



Australian Government



Addressing Modern Slavery in Government Supply Chains

A toolkit of resources for
Government procurement officers

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Introduction

Procurement is a significant public sector activity. The Australian Government awards on average 70,000 contracts each year with an annual total value between \$40 billion and \$70 billion. The nature and extent of government procurement means that the Government may be exposed to a range of modern slavery risks that undermine the quality and integrity of government supply chains. If not addressed, this could pose significant risks to workers and reputational risks to the Australian Government.

This procurement toolkit is aimed at procurement officers who work in any government department, agency or body. It provides a range of resources to assist procurement officers to identify, assess and manage modern slavery risks at all stages of the procurement process. The various resources included in the Toolkit are optional, practical tools for agencies to use for higher risk and/or higher value procurements. They are not mandatory.

This Toolkit has been designed to be used within the existing Commonwealth procurement framework, primarily the Commonwealth Procurement Rules. This Toolkit is not intended to replace those rules and regulations, but to provide complementary guidance at each stage of the process for considering modern slavery risks within existing policies and processes.

Procurement officers should consider the modern slavery risks relating to their procurement and determine which resource/s may apply. It is important that procurement officers are practical and proportionate in their approach to applying the resources in this Toolkit and consider the types of situations and procurements where using these resources may be appropriate. Government agencies are also encouraged to consider how each of these resources can be utilised and adapted to fit within the context of the agency's procurement activities.

It is important to remember that the Australian Government has significant leverage to drive positive change in supply chains. This action starts with procurement officers taking steps to assess modern slavery risks in the procurements they undertake.

What is modern slavery?

Modern slavery describes situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. Modern slavery can include serious forms of exploitation such as forced labour, human trafficking, slavery and slavery-like practices. These practices are serious crimes, grave abuses of human rights and have devastating impacts on survivors. Modern slavery does not include practices like substandard working conditions or underpayment of workers, although these practices are also illegal and harmful and may be present in some situations of modern slavery. For further information on workplace rights and obligations in Australia, please visit the [Australian Government Fair Work Ombudsman](#) website.

Modern slavery can occur in any industry or sector and has severe consequences for victims. Modern slavery distorts global markets, undercuts responsible business and can pose significant legal and reputational risks to entities. Like businesses, Governments have a responsibility to respect human rights in their operations and supply chains, as outlined in the United Nations Guiding Principles on Business and Human Rights. This includes taking steps to assess and address modern slavery risks in Government operations and supply chains.

