

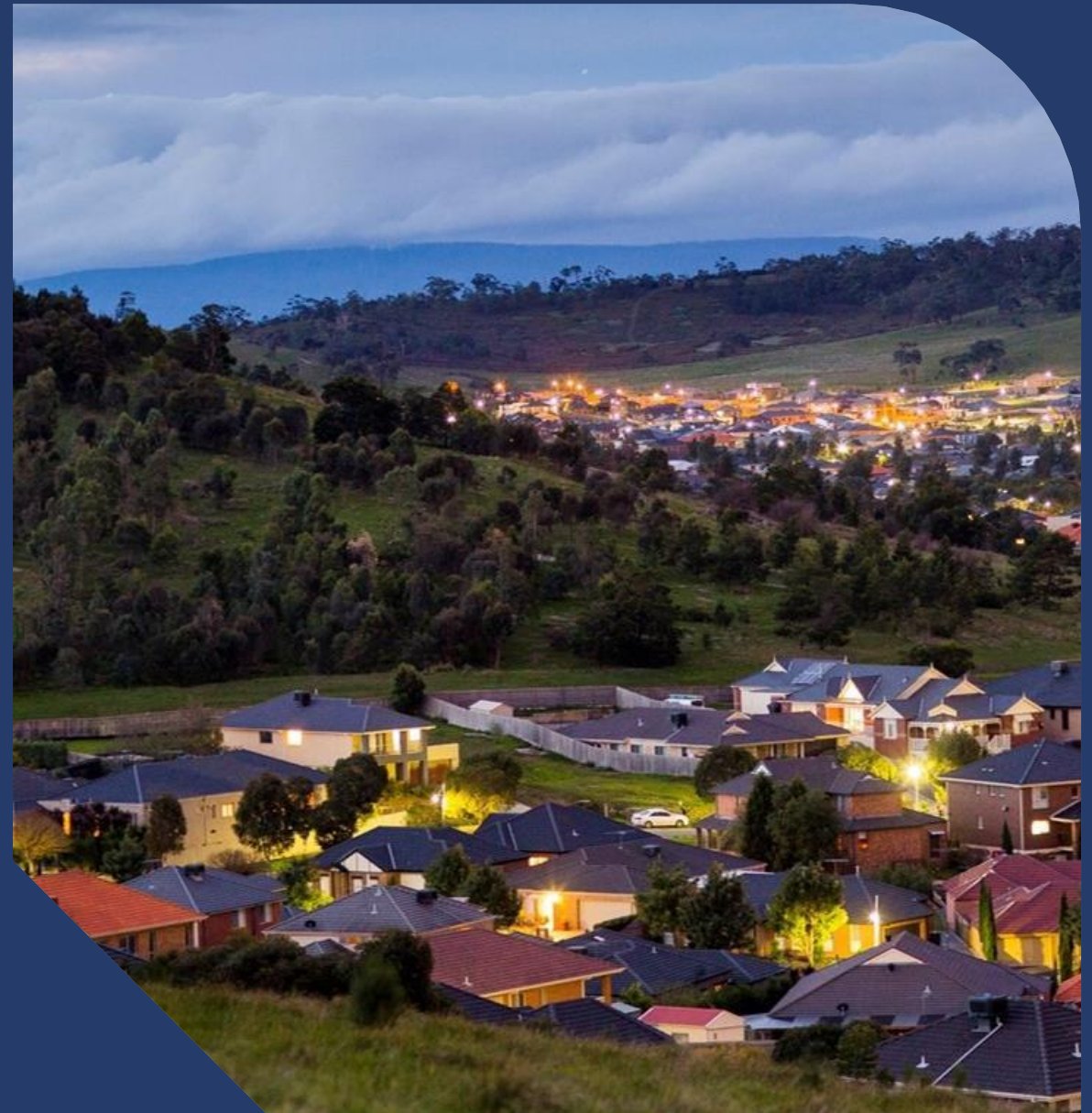
**AusNet**

# Modern Slavery in our industry

Current obligations and proposed  
updates

Catherine Predika  
Governance and Sustainable Procurement Manager

August 3<sup>rd</sup> 2023



## Table of contents

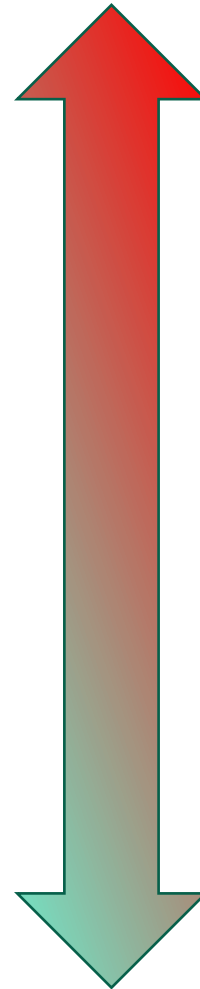
Modern Slavery Act: Overview and reporting obligations	<b>1</b>
Supply chain obligations	<b>2</b>
Modern Slavery Conference June 2023: Learnings	<b>3</b>
Modern Slavery Act: Three year review and proposed updates	<b>4</b>
Resources	<b>5</b>

# 01

## Modern Slavery Act: Overview and reporting obligations

# 1. Overview – What is Modern Slavery?

- ❑ The term “**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.
- ❑ Modern slavery is only used to describe serious exploitation. It does not include practices like substandard working conditions or underpayment of workers. However, these practices are also illegal and harmful and may be present in some situations of modern slavery.
- ❑ The **Modern Slavery Act 2018 (Cth)** defines modern slavery as including eight types of serious exploitation:
  - trafficking in persons
  - slavery
  - servitude
  - forced marriage
  - forced labour
  - debt bondage
  - the worst forms of child labour
  - deceptive recruiting for labour or services.



## MODERN SLAVERY

- Worker **cannot refuse or cease work** because of coercion, threats or deception.
- Worker may also be **deprived of personal freedom**.

## DANGEROUS OR SUBSTANDARD WORKING CONDITIONS

- Worker **can refuse or cease work** but doing so may lead to their detriment.
- Worker is **not paid fairly** and does not receive some or all entitlements.
- Worker may be **required to work excessive hours**.
- Workplace is **unsafe**.

## DECENT WORK

- Workers' rights respected.
- Worker free to refuse or cease work.
