

TOURISM AUSTRALIA MODERN SLAVERY STATEMENT

Reporting Period: 1 July 2022-30 June 23



THIS STATEMENT HAS BEEN ENDORSED BY THE BOARD OF TOURISM AUSTRALIA.

Tourism Australia is committed to ensuring our work promotes supply chains that are free from exploitation and sends a clear message that modern slavery is not acceptable. We will build on our response each year.

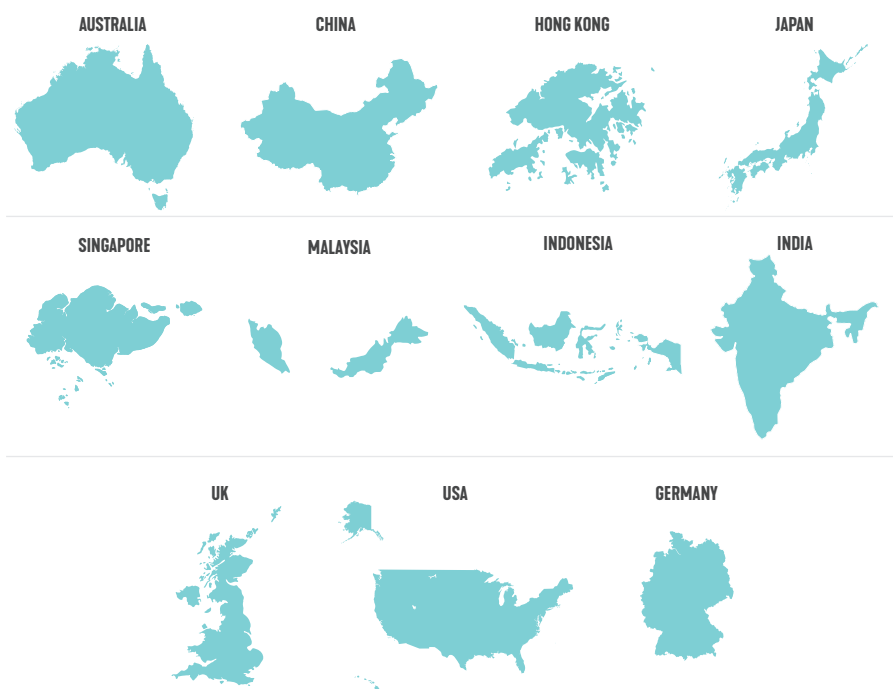
This statement sets out actions we have taken to address modern slavery risks.

Phillipa Harrison
Managing Director

OUR OPERATIONS

Tourism Australia aims to grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets. Marketing is the core operational activity of Tourism Australia.

OUR OPERATIONAL REACH IS EXPANSIVE, TARGETING 15 KEY MARKETS AND WITH OFFICES IN THE FOLLOWING 11 COUNTRIES:



ABOUT US

Tourism Australia (ABN 99 657 548 712), is a corporate Commonwealth entity formed under the Tourism Australia Act 2004 (Cth) and governed by a Board of Directors appointed by the Commonwealth Minister responsible for Tourism. This statement sets out the Tourism Australia actions to understand all potential modern slavery risks related to its business activities and to put into place steps that are aimed at ensuring there is no slavery, forced and bonded labour or human trafficking in our supply chains.

Tourism Australia (ABN 99 657 548 712) has made this statement according to sections 14 and 16 of the Modern Slavery Act 2018 (Cth). The statement applies to Tourism Services and Business Operations LLP with a registered office of 97, 3 North Avenue, Maker Maxity, BKC Road, Mumbai, Mumbai Suburban, Maharashtra, 400051. Tourism Australia Services and Business Operations LLP is a newly created entity so consultation requirements were limited. A reference to **Tourism Australia** or **we** or **us** or **our** is a reference to the above reporting entities collectively or individually as the context requires.

OUR WORKFORCE

Tourism Australia has a workforce comprised of:

118.3 full time equivalent (FTE) employees in our Australian office in Sydney.

65.4 FTE in international teams operating in the Americas, Continental Europe, and Asia as of the end of 30 June 2023

As at end of 30 June 2023, the following description provides a breakdown of the locations of our staff:

| COUNTRY | TOURISM AUSTRALIA | AUSSIE SPECIALIST PROGRAM | ONE VOICE* | TOTAL |
|--------------|-------------------|---------------------------|------------|--------------|
| Australia | 121.3 | 1.6 | | 122.9 |
| New Zealand | 1.4 | 0.6 | | 2 |
| Japan | 7 | 1 | 1 | 9 |
| China | 16 | 6 | | 22 |
| Hong Kong | 1 | 1 | | 2 |
| Singapore | 8 | 2 | | 10 |
| Malaysia | 1 | 1 | | 2 |
| India | 4 | 2 | | 6 |
| Indonesia | 2 | 1 | | 3 |
| America | 9.5 | 2.5 | 0.5 | 12 |
| UK | 10 | 1.8 | | 11.8 |
| Germany | 7 | 1 | | 8 |
| Total | 188.2 | 21.5 | 1.5 | 211.2 |