Modern slavery in the supply chains of goods and services in Australia

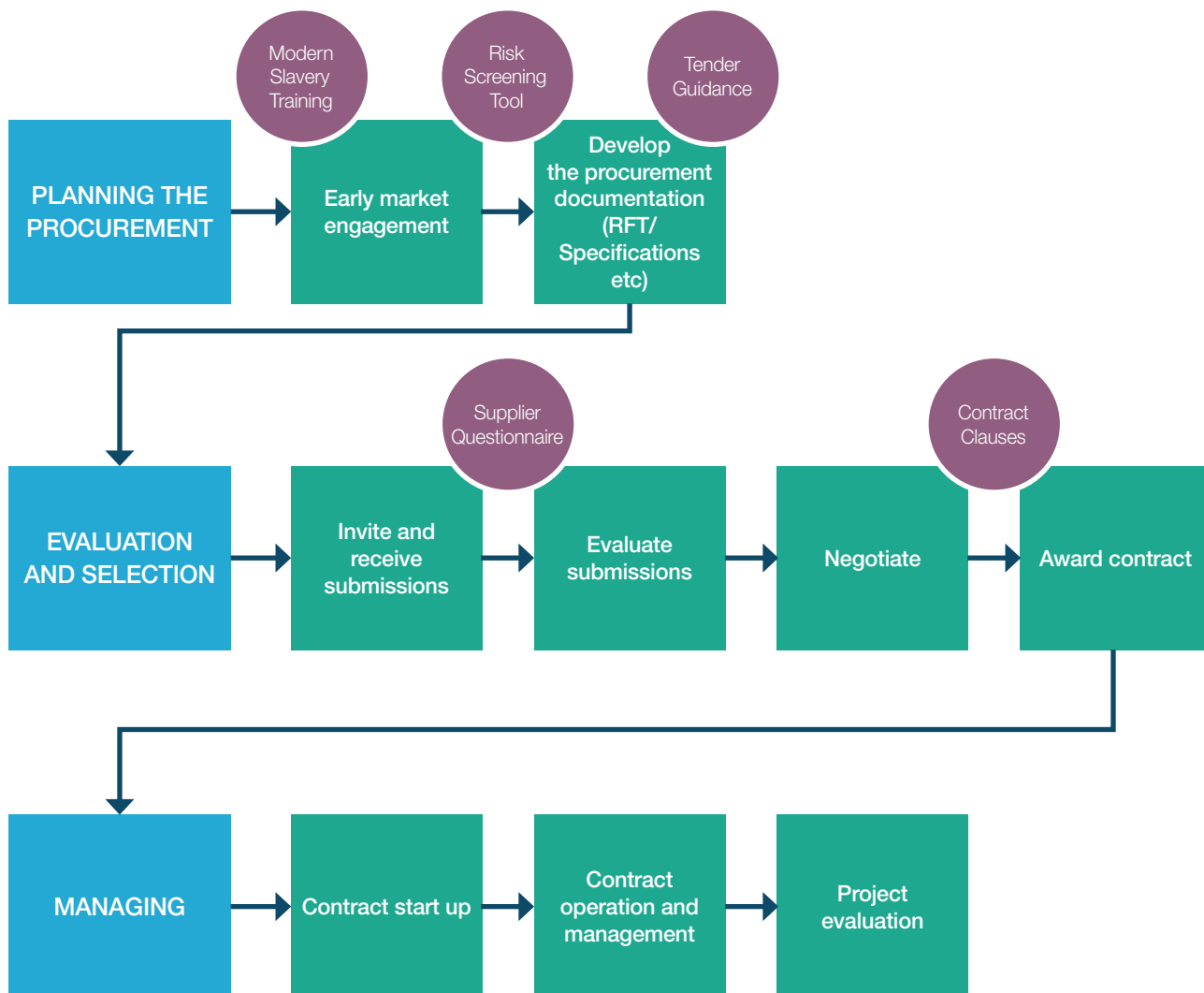
The Australian Government is taking a global leadership role in combating modern slavery through its landmark *Modern Slavery Act (Cth) 2018* (the Act). The Act entered into force on 1 January 2019 and established a national Modern Slavery Reporting Requirement (Reporting Requirement). The Reporting Requirement applies to large businesses and other entities operating in the Australian market with an annual consolidated revenue of AUD\$100 million or over. Reporting entities are required to publish annual statements outlining their actions to assess and address modern slavery risks in their global operations and supply chains.

The Act also requires the Australian Government to publish an annual Modern Slavery Statement covering Commonwealth procurement and investment activities. This initiative highlights the Government's commitment to lead by example in the fight against modern slavery and will help to mitigate modern slavery risks in public procurement and investments. The Commonwealth Modern Slavery Statement will outline the key actions that Government agencies have taken to assess and address the modern slavery risks in its operations and supply chains. To assist these efforts, the Australian Border Force has developed this procurement Toolkit to provide guidance to procurement officers to identify, assess and manage these risks.

Procurement officers have an important role to play in reducing the risk of modern slavery in the Government's operations and supply chains. Procurement officers can ensure that their agency supports and encourages positive change in the conduct of suppliers and market practices to effectively assess and address potential modern slavery risks. It is particularly important in the current environment to ensure that vulnerable workers in the Government's supply chains are not exposed to modern slavery as a result of the COVID-19 pandemic.

How to use this Toolkit

This Toolkit contains a range of resources that procurement officers can use at different stages in the procurement process, depending on the risk of the particular procurement. Although the specific procurement process differs between government agencies, the flowchart follows the key steps in a procurement process and outlines where the various resources developed as part of this Toolkit can be utilised.



Modern Slavery Training for procurement officers

Procurement officers have an important role to play in combating modern slavery in government operations and supply chains. The Government cannot identify and address modern slavery risks in its operations and supply chains unless it helps its procurement officers to understand how to identify, assess and mitigate modern slavery risks.

In collaboration with the New South Wales (NSW) Government, the Australian Government developed an online e-learning module for procurement officers on modern slavery. This module provides an introductory course designed to educate procurement officers about:

- what modern slavery is,
- what modern slavery looks like in government supply chains,
- what they can do to address modern slavery risks, and
- how to report concerns about modern slavery practices in government procurement.

The e-learning module is available online at modernslaveryregister.gov.au in the Resources section.

We encourage all government procurement team leads to support their procurement officers to undertake this e-learning module.

The Australian Government will develop further e-learning modules for government procurement officers on topics such as:

- identifying modern slavery and managing the risk, and
- how to respond to modern slavery practices in government procurement.

Risk Screening Tool

Commonwealth procurement may include goods and services from sectors considered to be a high risk of modern slavery. For example, this includes, but is not limited to, construction, textiles and cleaning services and industries. Before engaging a supplier or renewing an existing contract, procurement officers should consider the general risk profile of the procurement or the risk profile of the supplier relating to modern slavery compliance. Although modern slavery can occur in any sector or in any country, there are a number of core characteristics that increase the risks of modern slavery.