- Worker paid fairly (at least the minimum wage).
- Workplace is safe.

# 1. Modern Slavery Act 2018 (Cth) Obligations



## Overview

- ❑ The Modern Slavery Act 2018 Act sets out 8 mandatory criteria for the content of Statements to be submitted annually to the government.
- ❑ These criteria require reporting entities to explain their actions to identify, assess, address and mitigate modern slavery risks in their operations **and supply chains.**
- ❑ To date: all organisations with at least AU \$100 million annual consolidated revenue must comply with the Act. The Act applies to Australian entities and foreign entities carrying on business in Australia.
- ❑ The reporting entity must also provide their annual statements to the Government for publication on a central online website, which is available to the public

## Seven mandatory criteria for each Statement

- ❑ identify the reporting entity
- ❑ describe the reporting entity's structure, operations and supply chains
- ❑ describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls
- ❑ 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
- ❑ describe how the reporting entity assesses the effectiveness of these actions
- ❑ 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), and
- ❑ provide any other relevant information

# 02

## Supply chain obligations

# 2. Supply chain obligations - how can your organisation contribute?



In the four years since introduction of the Act, Australian corporations have been working with their supply chain members to increase compliance with the Act, with the goal of minimisation/eradication of modern slavery.

To do so, collaboration with our supply chain members is critical.....without visibility to our deeper supply chain, chances of material positive impact to individual workers who are victims and potential victims of modern slavery, is reduced.

