

# Improving housing outcomes for Australians





Housing Australia

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## 1. Introduction

Modern slavery describes situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. Modern slavery involves serious exploitation of people and includes human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.

We recognise that modern slavery can be linked to other crimes and activities that adversely impact human rights, including bribery, corruption and environmental damage. We have a responsibility to respect human rights in our operations and activities as part of our responsible business conduct.

### **Modern Slavery Statement**

This modern slavery statement is made in respect of Housing Australia (ABN 22 498 714 570) for the financial year ended 30 June 2024 (**FY 2023–2024**). It has been prepared to comply with the reporting requirements under the *Modern Slavery Act 2018* (**Modern Slavery Act**).

Housing Australia is committed to continuously improving the way we identify and mitigate the risk of modern slavery occurring within our business operations, supply chain and customer relationships. This statement sets out our approach to modern slavery and how we identify and mitigate this risk.

Housing Australia's Audit and Risk Committee and Board have had the opportunity to consider and provide input into this statement. This statement will be reviewed and updated annually.

### **Approval of principal governing body**

This statement was approved by the Housing Australia Board in their capacity as the principal governing body of Housing Australia (as defined in the Modern Slavery Act) on 4 December 2024.

### **Signature of responsible member**

This statement is signed by the Chair of the Housing Australia Board, a responsible member of Housing Australia (as defined in the Modern Slavery Act), on 4 December 2024.

Carol Austin

**Chair, Housing Australia Board**



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## 2. About Housing Australia

Housing Australia was established in 2018 by the Australian Government to improve housing outcomes for Australians.

### What we do

Housing Australia brings together all levels of government, institutional investors, lenders, community housing providers (**CHPs**), faith-based organisations, private sector developers and construction companies to facilitate and deliver more social and affordable housing. We also work with over thirty participating lenders to enable eligible home buyers to purchase a home with a very small deposit and without the need for Lenders Mortgage Insurance.

In FY 2023-2024, Housing Australia provided long-term and low-cost loans and capacity building assistance to registered CHPs to support the provision of more social and affordable housing. Housing Australia finance is funded primarily by the issue of social and sustainability bonds (via the Affordable Housing Bond Aggregator).

Through the National Housing Infrastructure Facility (**NHIF**), Housing Australia provided loans and grants to help finance critical infrastructure projects to unlock and accelerate new housing supply and to support new social and affordable housing projects.

Together with our participating lenders and their broker networks, in FY 2023-24 the Home Guarantee Scheme helped over 58,000 people buy a home sooner, including over 11,000 key workers and more than 1,000 single parents or single legal guardians.

FY 2023-2024, saw Housing Australia launch the first funding round under the Housing Australia Future Fund Facility (HAFFF) and National Housing Accord Facility (NHAF). In September 2023, 185 preferred projects were announced. These projects have the potential to deliver more than 13,700 social and affordable homes to Australians in need, including dwellings for women and children escaping domestic violence, Veterans, First Nations people and key workers.

In addition, we will continue to support initiatives that seek to increase the supply of social and affordable housing by providing low-cost, long-term loans to registered CHPs; facilitating investment in Australia's social and affordable housing sector; and providing capacity building grants to upskill the community housing sector.



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### 3. Our structure, operations and supply chains