This risk screening tool is intended to be used at the beginning of a new procurement, or when assessing the risk of modern slavery in existing contracts to assess the general risk classification of the procurement. It is not intended to facilitate a detailed analysis of risk with a particular supplier, but rather to provide sufficient information to differentiate between low, medium and high-risk categories of the procurement relating to modern slavery compliance.

Applying this risk screening tool to proposed or existing procurements will help procurement officers understand the general scope of modern slavery risks that the procurement or contract (as applicable) may carry. Any procurement that is rated medium or high risk should then progress to a more detailed risk assessment. The information in this risk screening tool should be considered generalist advice only. Specialist support should be sought where the risk screening identifies the procurement as a high risk activity.

Follow the steps below to conduct this initial screening exercise.

Step 1:

Identify the broad operations and overall supply chain structure of the procurement/contract at a thematic, overarching level. To do this, you should undertake a broad mapping exercise of your procurement/contract to identify:

- the general sector and industry involved,
- the product/s and service/s required/provided,
- the geographic region where the production/labour typically occurs for the sector or industry involved, and
- the type of entity likely to be involved.

Step 2:

Use the matrix below to help identify modern slavery risks across the categories of:

- Sector and industry risks,
- Product and services risks,
- Geographic risks, and
- Entity risks.

SECTOR AND INDUSTRY RISKS

Consider whether there is a high prevalence of modern slavery in the particular industry or sector.

Certain sectors and industries may have high modern slavery risks because of their characteristics, products and processes. Typically if the sector or industry that you will be dealing with is informal and unregulated, with little visibility over lower tier suppliers, it will be considered a high risk. Further, industries or sectors that involve seasonal, low-paying, low-skilled or dangerous/hazardous work may also carry a higher risk.

For example, industries that are recognised as high-risk globally include extractives, textiles and fashion, fishing, electronics, cleaning and agriculture.

PRODUCT AND SERVICES RISKS

Consider whether there is a high prevalence of modern slavery associated with the particular good or service.

Certain products and services may have high modern slavery risks because of the way they are produced, provided or used. For example, bricks, cobalt, cotton and rubber are recognised as high risk products globally. Similarly, services such as cleaning that often involve lower wages and manual labour may have high modern slavery risks.

The [Global Slavery Index](#) provides a list of the top 15 products imported by G20 countries that have a high risk of modern slavery.

GEOGRAPHIC RISKS

Consider whether there is a high prevalence of modern slavery in the location that the production or service is sourced or produced from.

Some countries may have higher risks of modern slavery due to poor governance, weak rule of law, conflict, corruption, displacement, state failure to protect human rights, migration flows and socio-economic factors like poverty or widespread discrimination.

The [Global Slavery Index](#) and the [Freedom House List](#) provide information on higher-risk countries.

SUPPLY CHAIN MODEL RISKS

Consider whether the nature of the supply chain model likely to be involved carries a greater risk of modern slavery.

Generally, the larger and more complex the supply chain is, the harder it can be for a supplier to identify and monitor modern slavery practices.

Sub-contracting and the use of labour recruiters in the supply chain will also increase the risks of modern slavery, especially where recruitment fees are charged.

Step 3:

After you have mapped the likely modern slavery risks across the four categories in Step 2, consider the overall risk of the procurement/contract. You will need to balance the risks assessed against each category above. You can use the table below as a general guide, but you should use your own judgement to assess the overall risk level of the procurement.

	Sector and industry risks	Product and services risks	Geographic risks	Supply chain model risks	Total
Risk level: <ul style="list-style-type: none"> • Low = 1 • Medium = 2 • High = 3 					

Below is a general guideline of the score thresholds:

- Overall score 1-3: Low risk procurement
- Overall score 4-8: Medium risk procurement
- Overall score 9-12: High risk procurement

This table should be used a guide and you should use your own judgement to assess the overall risk profile. Generally, where a procurement has a high risk rating for two or more categories, it should be considered high-risk.

If a procurement is considered high risk, you should factor this into the procurement documentation to try and address these risks in the early stages of the procurement. You should work in partnership with suppliers to monitor compliance and provide support where needed. This two-way, collaborative partnership will contribute to both the supplier and the procurement team building knowledge of government supply chain risks and how to best manage them. The Modern Slavery Tender Guidance provides some advice about how to manage modern slavery risks through all stages of the procurement. You should also require suppliers to complete the Supplier Questionnaire during the tender stage, to assist in determining what risk mitigation strategies are already in place and what risks you will need to manage throughout the contract.