*initiative between Tourism Australia and State Tourism Organisations (STOs)

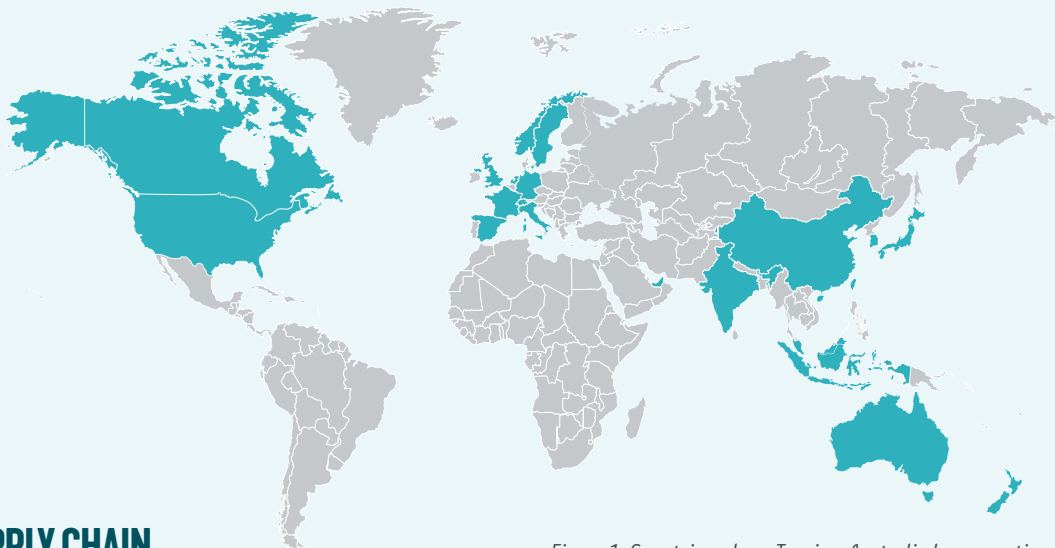


Figure 1: Countries where Tourism Australia has an active supply chain

OUR SUPPLY CHAIN

Tourism Australia understands that there is a range of human rights violations that constitute modern slavery risk and acknowledges that our operations and supply chain could be directly or indirectly linked to modern slavery practices. These modern slavery practices include eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour.

Our supply chain involves a range of operators and suppliers based around the world, from creative, digital and media agencies and production crews to hospitality, hotels, restaurants, venues and other tourism-linked businesses and activities.

In terms of the number of suppliers, our largest supply chains start with suppliers from Australia (1,124 suppliers), with much lower numbers in other markets (687 for China, Germany, the United Kingdom and Japan in aggregate).

Tourism Australia spent \$69.2 million on suppliers in Australia and \$82.4 million elsewhere across its international network in 2022–23. Expenditure tends to be highly concentrated with a relatively small number of major suppliers. For example, 47% of the total expenditure was with the top 10 suppliers.

REPORTING YEAR 4: 1 JULY 2022 – 30 JUNE 2023

ACTION 1 Assessing Modern Slavery risks involved in the office move including the fitout of office premises

Office fitout

When planning for the engagement of a construction company for the fitout of its office premises at 180 George Street, Sydney, TA identified that the associated modern slavery risks were higher than with its more typical engagements.

The property and construction sector faces an elevated risk within its operations and supply chains as a result of intersecting structural and contextual risk factors. In particular, KPMG and the Australian Human Rights Commission¹ have noted:

- » a growth in demand for construction, in spite of the COVID-19 pandemic, fuelled an increase demand for a base-skilled workforce vulnerable to exploitative practices and raw materials often sourced from high-risk geographies;
- » business models tend to be heavily based on outsourcing, which increases the complexity of operations and supply chains and decreases the visibility of labour risks and impacts; and
- » a heavy reliance on contract terms predicated on low margins and significant pressure on delivery times.

As a result of the increased risks identified, TA:

- » had the construction company, Renascent Australia, complete an assessment of the risks associated with its operations and supply chain;
- » used an industry-standard agreement to engage Renascent Australia, establishing unambiguous obligations in relation to modern slavery as well as work health and safety and industrial relations in particular; and
- » engaged an independent project manager to monitor service delivery and contractual compliance.

There were no notifiable incidents in relation to Renascent Australia or any of its related entities, or any entities in the operational and supply chain.

Commercial office building selection

In selecting the new office premises at 180 George Street, Tourism Australia chose a commercial office building developed and constructed by Lendlease. Tourism Australia's decision to proceed with this building as the new location for its Sydney headquarters was based on a range of criteria, including Lendlease's wellness and sustainability commitments (6 Star Green Star and 5.5 Star NABERS Energy ratings). As Lendlease is a project-based business, its modern slavery risks centre around labour, through:

- » direct contracted labour across its operations, including casual, self-employed, directly employed, or contracted through first tier contractors, sub-contractors; and
- » indirect labour in its supply chains used in the production of materials and products or contracted for its projects.