#### Our structure

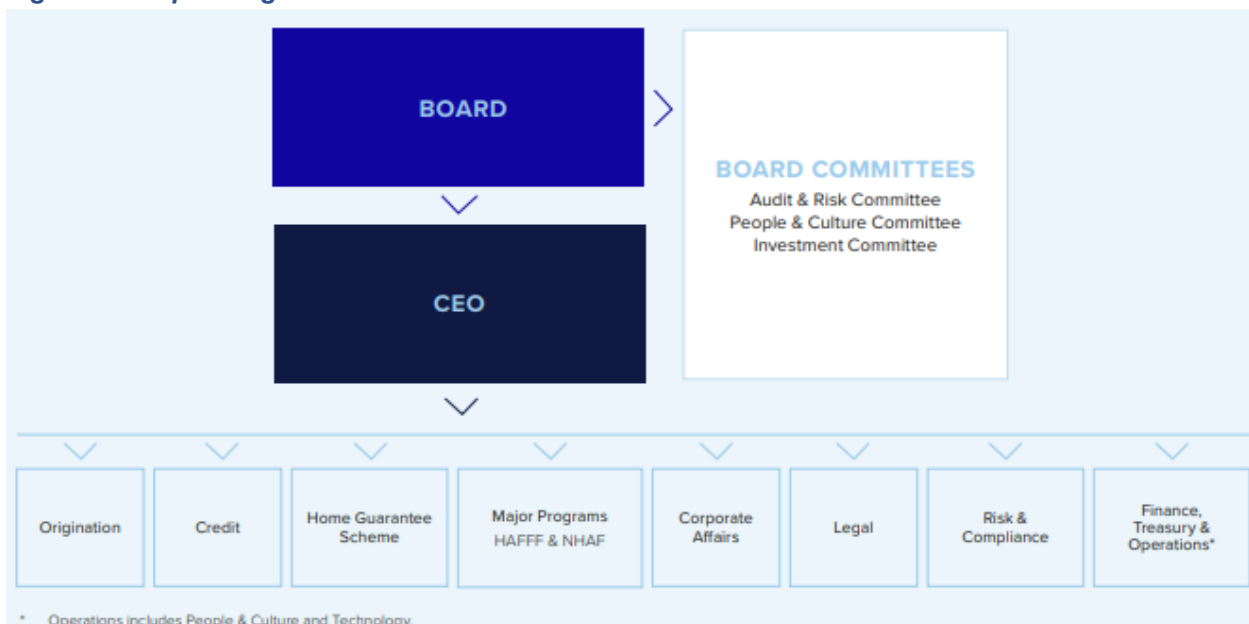
Housing Australia (ABN 22 498 714 570) is a corporate Commonwealth entity with an independent Board of non-executive members who are appointed by the Minister for Housing and responsible for managing our affairs. This includes determining our strategy, defining our risk appetite, making financing decisions and ensuring the proper, efficient and effective performance of Housing Australia’s functions. Our Chief Executive Officer reports to the Board and is responsible for the day-to-day administration of Housing Australia.

In performing its functions, Housing Australia is governed by the requirements and constraints of the *Housing Australia Act 2018 (Housing Australia Act)* and the *Housing Australia Investment Mandate Direction 2018 (Investment Mandate)*. As a corporate Commonwealth entity, Housing Australia is also subject to the requirements of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

Although we are part of the portfolio of Commonwealth entities for which the Department of the Treasury has responsibility, we do not form part of any corporate group, nor do we own or control any other entities. Our responsible Minister is the Minister for Housing (**Minister**), currently the Hon. Clare O’Neil MP and formerly (during the relevant reporting period) the Hon. Julie Collins MP.

Our corporate governance structure, current as of 30 June 2024, is set out in *Figure 1* below.

**Figure 1: Corporate governance structure**







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Our remuneration strategy, structure and governance arrangements are referenced in detail in our 2023–2024 Annual Report, which can be found on our website at [housingaustralia.gov.au](https://housingaustralia.gov.au).

As at 30 June 2024, we had approximately 140 permanent employees. We operate in a regulated environment, including under the *Fair Work Act 2009*.

The majority of Housing Australia's approximately 140 permanent employees are based in our head office, located at Level 23, 420 George Street, Sydney NSW 2000. We also have a small number of staff representatives in various interstate locations.

### **Our operations, supply chains and projects we support**

As we are an Australian-based entity and our primary operations are office-based, we consider the risk of modern slavery occurring directly within our business operations to be low. However, we recognise that our operations may indirectly support modern slavery occurring in our supply chain or via our customers and the transactions and projects we support.

