery within the companies operations and supply chains in compliance with the Modern Slavery Act 2018 (Cth). In the next reporting period, this investment due diligence will be extended to all asset classes in which the ANU invests.

## **SUPPLY CHAINS**

Throughout this reporting period the University Procurement and Contracts Office (UPCO), which is responsible for supply chain due diligence has progressed many initiatives to address supply chain risks.

### **Standard contracting provisions**

In partnership with the ANU Legal Office, UPCO implemented new standard contracting provisions in 2020 to accommodate the requirements of the Modern Slavery Act 2018 (Cth).

In 2021, UPCO continued to work with the ANU legal team to facilitate the use of ANU legal precedents for a much wider range of purchases.

### **Vendor rationalisation**

In the 2021 reporting period, UPCO undertook a discovery process to better understand the ANU vendor base. Extraneous data sources were removed leading to a 65% decrease in ANU vendors. The vendor rationalisation enabled a focus on our suppliers, spend categories and countries in a more timely and relevant fashion.

Vendor rationalisation is also our first step towards implementing a Procure to Pay platform (P2P). P2P is the process of integrating purchasing and accounts payable systems to create greater efficiencies. It exists within the larger procurement management process and involves four key stages:

1. Selecting goods and services;
2. Enforcing compliance and order;
3. Receiving and reconciliation;
4. Invoicing and payment.

### **Community of Interest Forum**

In early 2021 UPCO inaugurated monthly Community of Interest (COI) Forum with the wider ANU community. The intent of the COI Forum is to provide clear context on UPCO policies and procedures in an environment of collaboration and open dialogue. The COI Forum has showcased the principles of modern slavery and highlight the risks in our supply chain.

### **Modern Slavery Training**

In late 2021 UPCO formalised the Modern Slavery Risk Training Requirements which will be rolled out across the University (initially targeting high risk areas) in 2022.

---

<sup>5</sup> There may be some very minor revenue generated within these categories by the other companies held in the portfolio

## **Australian Universities Procurement Network (AUPN)**

The ANU is a member of the Australian Universities Procurement Network (AUPN) who represent the Australian and New Zealand higher education sector.

### **AUPN Modern Slavery Program**

The AUPN is leading a sector collaboration to support member universities to meet the challenge of human rights transparency and risk management in their supply chains and contribute to the fulfillment of Modern Slavery Act 2018 (Cth) reporting requirements. By working together, we hope to minimise the duplication of activities and associated costs across individual universities, including risk assessment, implementation of systems and remediation. We also hope that leveraging our aggregated buying power will improve our capacity to identify and action any modern slavery risks, and drive more effective changes through our supply chains.

The AUPN Modern Slavery Program made great progress in 2021 through a series of forums:

- Monthly Working Group Meetings
- Quarterly Academic Advisory Board Meetings & Presentations to the AUPN Community
- Weekly FRDM Project Meetings

### **FRDM – supply chain technology**

Much of the AUPN Modern Slavery Program work in 2021 focused on the implementation of a sector wide technology (FRDM) to tackle modern slavery within our supply chains. FRDM is a supply chain technology company that will algorithmically identify modern slavery risks throughout universities' supply chains, enabling each university (or the sector collectively) to make informed decisions and take action to address modern slavery risk.

Through FRDM the ANU can proactively monitor risks and alerts on a supplier, product, industry or country level. Early notification of potential risks can be quickly investigated and resolved. This process can involve supplier or plant audits and visits if required by an independent service provider.

UPCO has created an internal process to ensure all relevant FRDM risk alerts are reviewed regularly with the Chief Procurement Officer. This involves active monitoring and liaison with relevant stakeholders to determine the appropriate course of action.

## **ASSESSMENT OF THE EFFECTIVENESS OF ACTIONS (Criterion 5)**

Due diligence in relation to risk identification and risk assessment is important for each relevant business unit at ANU and each individual member of staff. Regular reviews of activities and policies are essential if traction on these issues is to be maintained.

The ANU will learn much from its own internal expert group and from the AUPN about what processes work most effectively and how effectiveness should and can be evaluated. Resistance from suppliers in relation to the procurement processes and contract terms offered by ANU that incorporate modern slavery and human rights safeguards, and the resolution or not of these differences, are an important indicator of the maturity of debate and action within the business community.

### **CONSULTATION (Criterion 6)**

ANU Enterprise Pty Ltd, as a consolidated entity, exists to market the research and skills of the ANU and provide data collection, data analysis, business development and research consulting and project management services. ANUE also holds an overseas incorporated entity in Papua New Guinea, ANU Enterprise Ltd, which enables its project management services to be conducted there, ensuring regulatory compliance.

ANU Enterprise Pty Ltd has a board of directors that comprises both senior members of ANU staff and independent members with appropriate skills and experience in business, governance, contract research, accounting and higher education.

### **OTHER INFORMATION (Criterion 7)**

This report has been reviewed by the Senior Management Group and approved on 3 June 2022 by the University Council ahead of the 30 June 2022 deadline.



The Hon Julie Bishop

Chancellor

Australian National University

3 June 2022