You can use the key resources listed below to support your responses to modern slavery:

- Government [Guidance](#) for entities required to report under the *Modern Slavery Act (Cth) 2018*, including key modern slavery indicators
- Government [estimate](#) of modern slavery in Australia
- The [Fair Work Ombudsman](#) website
- The [Business and Human Rights Resource Centre](#)

Tender Guidance

This Tender Guidance (the Guidance) was prepared by the Australian Border Force in consultation with members of the Commonwealth Modern Slavery Statement Interdepartmental Committee.

The Guidance is a tool for procurement officers to apply to all Commonwealth procurements subject to the Commonwealth Procurement Rules. However, this Guidance can also be used for other procurements, which are determined to have a high modern slavery risk. It guides procurement officers on the safeguards that should be integrated into tender processes and documentation to help the Australian Government and its suppliers identify, assess and address any modern slavery risks in Commonwealth procurements.

Procurement officers play a vital role in ensuring suppliers have been screened appropriately for modern slavery risks. This Guidance can be used to improve modern slavery risk mitigation in existing procurements, and can also be applied to tender processes and documentation for future procurements.

Key Considerations for Procurement Officers

- 1. Planning stage:** Identify whether the goods and services to be procured carry significant modern slavery risks and whether these can be mitigated through the procurement process.
- 2. Evaluating submissions:** Consider the supplier's proposed approach to addressing modern slavery risks when evaluating and assessing their tender submission, including their responses to the Supplier Questionnaire.
- 3. Contract negotiation:** Consider including specific clauses that guard against modern slavery risks in contracts with suppliers (see the Modern Slavery Contract Clauses in available in the Resources section at modernslaveryregister.gov.au).
- 4. Contract management:** Continually work in collaboration with suppliers to incorporate measures safeguarding against potential modern slavery risks and monitor progress. Put action plans in place to mitigate the risks identified.

Planning the procurement

Assessing the risk of modern slavery in the procurement

It is important to factor in how and where modern slavery risks may be present in government procurements to ensure that these are considered in the tender documentation and evaluation criteria for a new procurement. The Risk Screening Tool in this procurement toolkit can assist procurement officers to assign a modern slavery risk classification to the procurement being undertaken. Procurement officers should assess the level of modern slavery risk as far down the supply chain as possible, and at the very least, should determine the level of risk in Tier One suppliers.

Procurement officers should also engage with the market on identified modern slavery risks early in the procurement planning stage to inform the preparation of tender documentation. Effective early-market engagement will help procurement officers to ascertain how mature the market is in dealing with modern slavery risks, and what types of measures and actions suppliers have already put in place. Suppliers in some sectors may have comparatively more advanced modern slavery responses than other sectors. Procurement officers should also review Modern Slavery Statements published by suppliers in the sector to help identify baseline actions and risk mitigation measures across that sector. All Modern Slavery Statements lodged under the Act can be accessed at: modernslaveryregister.gov.au.

Preparing the approach to market

Procurement officers should factor in the information gathered, including through early market engagement (if applicable), in the preparation of procurement documentation. This includes taking into consideration the modern slavery risk classification of the proposed procurement when developing the specifications or Statement of Requirement (SoR) and evaluation criteria, and determining the appropriate clauses to be included in the draft contract. Procurement officers should be proportionate in their actions based on the modern slavery risk level identified.

1. Conditions of participation

Procurement officers could consider including conditions related to modern slavery mitigation, remediation and due diligence in their conditions for participation (COP) (refer to the *Commonwealth Modern Slavery Act Guidance for Reporting Entities* for definitions of these terms). COP must be limited to those that will ensure that a potential supplier has the legal, commercial, technical and financial abilities to fulfil the requirements of the procurement. For example, it could be a COP that the supplier meets all labour laws and standards in the jurisdiction in which they operate.

These conditions may also be reflected in the conditions of the contract as a condition precedent. Procurement officers should be pragmatic and proportionate at this stage of the procurement process and consider whether the approach can be met by suppliers of all sizes and types. For example, a smaller supplier may not have the same capacity to respond to modern slavery risks as a large business. If the sector is less equipped at dealing with modern slavery risks or there is a wide range of practices associated with modern slavery, it may be appropriate to begin with some basic conditions at this stage.

2. Statement of Requirements

Managing modern slavery risks can also be included in the specifications or SoRs where the risks are relevant to the subject matter of the contract. You can describe specifications in terms of performance and functional requirements, as well specifying compliance with particular technical, labour or employment standards (for example the International Labour Organisation's Labour Standards). However, these specifications must be relevant to the requirement and proportionate to the risk profile of the procurement.