In accordance with the *United Nations Guiding Principles on Business and Human Rights*, we have prioritised our focus and actions on areas where we consider the potential impact of modern slavery to be the greatest and where we might have a greater opportunity to influence outcomes.

As such, at this stage our identification and assessment of modern slavery risk centres primarily on the projects we support through our financing functions and on our procurement of goods and services.

In general terms:

- approximately 70.4% by value of our direct supply chain contracts are for the engagement of consultants and contractors (including legal, external audit and other professional services)
- approximately 18.9% by value of our direct supply chain contracts are for information and communication technology
- approximately 8.1% by value of our direct supply chain contracts are for insurance, travel and incidentals, recruitment services, marketing and media, staff training and development and credit information
- the remaining 2.6% general office administration
- the significant majority of our direct supply chain contracts are with Australian-based suppliers, including Australian Commonwealth entities



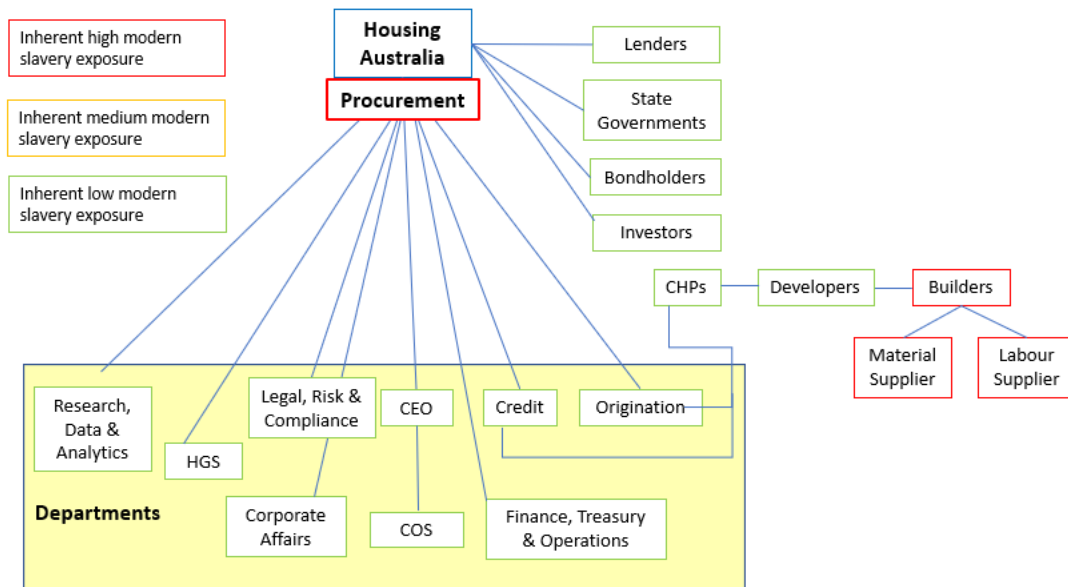
During FY 2023–2024, we continued to provide transparency on our Key Supplier Contracts<sup>1</sup> by publishing key reporting details about them on our website in accordance with the Senate Order for Entity Contracts (or ‘Murray Motion’ listing). We update this listing every six months.

## 4. Our risks of modern slavery practices

### Risk assessment

Housing Australia has a generally low exposure to direct business activities that may give rise to modern slavery risk. The diagram in *Figure 2* below provides a simplified view of Housing Australia’s inherent exposure to modern slavery. The inherent exposure is mitigated by operational and contractual controls.

**Figure 2: Modern slavery exposures – Simplified stakeholder map**



### Key risk areas

There are 2 key risk areas which we consider have the potential to expose Housing Australia to modern slavery practices: construction and procurement. Housing Australia, as an investment

<sup>1</sup> **Key Supplier Contract** means our third-party contracts with suppliers valued at \$100,000 or more (GST inclusive), which were still being performed during 2023–2024 or were entered into during 2023–2024. It does not include lease arrangements and Australian Commonwealth entity contracts.