**Actions that suppliers may consider, to increase alignment with the Act:**



## **INTERNAL – YOUR OWN ORGANISATION**

- Understand the policies and processes of your own organisation's operations:
  - Supplier code of conduct, Sustainable Procurement Policy, Procurement Policy and sourcing strategies, Whistleblower policy and other grievance mechanisms
- Embed modern slavery contractual terms into key contracts
- Internal business engagement – SteerCo, education
- Establish governance framework
- Internal or external audit

## **ASSESSMENT OF SUPPLY CHAIN**

- Understand your supply chain (incl. who are your suppliers? what categories of spend/country of origin)
- Seek information from your supply chain – questionnaire/deep dives (direct suppliers and tiers 2+)
- Determine how to report on the processes implemented

## **BUILD MEANINGFUL PARTNERSHIPS WITH YOUR SUPPLIERS**

## **ENSURE YOUR ENGAGEMENT WITH SUPPLIERS IS RISK BASED**

## **RECOGNISE THE LEVERAGE THAT YOU AND YOUR SUPPLIERS HAVE TO INFLUENCE CHANGE**

03

# Modern Slavery Conference June 2023: Learnings



# 3. Conference: “Taking Action Together”

## Modern Slavery Conference overview

The **Modern Slavery Conference** was held in Melbourne in June 2023, bringing stakeholders together to bolster cross-sector collaboration on modern slavery responses. This was an initiative of the National Action Plan to Combat Modern Slavery 2020-2025.

The theme was ‘*Taking Action Together*,’ reflecting on the importance of collaborative modern slavery responses. Speakers and attendees were from government, business, civil society, academia and **victim/survivors**.

The conference is one of the many steps the Australian Government is taking in its commitment to eradicate modern slavery, and to protect and support victims and survivors of these crimes.

## Key speakers and themes

### Day one:

- o focused on context-setting and exploring modern slavery in the world today, reflecting on the impact of global events like the COVID-19 pandemic, conflict, climate change and the continuing evolution of technology.
- o introduced some of the core themes underpinning the conference, including partnership, and **keeping people at the centre of modern slavery responses**.

### Day two:

- o more detailed...fair and ethical recruitment, responsible sourcing and procurement, remedies and remediation pathways.
- o role of technology in modern slavery – as both a driver and disrupter.

### Day three:

- o current and emerging pillars of Australia’s modern slavery response – including the Modern Slavery Act 2018 (Cth) and the forthcoming federal Anti-Slavery Commissioner.
- o guidance on motivators and levers for lasting change.

## Conference intended outcomes

Support delivery of initiatives spanning the five National Action Plan priorities to: (1) prevent; (2) disrupt, investigate and prosecute; (3) support and protect; (3) partner; and (5) research.

Support stakeholder engagement on the Government’s Tackling Modern Slavery commitment to strengthen modern slavery responses at home and abroad.

## Focus for the future....

- “Shine a light”
- “Show the path”
- “Amplify the voices”
- “People with lived experience”
- “Coercive control”
- “Moving from policy to practice”

# 3. Conference: Key learnings



Need to focus on the **workers**, rather than the framework and corporate perspective



Focus on **grievance mechanism** availability and anonymity



Need to understand how we can get the **unions** and workers at the table within our program



Need to partner more with **civil society** groups



Need to included **survivors** in the program



Focus on the **salient issues for the energy industry** e.g. poly-silicon in solar panels



# 3: Conference: Focus on workers

## Worker considerations to enable improve potential impact/impact to victims and survivors of Modern Slavery:

- Introduce the concept of “Worker Voice” – Telstra has issued these to 1365.
- Introduce a “Workers Hub”
- Need to know their rights
- Need to know the grievance mechanisms available to them – anonymous mechanisms
- Need to be able to trust the grievance mechanism and have easy access to it
- Need to believe that their feedback will be received free from retaliation
- Need to see that follow-up action has occurred
- Processes need to be as transparent as possible
- How to engage workers? Audits, media, tip-offs?
- How do we move from “Risk to Business” to “Risk to Rights-Holders”?
- Further understand the indicators of modern slavery
- Recruitment processes – need to focus on the person harmed – what happens to the individual person? Have they been removed from harm? Do they continue to have accessibility to income?
- Need a change in Procurement culture
- Recruitment agencies – reduce forced labour and debt bondage – incentivise to do good and act responsibly and ethically
- Focus has been on Malaysia and Thailand
- How do we return agency to victims?

