

INQUIRY INTO MODERN SLAVERY ACT 2018 AND ASSOCIATED MATTERS

Organisation: Supply Chain Sustainability School

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Modern Slavery Act 2018 (NSW) and associated matters

NSW Legislative Council
Standing Committee on
Social Issues Inquiry

Wednesday 2nd October 2019



The Supply Chain Sustainability School ('the School') welcomes the opportunity to make a submission on this important and highly relevant topic.

The School supports the:

- Introduction and intentions of the Modern Slavery Act 2018 (NSW) ("the Act")
- Reporting period and report due date
- Publication of statements on the public register as outlined
- Role of the NSW Anti-Slavery Commissioner
- Voluntary reporting of businesses falling below the \$50 million turnover threshold and who choose to comply with its requirements.

About the Supply Chain Sustainability School in Australia

The School was launched across Australia in 2015 to increase sustainability knowledge and competency along the construction and infrastructure supply chains. To support small-to-medium businesses the School provides free e-learning, information and face-to-face training for construction and infrastructure suppliers, contractors and service providers. Companies signing up can access a wealth of free resources and tools to meet increasing sustainability demands and performance benchmarks, and to help build clever, collaborative and competitive construction and infrastructure sectors: www.supplychainschool.org.au

The School is funded and supported by leading organisations including



Action Sustainability Asia Pacific, Better Sydney, Corrs Chambers Westgarth, Construction Skills Queensland, Cundall, Downer Group, Dulux Group, Edge Environment, FairSupply, Good Environmental Choice Australia, GHD, Global GreenTag, the Green Building Council of Australia, InfraBuild, the Infrastructure Sustainability Council of Australia, John Holland, Laing O'Rourke, Landcom, Lendlease, Mirvac, Sydney Metro - NSW Government, Pointsbuild, the Property Council of Australia, RMIT University, Social Traders, Stockland, Sustainability Victoria and Supply Nation.

There are thousands of members who have registered for free to access the School's learning resources, in every state and territory.

The School's Partners' and Members' operations, supply chains and project supply chains across property, construction and infrastructure initiatives are often long, complex and international. There are already hundreds of different resources on the School's website, including videos, case studies, documents to download, e-learning modules, links to different tools and initiatives, definitions and guides, with more added every month.

About the Supply Chain Sustainability School and Modern Slavery Act education in Australia

Key partners within the School have been collaborating to hold events, raise awareness and develop a consistent source of advice as well as processes that will enable their supply chains to not only respond to the requirements of the Act but go further in terms of identifying best practice. The resources aim to help organisations understand the need for greater collaboration in order to address any instances of Modern Slavery that may exist in their extended operations and supply chains.

In addition to this, the resources include materials designed to help organisations understand the requirement of the Australian and NSW Government Acts and information that can be used by School Partners and Members alike to ensure that victims are identified and supported, and systems improved, so that risks can be eliminated from within the supply chain.

Please note the following:

The School's Modern Slavery landing page and resources:

<http://supplychainschool.org.au/resources/modern-slavery.aspx>

The School's Modern Slavery 'explainer' short video:

<http://supplychainschool.org.au/resources/online-resources/videos/46/Where-might-Modern-Slavery-be-hiding-in-YOUR-supply-chains>

The School's Modern Slavery eLearning module (accessible to all after free registration):

<http://supplychainschool.org.au/resources/e-learning-modules/64/An-introduction-to-Human-Rights-and-Modern-Slavery-/>

The School would like to work with the NSW Government, as well as with the private sector and non-governmental organisations, on:

- raising awareness of modern slavery issues across Australian and NSW supply chains, particularly within the property, construction and infrastructure sectors;
- improving engagement around the topic and showcasing commitments from organisations to tackle the issue within a specific timeframe;
- establishing pathways to continuous improvement on supply chain transparency; and
- increasing support for companies tackling modern slavery through their workforce, supply chains, processes, products and materials.

Education of the property, construction and infrastructure sectors about the issue of Modern Slavery is incredibly important and needs increased focus and resources. Further materials for NSW organisations on how to assess and address Modern Slavery in their operations and supply chains should join the hundreds of free resources on the School's website, including videos, case studies, documents to download, e-learning modules, links to different tools and initiatives, definitions and guides.

About the Supply Chain Sustainability School's collaboration with Property Council of Australia

The School has also been working closely with the Property Council of Australia, Informed365 and Edge Environment to create a platform to ask key property and construction suppliers about the actions they are taking to assess and address human rights issues and modern slavery risks across shared operations and supply chains. The information will help organisations put together an accurate picture in line with the Commonwealth Modern Slavery Act 2018. Suppliers will receive an email from Informed365 or their clients with a registration link to the assessment, which will take about 15 minutes to complete: <https://campaign.propertycouncil.com.au/supplierplatform>

An important element of the School's involvement with the Property Council Supplier Platform is the potential for continuous improvement in the ability for businesses to assess and address modern slavery risks in their operations and supply chains, so the School has been working to provide educational resources that will help those involved in the platform. You can watch two short videos that highlight this engagement at <https://youtu.be/hakRsMficN4> and https://youtu.be/TLU_1qcJP-Y.