For example, for a textile production procurement, which involves a reliance on subcontracted workers located offshore, you may conclude that modern slavery risks are relevant to the contract as it falls within some of the characteristics known to signal risks of modern slavery. Therefore, you may want to identify any industry-specific labour or employment standards that are applicable to the contract in the specification and consider including compliance with these as a condition of contract.

You should also consider what information you will require a supplier to provide to demonstrate that they have addressed and comply with any specification requirements in relation to the procurement. Any evidence required must be proportionate to the risk classification of the procurement. For example, the supplier may be required to provide evidence of certification of compliance with relevant labour standards.

For procurements that rate higher than 9 in the Risk Screening, procurement officers should consider requiring suppliers to complete the Modern Slavery Supplier Questionnaire as part of the application process. Procurement officers should make it clear that a supplier's answers to the Supplier Questionnaire will not exclude them from participating in the tender process or be used against them in the evaluation stage. Their answers to the Supplier Questionnaire are aimed to assist government agencies to identify and assess specific modern slavery risks and facilitate two-way engagement with the supplier to address those risks.

Evaluate the submissions

Procurement officers should develop and incorporate appropriate evaluation methodologies within the evaluation process to ensure that modern slavery issues contribute in a meaningful way to the evaluation process.

When evaluating submissions, procurement officers should consider the potential suppliers' compliance with:

- any modern slavery COP (this should be at the front, as any non-compliance with a COP would render the supplier as non-compliant and excluded from the tender process);
- evaluation of compliance with the draft conditions of contract and any specifications (as applicable) relating to modern slavery compliance, having regard to the evaluation criteria.

Procurement officers should also ask suppliers to explain any costs that appear to be abnormally low. If the supplier's answers are not satisfactory or give rise to modern slavery concerns, procurement officers should discuss this further with the supplier and consider this when evaluating the submissions.

Contract negotiation

Procurement officers should consider whether any specific terms and conditions should be included in the contract to manage risk of modern slavery associated with the contract. Existing Government standard contract terms may assist in managing any modern slavery risks where the risk classification is low. However, where the risk classification of a procurement is medium-high, or where the risk classification of a procurement is low but there are no existing Government standard contract terms which may assist in managing any modern slavery risks, procurement officers should consider including a selection of relevant Modern Slavery Contract Clauses in the Resources section at modernslaveryregister.gov.au. These clauses are designed with graduating obligations so that the contract clauses you include are proportionate to the risk classification of the procurement.

At contract renewal and review stages, procurement officers are encouraged to consider how to foster continuous improvement in supplier's responses to modern slavery. For example, where a supplier has met a set of basic requirements in relation to modern slavery compliance (such as having commercial staff trained on modern slavery risks), procurement officers could consider including further requirements in the contract renewal stage to encourage continuous strengthening of the supplier's response. This could involve requiring all new commercial and recruitment staff to undertake modern slavery within six months of joining the supplier.

Contract management

Fostering a positive and collaborative relationship with the supplier is key to managing the ongoing risks of modern slavery in the procurement. Procurement officers should work in partnership with suppliers to monitor compliance and provide support where needed. This two-way, collaborative partnership will contribute to both the supplier and the procurement team building knowledge of government supply chain risks and how to best manage them.

Some monitoring processes may already be required by the contract, including certain information requirements, however, procurement officers should consider regular contract management meetings, audits and the use of key performance indicators as a way of managing the risks of modern slavery throughout the life of the contract. Any measures must be proportionate and relevant to the risk classification of the procurement.

Supplier Questionnaire – Identifying modern slavery risks

Explanatory Note for Australian Government Departments

The Supplier Questionnaire (the Questionnaire) is a tool to assist Australian Government agencies to assess their suppliers' policies and practices to identify, assess and mitigate modern slavery risks in their supply chains and operations.

Governments are in a unique position to use their substantial leverage over the conduct of suppliers and market practices to drive positive change to address potential modern slavery and human trafficking risks in their supply chains.

Under *Australia's Modern Slavery Act (Cth) 2018*, the Australian Government is required to report annually on modern slavery risks across whole-of-government procurement and investments. The Australian Government is responding by taking proactive measures to work closely with suppliers to identify modern slavery risks and to better target and prioritise its actions in responding to these risks. We are committed to ensuring the Australian Government's supply chains are not linked to modern slavery and to addressing and mitigating risks that are identified.

Frequently Asked Questions

What is modern slavery?

Australia's *Modern Slavery Act (Cth) 2018* defines modern slavery as including eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour services; and the worst forms of child labour.