# 04

## Modern Slavery Act: Three-year review and proposed updates

# 4: Recommended update to MS Act: May '23 AusNet

**Professor John McMillan AO presented a summary of the “Report of the statutory review of the MS Act 2018 (Cth) – The first three years”:**

## **Recommendations included (not endorsed by govt. yet)**

- Reduction of the clip level for MS reporting to annual consolidated revenue of \$50M (down from \$100M)
- Attorney General's dept to provide tailored guidance to small and medium entities on reporting compliance
- Additional reporting criterion:
  - Modern slavery incidents/risks identified
  - Grievance and complain mechanisms
  - Internal and external consultation undertaken on risk management
- Confirmation that it is an offence and penalties introduced for organisations failing to comply with the Act
- Three year full reporting, interim two years reporting on updates only
- Government to provide a template for Statement submission

## **Where to now? Fundamentals behind approaches..**

- **PREVENTION**
  - How much knowledge do I have of risky things that often sit outside of my direct control?
  - How do I act on this knowledge to prevent or mitigate human rights abuses? (including building leverage, pre-competitive approaches)
- **REMEDY**
  - How do I best provide adequate remedies for those who suffer human rights abuses?
- **TRANSPARENCY**
  - How much of this knowledge, prevention, mitigation and remedial action need I disclose and to whom?
- **OTHER**
  - Import bans on goods made with forced or child labour
  - Victim compensation/support
  - Review of government procurement principles
  - Culture/capacity/guidance templates

# 05 Resources

# 5. Resources

## Resources to assist with the Modern Slavery programs:

1. Report on statutory review of the Modern Slavery Act 2018 [Report of the statutory review of the Modern Slavery Act 2018 \(Cth\) The first three years \(ag.gov.au\)](#)
2. NSW Anti-Slavery Commissioner's Strategic Plan 2023-2026 [Working together for real freedom – NSW Anti-slavery Commissioner's Strategic Plan 2023–2026](#)
3. Clean Energy Council – industry view – explore any resources to assist us, view on solar panels, approved suppliers? [Addressing-Modern-Slavery-in-the-Clean-Energy-Sector.pdf \(cleanenergycouncil.org.au\)](#)
4. OHCHR (Office of the High Commissioner Human Rights) – Funding and budget – global contributions [OHCHR's Funding and budget | OHCHR](#)
5. Human Rights Law Centre – Broken Promises report: [Broken Promises: Two years of corporate reporting under Australia's Modern Slavery Act | Human Rights Law Centre \(hrlc.org.au\)](#)
6. "Guiding Principles of Human Rights" – [Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework | OHCHR](#)
7. Forced labour and solar panel – ABC How 'dark underbelly' and forced labour is helping to fuel Australia's love affair with cheap solar" [How 'dark underbelly' and forced labour is helping to fuel Australia's love affair with cheap solar - ABC News](#)
8. Responsible Business Alliance: [Responsible Business Alliance](#)
9. Walk Free Foundation - Modern Slavery Response and Remedy Framework: [Modern Slavery Response & Remedy Framework | Walk Free](#)
10. Red Cross – modern slavery resources: [Modern slavery resources | Australian Red Cross](#)
11. Department of Labour – US: free supplier information on modern slavery – [Bureau of International Labor Affairs \(dol.gov\)](#)
12. Unions – are there established frameworks ad resources available to assist our industry?
13. Modern Slavery Risk Management – a playbook for Australian SMEs [Modern Slavery Risk Management - Australian SMEs](#)
14. UN Global Compact – Introduction to Just Transitions – Business Brief [Introduction to Just Transition: A Business Brief | UN Global Compact](#)