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vehicle manages material cash movements (liquid assets and funding programs) however these are considered low exposure risk.

### **Construction**

Housing Australia is increasingly engaged as a financier and grant provider in construction activities via its support of the CHP sector, as well as State, Territory and local government. These entities either develop, or engage a developer to deliver, residential housing projects and/or critical infrastructure that supports housing development. The developer will engage a builder to deliver the project, who will in turn engage material and labour suppliers to provide resources for that project.

There is a risk within the labour supply chain that such developers, contractors and/or subcontractors may engage in or otherwise be exposed to modern slavery practices. In addition to labour, sourcing building materials may also compound this risk – particularly where such supplies are sourced from less developed offshore regions.

Housing Australia manages this potential indirect risk of modern slavery via the construction supply chain by including appropriate anti-slavery provisions in its documentation generally for its loan and grant facilities, including under HAFFF and NHAF agreements. These provisions require CHPs and their developers to represent that they do not engage in modern slavery practices.

While the volume of HAFFF and NHAF agreement is a large increase to Housing Australia's contractual base, proponents are all Australian based providers operating in a highly regulated environment, including Workplace Health and Safety obligations under the *Federal Safety Commissioner Act 2022*. Accordingly, Housing Australia does not view these agreements differently to other construction funding agreements.

### **Procurement**

Housing Australia could also be exposed to modern slavery risk through its procurement process.

Housing Australia's procurement procedures require the procuring officer to consider and document any modern slavery exposures when making a procurement. Housing Australia does not make a significant number of procurements and the majority are with reliable, Australian-based, commercial vendors for purchases that have a low modern slavery exposure.

Procurements for security, cleaning and maintenance, facilities management, office supplies, ICT goods/services, merchandising and travel are more exposed to the risk of modern slavery than procurements for professional services provided by major accounting and law firms, for example.

Housing Australia manages the risk of modern slavery within the procurement process on a case-by-case assessment of the exposure.

### **Investment of liquid assets**

Housing Australia's investment of liquid assets is currently restricted to investments in Australian Government Securities, Australian State and Territory Government securities, and certain APRA-regulated Australian Authorised Deposit-taking Institutions. Housing Australia has no offshore investments in liquid assets. Consequently, Housing Australia assesses the modern slavery risk in





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respect of its investment of liquid assets to be low. Housing Australia has no plan to change this investment strategy in the coming year.

### ***Funding program***

Housing Australia's social and sustainability bonds are purchased by over 60 institutional investors. These investors are subject to 'Know Your Customer' anti-money laundering screening via our joint lead managers. The majority of Housing Australia's investors are Australian domiciled fund managers, superannuation funds, insurers and banks. However, several international investors have also purchased Housing Australia bonds including fund managers, central banks and insurers.

Housing Australia also engages external advisors in connection with its funding program. These advisors include legal and assurance services from major professional services firms.

Consequently, Housing Australia assesses the modern slavery risk in respect of its funding program to be low.



## 5. Addressing our risks of modern slavery practices

### Our governance framework

We have policies, procedures and practices that help us identify, address and mitigate the risk of modern slavery occurring within our business operations, supply chain and customer relationships (including the transactions and projects we support). These are outlined in *Figure 3* below.

The Housing Australia Board regularly reviews and approves our policies to ensure the ongoing effectiveness of our governance framework.