Why has this questionnaire been developed?

This Questionnaire has been developed to help Government agencies to assess suppliers' policies and practices on modern slavery. This information should assist Government agencies to work with suppliers to identify and assess possible modern slavery risks in Government procurement.

How should this questionnaire be used?

This Questionnaire should be used as a tool to facilitate collaborative two-way engagement between government agencies and suppliers. Through effective use, the Questionnaire can assist agencies in learning more about their suppliers operations and their strengths and weaknesses when it comes to addressing modern slavery risks. The Questionnaire can be integrated into the tender process itself as a criteria during the contract application process.

Who should use the questionnaire?

The enclosed Questionnaire is designed to be used by procurement officers both when undertaking future procurements and when assessing modern slavery risks in existing contracts. Any Australian Government official undertaking a procurement can use the Questionnaire. Procurement officers are encouraged to ask suppliers to complete the Questionnaire when the procurement is screened as having a modern slavery risk level of 9 or more when using the Risk Screening Tool.

What if a supplier's answers to the questionnaire are unsatisfactory?

If a supplier's answers to specific questions do not seem satisfactory, this does not necessarily mean they should not be considered for the contract. Rather, agencies are encouraged to work with that supplier throughout the duration of the contract to support their modern slavery risk management approach and provide guidance where necessary.

What should agencies do if a case of modern slavery is uncovered?

If a case of modern slavery is uncovered at any time during the procurement process, agencies are encouraged to refer to the Modern Slavery Response Protocol which steps out how to appropriately respond to and report suspected cases.

Who will the answers of the questionnaire be made available to?

The results of this Questionnaire are confidential and will not be shared beyond Government.

Supplier Questionnaire – Identifying modern slavery risks

This is a confidential Questionnaire for suppliers of goods and services to Australian Government agencies. It is a tool to assist Australian Government agencies and their suppliers to:

- identify and assess possible modern slavery risks in Australian Government procurements,
- identify mitigation efforts to combat the risk of modern slavery in Australian Government procurements, and
- foster collaboration between Australian Government agencies and their suppliers to address these risks.

Suppliers are asked to complete the Questionnaire honestly and with as much detail as possible. Completed Questionnaires will be confidential and will not be shared beyond the Australian Government.

A glossary of key terms is at Appendix A to assist suppliers to complete the Questionnaire.

Further information on identifying and assessing modern slavery risks in supply chains and operations can be found in the Australian Government's [Commonwealth Modern Slavery Act 2018 – Guidance for Reporting Entities](#).

Background:

Modern slavery refers to a range of serious forms of exploitation, including forced labour, debt bondage, human trafficking, and slavery. These practices are serious crimes, grave abuses of human rights and have devastating impacts on survivors.

The Australian Government's landmark *Modern Slavery Act (Cth) 2018* (the Act) aims to change the way entities do business to reduce the risk that the goods and services we use every day are the product of modern slavery.

The Act requires the Australian Government to prepare an annual modern slavery statement explaining how the Australian Government is assessing and addressing modern slavery risks in its operations and supply chains. This Questionnaire will assist the Australian Government with this endeavour and forms an important part of the Australian Government's efforts to combat modern slavery risks.

Modern Slavery and Trafficking Supplier Questionnaire

Contact details – Australian Government department or agency	
Organisation name	
Contact person	
Contact email	
Contact phone	

Please complete the below questions in as much detail as possible. Please return the completed Questionnaire to the nominated Australian Government contact (see above).

Contact details - Supplier	
Organisation name	
Organisation address	
Australian Business Number	
Parent company	
Contact person	
Contact email	
Contact phone	
Date of Questionnaire completion	

Additional documentation	
Is your organisation required to report under the <i>Modern Slavery Act (Cth) 2018</i> ? If so, please attach a copy of your modern slavery statement(s).	
Is there any other additional documentation you have attached to this questionnaire? If so, please list them here.	

Organisation structure

- 1 How much visibility does your organisation have over your supply chain? Please select one of the below and explain why you selected this option:
- High:** You have mapped the full supply chain for key products and services used by your organisation and have identified key suppliers at all levels of your supply chain.
 - Moderate:** You have identified major Tier One suppliers and have partially or fully mapped the supply chains for key products and services of your supply chain.
 - Developing:** You have identified major Tier One suppliers. You have very limited or no visibility of your supply chains below the Tier One level

- 2 Does your organisation have a policy or policies in place to deal with modern slavery?

- Yes
- No

If the answer is yes, please provide details of, or a copy of, the policy or policies, including information on whether your organisation has a system to monitor compliance with these policies. If the answer is no, please provide information on what your organisation is doing, or plans to do, to manage modern slavery risks.

