

2023

# Modern Slavery Statement





Artwork from Luke Duffy

## Acknowledgement of Country

In making this statement, Airservices Australia acknowledges Aboriginal and Torres Strait Islander people as the first peoples of Australia and Traditional Custodians of this land and its waters.

We pay our respects to Elders, knowledge holders and leaders both past, present, and emerging. We acknowledge and embrace a culture that celebrates diversity, inclusion and equity for all.

## Statement from reporting entity

This statement was prepared by Airservices Australia (ABN 59 698 720) to meet the mandatory reporting criteria set out in the Australian *Modern Slavery Act 2018* (the Act).

The statement sets out actions taken by Airservices during the 12 months ending 30 June 2022 ('FY23') to identify, assess and address modern slavery in our operations and supply chain. Airservices has no owned or controlled entities. Consultation for the statement occurred within the organisation through key stakeholders related to the modern slavery and labour rights program, including human resources and procurement.

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# A letter from our CEO

On behalf of the Board of Airservices Australia (Airservices), I am proud to submit our Modern Slavery Statement for financial year 2022-23, which has been prepared in accordance with the requirements of the *Modern Slavery Act 2018 (Cth)*.

This is Airservices' fourth Modern Slavery Statement and during 2022-23 we made progress on our continued commitment to play an active role in combatting modern slavery in our operations and supply chains. Since releasing our inaugural Statement in 2020, we have pursued year-on-year improvements in our approach to identify and respond to modern slavery risks.

This year we focused on "Increased Oversight of our Supply Chain" with specific focus on actions designed to strengthen and deepen our understanding of our supply chain risk profile and establishing a robust governance regime and developing a robust approach to evaluate the effectiveness of our program for the future.

We now have a strong basis for our FY2024 focus, to "Strive towards Impact", and aim to progress and enhance our procurement practices in parallel with implementing our effectiveness framework, to measure and improve the impact of our program to mitigate the risk of modern slavery.

Airservices Australia is committed to operating responsibly to protect the rights of our employees, contractors, supply chain workers, customers, and the communities in which we operate. This aligns to our values of ensuring safe and inclusive working environments, trusting, respectful and collaborative relationships and ensuring our people are valued and empowered.

Modern slavery is a complex issue and will not be solved through short term actions. We recognise that our modern slavery program is in its developing stages, and we remain committed to improving our capabilities and practices. Our statement provides an overview of our ongoing efforts and actions.

This statement was approved by Airservices Australia's Board on 6th September 2023.

Signed,

**Jason Harfield**

Chief Executive Officer  
Airservices Australia

25 November 2023

# Introduction

This statement was prepared by Airservices to meet the mandatory reporting criteria set out under Australia's *Modern Slavery Act 2018 (Cth)* (the 'Act'). Airservices has no owned or controlled entities. Consultation for the statement occurred within the organisation through key stakeholders related to the modern slavery and labour rights program.

This is our fourth modern slavery statement which outlines actions taken to address the modern slavery risks in our operations and supply chain over the financial year ending 30 June 2023 (FY23).

Modern slavery is a global issue that impacts every industry in every location, including those in our operations and supply chain. In addition to legislation, stakeholder expectations and scrutiny of businesses on human rights issues are increasing, from employees, civil society organisations, customers, and providers of capital. These regulatory obligations and stakeholder expectations underpin the imperative for companies to understand and act on modern slavery risk in their operations and supply chains.

To manage risks of modern slavery, Airservices acts responsibly and ethically within all aspects of our operations, supply chains and other associated activities.

Our statement details our actions over FY23 to help deepen our understanding of any current or potential risks. Our focus on developing a more robust understanding of our modern slavery risks in FY23 has laid the foundation from which to implement our future action plans to mitigate these risks going forward, and progress forward as an advocate for action on modern slavery, ultimately supporting the eradication of modern slavery in our supply chain and operations.

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## Our commitment

We recognise human rights, in its simplest form, is about treating people with dignity and respect, including employees, contractors, and supply chain workers.

Service first, which incorporates serving our people and customers, is one of Airservices' core values. We are committed to building a culture that values safety, diversity, and inclusion, and where everyone is treated fairly and with respect.