In order to track and mitigate supply chain risks, Lendlease uses heat maps and the process is informed by desktop research and risk analysis from third-party sources including, government data, industry and NGO research insights, supplier engagement, annual supply chain audit program insights and engagement with expert industry stakeholders.

The Lendlease Supplier Code of Conduct was used in the project management of 180 George Street which sets out an expectation that third-party suppliers, consultants and contractors conduct business with integrity and in a fair, equitable and professional way. The Supplier Code addresses matters relating to health and safety, sustainability and the environment, labour practices, and modern slavery with regard to Australian Modern Slavery laws, the UN Declaration on Human Rights and the UN Global Compact.

¹ KPMG and the Australian Human Rights Commission, 'Property, construction and modern slavery: Practical responses for managing risk to people', 2020.

ACTION 2 Updated Partnership Guidelines

Tourism Australia welcomes opportunities to partner with organisations and promote Australia as the most desirable and memorable destination on earth. Tourism Australia's Partnership Guidelines document sets out key considerations when working with commercial partners (eg airlines, key distribution partners and affinity (non-travel) partners). Partnership Guidelines were established to make sure that Tourism Australia has an unbiased selection process to provide consistency across markets and an efficient framework for how we work with partners.

In FY23, the Partnership Guidelines were updated to align with Tourism Australia's broader strategic priorities which are as follows.



The sixth strategic priority extends to modern slavery considerations. This priority led to a decision to highlight modern slavery risks in the FY24 partnership guidelines and consider these risks as part of assessing a possible partner.

ACTION 3 Ongoing training

Our quarterly legal training sessions, run by the Legal & Governance team, include an animated modern slavery video, and discussion on what modern slavery means and how Tourism Australia combats the risk of unethical practices, related to modern slavery, in its supply chain. The video is customised for the purposes of training Tourism Australia staff.

In FY23, our fourth year of assessing modern slavery risks as an entity, we worked with key business units across Tourism Australia to uplift awareness and education amongst all government staff about modern slavery risks that may exist with contractors, vendors, and partners engaged by Tourism Australia. Key staff in relevant business units—particularly Commercial & Business Events and Consumer Marketing—completed all three modules of the training from the Attorney-General's Department.

The first module helps government agencies understand what modern slavery is, and what each agency can do to ensure ethical procurement practices and rid slavery from global operations and supply chains.

By the end of the second module, staff are able to:

- » identify indicators of modern slavery in supply chains, including government supply chains;
- » understand how to map supply chains to undertake a preliminary modern slavery risk screening process;
- » know when and how to engage with suppliers in high-risk procurements to 'dig a little deeper' into the identified risks; and
- » assess these identified risks in line with the United Nations Guiding Principles on Business and Human Rights.

The third and final module trained staff on the modern slavery toolkit, including a risk screening tool to be used at the beginning of a new procurement or when assessing the risk of modern slavery in existing contracts.

ACTION 4 Ongoing monitoring

Building on its work in previous years, Tourism Australia approached its key suppliers (those with new contracts valued at approximately AUD \$100,000 or more) across all markets as part of the onboarding process. The intent was to:

- » identify and assess modern slavery risks;
- » identify efforts already in place to combat those risks; and
- » foster further collaboration between Tourism Australia and its vendors and partners.

The questionnaire was developed in line with best-practice guidance from the Department of Home Affairs.

Responses were received from 20 suppliers, which account for contracts with an aggregate value of approximately \$26.3 million.

Key findings include the following:

- » The large majority of suppliers (85%) are not subject to modern slavery reporting obligations—either as companies with an annual turnover below the reporting threshold (in Australia or elsewhere) and/or because they operate from jurisdictions where there are no obligations, which generally correlates with a lower level of visibility of supply chains.
- » Notwithstanding this, many suppliers (50%) do have modern slavery policies in place. In some instances, they have been incorporated into broader supplier codes of conduct or equivalent.
- » Suppliers were asked to self-assess visibility of their supply chains, which saw mixed results—35% characterised their visibility as 'High', 40% as 'Moderate' and 25% as 'Developing'. This appears to be highly dependent on the nature of the services.
- » However, there appears to be a general lack of understanding of what constitutes 'a supply chain'. In some instances, there is a sole focus on employment conditions of employees rather than the broader supply chain for enabling services, which may represent higher risks.
- » Only one supplier identified low-skilled migrant workers in their supply chains, which can also represent higher risks.

Overall, Tourism Australia considers that the survey results provide further useful insights into modern slavery risks in its supply chain. These results will continue to inform Tourism Australia's work in 2023–24 and beyond, in further reducing the risks of modern slavery in its supply chain.

The responses from companies operating primarily in Australia were generally positive and comprehensive. There were relative weaknesses (and potentially higher risks) from suppliers in other markets.

NEXT STEPS FOR FY24

- » Identifying and addressing risks of modern slavery as part of global pitch for creative and digital services, which will form the basis for a number of key contracts established with Tourism Australia between 2024–25 and 2028–29.
- » Continue surveying new suppliers as part of onboarding process.