- 3 Does your organisation have a person or team responsible for overseeing modern slavery risks (including record keeping regarding contractors and subcontractors) that arise in relation to the goods or services that you deliver?

- Yes
- No

If yes, please describe the role and responsibility of that person/team below.

Training

4 Are staff in your organisation trained on how to identify, assess and respond to modern slavery risks?

Yes

No

If yes, please describe the nature of the training available and the positions or roles of staff that receive training. Please also specify whether training is also available to other organisations or staff in your supply chain. If no, does your organisation plan to introduce modern slavery risk training for staff?

Supplier engagement

5 Does your organisation perform screening of all prospective suppliers to assess the risks of modern slavery or other human rights harms that may occur in its operations and supply chains?

Yes

No

If yes, please describe how your organisation performs this screening. If no, does your organisation plan to introduce measures to screen prospective suppliers for modern slavery risks in future?

6 Are you aware of low-skilled migrant workers working in your organisation's supply chains?

Yes

No

If yes, please provide information about where in your organisation's supply chain low-skilled migrant workers are employed.

Response processes

7 How would your organisation respond to any allegation of modern slavery or substandard working conditions in its operations or supply chains?

8 Does your organisation engage in any other due diligence activities to identify, prevent and mitigate risks specific to modern slavery in its operations and supply chains? If so, please describe these activities.

Yes

No

If yes, please describe these activities below.

Appendix A – Glossary

Term	Explanation
Child labour	<p>Child labour, in accordance with the definition used by the International Labour Organisation, is work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that:</p> <ul style="list-style-type: none"> • is mentally, physically, socially or morally dangerous and harmful to children; and/or • interferes with their schooling by: <ul style="list-style-type: none"> – depriving them of the opportunity to attend school; – obliging them to leave school prematurely; or – requiring them to attempt to combine school attendance with excessively long and heavy work. <p>A child is defined as a person below the age of 18.</p> <p>Child labour has three categories:</p> <ol style="list-style-type: none"> 1. The unconditional worst forms of child labour, which are internationally defined as slavery, trafficking, debt bondage and other forms of forced labour, forced recruitment of children for use in armed conflict, prostitution or pornography, and illicit activities. 2. Labour performed by a child who is under the minimum age specified for that kind of work (as defined by national legislation, in accordance with accepted international standards), and that is this likely to impede the child’s education and full development. 3. Labour that jeopardises the physical, mental or moral well-being of a child, either because of its nature or because of its nature or because of the conditions in which it is carried out, known as “hazardous work”.
Commercial sex act	Commercial sex act is defined as any sex act on account of which anything of value is given to or received by any person.
Debt bondage	Debt bondage describes situations where the victim’s services are pledged as security for a debt and the debt is manifestly excessive or the victim’s services are not applied to liquidate the debt, or the length and nature of the services are not limited and defined.
Deceptive recruiting for labour services	Deceptive recruiting for labour services describes the situations where the victim is deceived about whether they will be exploited through a type of modern slavery.
Due diligence	Due diligence describes the process organisations take to identify, prevent, mitigate and account for how they address their impacts on slavery and human trafficking.
Forced labour	Forced labour describes situations where the victim is either not free to stop working or not free to leave their place of work.
Forced marriage	Forced marriage describes situations where coercion, threats or deception are used to make a victim marry or where the victim does not understand or is incapable of understanding the nature and effect of the marriage ceremony.
Modern slavery	The <i>Modern Slavery Act (Cth) 2018</i> (the Act) defines modern slavery a term 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. The Act defines modern slavery as including eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour services; and the worst forms of child labour.