The need for continuous improvement

It is important to note that industry engagement around modern slavery within its supply chains is not a binary issue, with organisations either being 'ignorant of' or being 'expert in' the issues concerned. Instead, NSW public and private sector organisations need to commit to a process of continuous improvement around modern slavery issues over many years, with clear actions around awareness, engagement, support, transparency and, where appropriate, certification.

As some of the largest procurement organisations in Australia, the Australian Government and NSW Government have vital roles to play in addressing the potential for modern slavery across its supply chains. The School encourages federal, state and territory, and local governments to take a leadership view in the context of transparency, due diligence and commitments around modern slavery, as well as around continuous improvement for their own procurement practices.

Increasing awareness and engagement across NSW businesses

It is important for the success of NSW businesses, particularly those reporting under the Act and supplying to organisations reporting under the Act, that enough time and resources be dedicated towards raising levels of awareness, engagement and support around the topic as early as possible. Awareness can be as simple as defining the topic, explaining its relevance, outlining what should be done differently, and directing the audience towards further resources. Engagement can include help for small, medium and large enterprises to start asking questions of their own supply chains,

and to use more standardised methods of reporting objectives and outcomes. Support can include encouragement for small, medium and large enterprises, including government agencies, to make public and transparent commitments to the examination for and elimination of modern slavery across their national and international supply chains.

Recommendations and suggestions

1. It is recommended that there is increased clarity around the actions people should take when they suspect or find Modern Slavery in their supply chains. The correct courses of action, whether gathering information, reporting the incident, obtaining legal, protection or welfare advice, escalating the report or initiating a grievance mechanism, should be made as clear as possible to those assessing and addressing modern slavery risks, and to the staff of all organisations raising awareness and making changes.
2. It is also important to put in place full and proper support for the victims of acts of modern slavery. Access to full and proper remedy for victims of modern slavery, in the context of NSW and Australian businesses and their operations and supply chains, needs careful consideration and more secure long-term funding. With this in mind, it is vital to support and promote the role of the NSW Anti-Slavery Commissioner so as to raise community awareness of modern slavery, with a clear advocacy and educative function.
3. It should be clarified in documents, guidance and case studies that the Act requires NSW government agencies to identify and report on risks of modern slavery in their supply chains, and the School encourages the NSW Government to take a leadership view in the context of transparency, due diligence and commitments around modern slavery, as well as around continuous improvement for their procurement practices.
4. The Explanatory Paper sets out that *“The provision provides the Anti-Slavery Commissioner with the flexibility to require, for example, the completion of a PDF form that contains a checklist for commercial organisations to confirm that in preparing their statements they have complied with their reporting requirements, including the mandatory reporting criteria, or technical format requirements for lodgement. Any such requirements or advice will be detailed in guidance material for businesses issued by the Commissioner.”* The School has experience with such guidance material, as detailed earlier, and would be delighted to be involved in its development and distribution.
5. Mandatory Criteria 5 sets out that reporting entities should *“describe how the organisation assesses the effectiveness of such actions”*. As the School has experience from events, workshops and training sessions that this criterion is often misunderstood, underestimated or overlooked, there should be increased communications around the assessment of effectiveness in this context.
6. The School would question why *“All corporate entities of the Commonwealth or other State and Territory governments that meet the \$50 million total turnover threshold and have employees in NSW will be exempted from the reporting requirement”*? As part of the move towards best practice, the School would encourage and support voluntary reporting from businesses falling below the \$50 million turnover threshold and who choose to comply with its requirements.
7. More work needs to be done to clarify the connection and differences between the Australian Government Modern Slavery Act 2018, the NSW Act, and their application; as the

document sets out, the NSW Government needs to work closely with the Commonwealth to resolve intersecting issues and harmonise the approaches taken in the NSW and Commonwealth Acts.

8. In line with the excellent Australian Government 'Guidance for Reporting Entities' released in late September 2019, the NSW Government needs to provide businesses with clear and practical guidance on the requirements in the Act and the regulations, with practical advice on how businesses should respond to their modern slavery risks and how they can use practical, simple and freely available resources such as the School to inform their employees, staff, networks and suppliers.
9. Whilst the documentation states that a key function of the NSW Anti-Slavery Commissioner will be to assess the effectiveness of the Act and other laws relating to modern slavery, it will be essential to clarify the ongoing consultation process to seek the feedback of stakeholders during the Act's operation – preferably with consultation every three years – so that feedback can be used to evaluate and improve the implementation and enforcement of the Act.

Conclusion and summary

It is important that businesses across NSW are active contributors to sustainable built environment projects that respect human rights and uphold environmental standards in their supply chains throughout NSW, Australia and the globe.

The School would like to continue to work with the NSW Government – indeed, with federal, state and local governments – as well as with the private sector and non-governmental organisations, on raising awareness of modern slavery issues across Australian supply chains, improving engagement around the topic, establishing pathways to continuous improvement on supply chain transparency, and increasing support for companies tackling modern slavery through their supply chains.

Please do not hesitate to contact the School by e-mail at _____ should you have any questions relating to this submission or the work of the Supply Chain Sustainability School.

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(This submission was prepared in collaboration with Robin Mellon, CEO of Better Sydney, former CEO of the Supply Chain Sustainability School, and member of the Australian Government Department of Home Affairs 'Modern Slavery Expert Advisory Committee'.)