**Figure 3: Policies and Procedures**

| Policy / Procedure   | Description  |
|--|--|
| <b>Staff Code of Conduct</b>   | Our Staff Code of Conduct outlines the obligations and responsibilities of our employees, including in relation to standards of personal behaviour.  |
| <b>Anti-Corruption Policy</b>  | This policy sets out the key obligations of our employees in deterring and preventing bribery and corruption.  |
| <b>Procurement Policy</b>  | This policy sets out how we procure goods/services and manage relationships with third parties across the supply lifecycle, including in accordance with the core principles of the Commonwealth Procurement Rules, as applicable.   |
| <b>Incident Reporting Policy</b>   | This policy establishes an internal reporting process for employees to report incidents that are not public interest disclosures, and it provides a framework for the investigation and resolution of these incidents.   |
| <b>Work Health and Safety</b>  | This policy and associated procedures in place to ensure the health and safety of our employees are considered and managed.  |
| <b>Public Interest Disclosure (“Whistleblower”) Policy and Procedure</b>                                       | This policy and associated procedures provide mechanisms for ‘public officials’ (as defined under the <i>Public Interest Disclosure Act 2013</i> (Cth)) to report conduct engaged in by an agency, public official or contracted service provider in connection with a Commonwealth contract that involves alleged wrongdoing or illegal or improper conduct.  |
| <b>Complaints Policy</b>   | This policy provides an avenue for our customers, suppliers, third parties or any member of the public to lodge a complaint with us. It also sets out how a complaint can be referred to the Commonwealth Ombudsman by a complainant.  |
| <b>Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Program and Transaction Risk Assessment</b> | <p>We have in place an AML/CTF Program.</p> <p>As part of the program, we use our Transaction Risk Assessment tool to assess the risk of our transactions. It encompasses:</p> <ul style="list-style-type: none"> <li>• Anti-money laundering and counter-terrorism financing due diligence on our customers as applicable. ‘Know Your Customer’ checks are completed, with certain information collected and verified;</li> </ul> |



|                                       |  |
|---------------------------------------|--|
|                                       | <ul style="list-style-type: none"> <li>A broader risk assessment of the transaction is completed, including in relation to bribery, corruption, sanctions and adverse media on our customers and other key parties involved in the transaction, as applicable.</li> </ul> <p>In some circumstances, enhanced due diligence will be required.</p>   |
| <b>Procurement Risk Assessment</b>    | <p>This is a risk assessment tool for new supplier engagements and includes questions that allow us to assess risks with a new supplier, including any human rights or modern slavery issues potentially involved with its supply of goods/services to us.</p> <p>This assessment involves a two-step inherent risk and residual risk assessment (the latter based on 'risk domains', which may be triggered depending on the engagement).</p> <p>The risk domains include physical security, anti-bribery and corruption, work health and safety, environmental and sustainability, human rights, and subcontractor risks. A risk rating is allocated to each engagement to inform procurement decisions, allowing us to adopt a risk-based approach.</p> |
| <b>Contracts Register</b>             | <p>We have a centralised register of all third-party contracts.</p>  |
| <b>Standard form supply contracts</b> | <p>We use our standard form supply agreements where appropriate. These agreements include certain modern slavery representations from suppliers, which apply during the term of the contract.</p>  |
| <b>Internal audit program</b>         | <p>We have an agreement with a professional services provider for internal audit services, under which relevant audits and reviews are completed against an ARC-endorsed and Board-approved audit plan.</p>  |
| <b>Compliance training</b>            | <p>We have a mandatory ongoing compliance training program that our employees must complete annually, which incorporates training modules in accordance with our Compliance Plan, this including anti-money laundering and counter-terrorism financing, anti-bribery and corruption, and modern slavery risk modules.</p>  |



## 6. Assessing the effectiveness of our actions

We are continuously seeking to improve our policies, procedures and actions in relation to modern slavery. The measures that we have monitored for 2023–2024 include:

| Focus Area                               | Measure   | % or No. |
|--|---|----------|
| <b>Compliance training</b>               | % of permanent FTE employees completing the following training:   |          |
|  | • whistleblower awareness   | 97%      |
|  | • fraud awareness   | 97%      |
|  | • anti-bribery and corruption   | 97%      |
| <b>Supply chain transparency</b>         | % of contracts entered into with a value of \$100,000 (incl. GST) or more - details published on our website.   | 100%     |
| <b>Reports – modern slavery</b>          | No. of public interest disclosure (whistleblower) reports received about modern slavery.                        | 0        |
| <b>Incidents raised – modern slavery</b> | No. of incidents raised under our Incident Reporting Policy in relation to potential transaction supply chains. | 0        |
| <b>Complaints – modern slavery</b>       | No. of public complaints received about modern slavery.   | 0        |