Term	Explanation
Migrant worker	Migrant workers are people who leave home to find work outside of their hometown or home country. Migrant workers include both foreign and domestic (internal) migrant workers.
Organisation	Organisation is a person or group that has its own functions with responsibilities, authorities and relationships to achieve its objectives. The concept of organisation includes, but is not limited to, sole-trader, company, corporation, firm, enterprise, authority, partnership, association, charity or institution, or part or combination thereof, whether incorporated or not, public or private.
Policy	A policy refers to documented guidelines or rules of conduct within an organisation. Human rights-related policies generally fall into two categories: stand-alone statements and policies that are integrated within an organisation's wider standards literature (eg. Worker codes of conduct and ethical sourcing standards).
Recruiter	A recruiter refers to both private and public entities that offer labour recruitment services. Recruiters – variously referred to as labour intermediaries, middlemen, labour brokers, and recruitment agents, among other terms – recruit, hire and/or manage workers.
Servitude	Describes situations where the victim's personal freedom is significantly restricted and they are not free to stop working or leave their place of work.
Slavery	Describes situations where the offender exercises powers of ownership over the victim, including the power to make a person an object of purchase and use their labour in an unrestricted way.
Supplier	A supplier is defined as an organisation or person that provides a product or service used in your supply chain. The supplier can have a direct or indirect relationship with your organisation. Examples of suppliers are: brokers, consultants, contractors, distributors, franchisees or licensees, home workers, independent contractors, manufacturers, primary producers, sub-contractors, and wholesalers.
Supply chain	A supply chains is defined as a sequence of activities or parties that provides products or services to the organisation.
Tier One supplier	A manufacturer who provides products directly to a company without dealing with a middleman or other manufacturers.
Trafficking in persons	Trafficking in persons describes the recruitment, harbouring and movement of a person for exploitation through modern slavery.
Training	Training can be focused on helping agents better understand organisation policies, how to effectively implement them and ways to avoid modern slavery risks associated with inaction.
Worker	A person who performs work, including seasonal, contract and other temporary labour. Both employees and independent contractors are considered workers.

Modern Slavery Contract Clauses

Overview of the clauses

The Australian Government has developed a suite of model modern slavery contract clauses for inclusion in government procurement contracts to ensure Suppliers respond to modern slavery risks and support the Government's efforts to address modern slavery in its own supply chains. The clauses were drafted for use with the Commonwealth Contracting Suite (CCS) templates when applicable and are included in the Department of Finance's Commonwealth ClauseBank, a 'bank' of pre-drafted contract terms and conditions that Commonwealth agencies may use in procurements greater than \$200,000. The model contract clauses can be found in the Resources Section at modernslaveryregister.gov.au.

Building modern slavery risk considerations into standard contract terms provides an opportunity for agencies to monitor supplier actions systemically as part of established contract management processes, and to use the potential material breach of contract to initiate dialogue and engagement with the supplier.

The contract clauses have graduating obligations that agencies can select from depending on the modern slavery risk profile of the particular procurement. You can assess the risk profile using the Risk Screening Tool in the Toolkit. For higher risk contracts, the relevant contract clauses require suppliers and the relevant Government entity to take additional steps to ensure that any modern slavery risks are identified and adequately addressed. For example, the clauses can be used to require suppliers to develop modern slavery risk plans and provide training on modern slavery for key staff.

Entities are encouraged to consider using the strongest modern slavery clauses in all procurements in order to drive increased awareness and accountability for modern slavery risks by all suppliers.

Guidance on using the model clauses

While inclusion of Modern Slavery model clauses is optional, it is recommended that you include some form of the model clauses to support your entity to manage both modern slavery risks and facilitate the Government's reporting requirements under the Act. The clauses should be used for high value and/or high modern slavery risk procurements over \$200,000.

Choice of which modern slavery model clause/s will depend on the nature of the contract, including supply chain characteristics, value and risk profile. Entities are able to modify or adapt the model clauses to ensure consistency with their procurement documentation.

Where an entity develops its own modern slavery clauses, the entity must ensure that any such clauses fully comply with the Commonwealth Procurement Rules and provides the appropriate information necessary to ensure compliance by the entity.

Users should consider the interaction of this clause with any provisions dealing with subcontractors. In particular, in the context of procurements that involve supply chains that involve entities other than the Supplier, it would likely be relevant to ensure that the Supplier imposes similar obligations on its subcontractors, including raw material suppliers.

Users should also consider any interaction of this clause with other contract provisions dealing with performance management, reporting and termination. Before considering invoking any such rights, Government entities are encouraged to work with suppliers to develop better practices to address modern slavery. The right of termination should only be exercised in relation to material breach of a modern slavery contract clause where the supplier has repeatedly and deliberately disregarded the terms of the clause/s, and demonstrates no intention of engaging with the Government entity to remedy the breach.

Standardisation of contractual text results in efficiencies for both Parties to a contract. Before deciding which particular clause is appropriate, procurement officials should carefully consider the context of their procurement.

The Modern Slavery model clauses use terminology consistent with the CCS with capitalised terms (unless otherwise defined) based on the definitions in the CCS Glossary. The terminology is also consistent with definitions and concepts in the Act or relevant international policy materials. Capitalised terms may need to be changed to align with other Contract terminology.

Note:

A short clause to address a low risk of modern slavery has been included in the CCS contract terms. This will generally be sufficient for procurements up to \$200,000 and also those procurements with a higher value but low risk. For higher risk/higher value procurements the CCS online form will guide procurement officers to the modern slavery risk screening tool included in the procurement toolkit to assess and mitigate modern slavery risk within their procurement using the model modern slavery contract clauses.

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