### Continuous Improvement – FY 2023-2024

In addition to the policies and measures outlined above, we took the following actions in 2023–2024 to further identify, mitigate and combat modern slavery risk:

| Focus Area                                   | Measure FY 2022-2023   | Action Taken                                  |
|--|--|---|
| <b>Our Supply Chain</b>                      |  |   |
| <b>Procurement Risk Assessment</b>           | Continue to assess new suppliers through our Procurement Risk Assessment process and monitor the effectiveness of this process.  | Ongoing                                       |
| <b>Commonwealth Supplier Code of Conduct</b> | Adopt the Commonwealth Supplier Code of Conduct as required by the Government which sets out the minimum expectations of suppliers and their subcontractors while under contract with the Commonwealth, including ethical behaviour, to help guide them in | Referenced in our standard supply agreements. |



| Focus Area                            | Measure FY 2022-2023  | Action Taken   |
|---------------------------------------|---|--|
|                                       | their responsibilities to combat modern slavery.  |  |
| <b>Supply contracts</b>               | <ul style="list-style-type: none"> <li>Assess % of contracts which include modern slavery clauses.</li> <li>Negotiate inclusion of relevant modern slavery clauses in third party contracts, as appropriate.</li> </ul>   | <ul style="list-style-type: none"> <li>We assessed our Key Supplier Contracts of which approximately 40% included modern slavery clauses, noting that engagements with sole suppliers are less likely to include exploitation or modern slavery clauses.</li> <li>Ongoing</li> </ul> |
| <b>Our Transactions</b>               |   |  |
| <b>Modern Slavery Risk Assessment</b> | <p>Request CHPs and other funding recipients to undertake modern slavery risk assessments as part of scoping the project prior to financial support being provided by Housing Australia.</p> <p>We have had discussions with the Community Housing Industry Association (CHIA) which suggest that this should not impose an undue burden on CHPs, particularly as modern slavery is an issue that needs to be addressed under the environmental, social and governance (ESG) standards recently adopted in the sector. CHIA will be providing CHPs with best practice guidance to meet these new ESG standards.</p> | Where proponents are required under the Modern Slavery Act, Housing Australia will annually review their Modern Slavery Assessment as per the standard terms of our grant and loan agreements.   |
| <b>Other</b>                          |   |  |
| <b>Training</b>                       | We will provide new modern slavery training to supplement current training on anti-money laundering and counter-terrorism financing and anti-bribery and corruption.  | Training has been developed and was delivered in early FY 2023-2024 to provide general awareness on modern slavery.  |





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### Continuous Improvement – FY 2024-2025

We plan to introduce the following actions in 2023–2024 to further identify, mitigate and combat modern slavery risk:

| Focus Area                              | Measure   |
|---|---|
| <b>Our Supply Chain</b>                 |   |
| <b>Funding recipients' supply chain</b> | Review the Modern Slavery Statements prepared by relevant funding recipients (loans and grants) to better understand Housing Australia's indirect risk of exposure to modern slavery practices and undertake any remedial action that may be required |



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## Appendix 1 - Mandatory reporting criteria

This statement complies with the mandatory reporting criteria of the Modern Slavery Act. The following table references the content in this statement which complies with those criteria:

| Mandatory Criterion   | Page References |
|---|-----------------|
| Identify the reporting entity   | 3               |
| Describe the reporting entity's structure, operations and supply chains   | 5               |
| Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls                                       | 7               |
| Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes          | 10              |
| Describe how the reporting entity assesses the effectiveness of these actions   | 12              |
| Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement) | Not applicable  |
| Any other relevant information  | Not applicable  |