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# Progress against our FY23 goals

This table outlines Airservices' progress against its FY23 goals identified in last year's Modern Slavery Statement.

**Table 1: Our progress against FY23 commitments made in Airservices' FY22 Modern Slavery Statement**

Objectives	Roadmap actions	Goals for FY23	Status	FY23 progress
<b>Increase accountability over Airservices' modern slavery program</b>	Establish Modern Slavery Working Group	Establish the Modern Slavery Working Group along with the Terms of Reference document. Conduct workshops and training sessions to officiate the group with the support of a third-party organisation.	Complete, training commenced	<p>We established a Modern Slavery Group of Senior Leaders and commenced meetings. See page 12 for more information.</p> <p>The working group will undergo modern slavery training using Airservices' training module in FY24, as well as additional topic-specific training as identified by the group.</p>
	<b>Refine our policies and reporting for communicating our expectations</b>	Benchmarking assessment and alignment to leading practice	Assess the recommendations made in the benchmarking report and implement those most relevant and achievable within the next reporting year, including incorporating medium to long-term actions in our next roadmap.	To be reviewed in FY24
<b>Build awareness and capability of our people</b>	Draft and publish the Human Rights Policy. Integrate and embed into the existing policy suite.	Consult on and publish our Human Rights Policy and communicate to internal and external stakeholders.	Commenced	In FY23, Airservices continued to work with its external advisor on how broader human rights principles can best be advanced in the context of our work with regard to addressing modern slavery risk. We will assess and finalise our approach with FY24.
	Draft and publish the Supplier Code of Conduct. Integrate and embed into the existing policy suite.	Finalise the Supplier Code of Conduct and implement active provisions in our tender processes, procurement documentation and supplier onboarding. We will aim to have 100 percent supplier acknowledgement of the Supplier Code of Conduct in FY23.	Commenced	<p>Airservices continued to develop and draft the Supplier Code of Conduct with the support of a third-party advisor in FY23. The draft is under final review with various business units in FY23, and we plan to finalise and distribute the Supplier Code of Conduct in FY24.</p> <p>Reference to the Supplier Code of Conduct is included in draft tender, procurement and supplier onboarding documentation. Our aim is to release these documents with the Supplier Code of Conduct in FY24.</p>
	Define executive accountability	Continue internal reporting and accountability to our Executive Leadership Team.	Complete	We continued to report updates on our modern slavery program to our Executive Leadership Team biannually through the Modern Slavery Working Group.
<b>Build awareness and capability of our people</b>	Build a communications campaign and ongoing modern slavery training	Draft additional specialised training modules focused on modern slavery and refine these further with the aid of an external advisor before delivery.	Complete, ongoing rollout in FY24	We developed and commenced rollout of a specialised modern slavery training module with Anti-slavery Australia to governance and enablement team members in FY23. Training will be rolled out to procurement and enterprise team members from July 2023. See page 12 for more information.

Objectives	Roadmap actions	Goals for FY23	Status	FY23 progress
<b>Integrate due diligence into business activities and processes</b>	Conduct supplier risk assessments on the top 20 percent of suppliers (by spend)	Undertake a full risk assessment of our entire tier 1 supplier base to further understand modern slavery risks based on sourcing country of origin and category.	Complete	Airservices conducted an inherent risk assessment over all Tier 1 suppliers. See page 15 for more information.
	Engage with higher-risk suppliers on gaps in modern slavery response	Distribute and evaluate Self-Assessment Questionnaires to our highest risk suppliers as determined through the FY23 risk assessment. Questionnaires will focus on building an understanding of the risks and controls frameworks implemented by our suppliers to support an accurate evaluation of actual modern slavery risk.	Complete	Airservices distributed a modern slavery questionnaire to 58 suppliers prioritised from the inherent risk assessment and conducted a residual risk assessment of the 25 suppliers who completed the questionnaire. See page 18 for more information.
	Develop a supplier engagement strategy that commensurate to their risk level	Engage a third-party organisation to assist in delivering additional supplier deep dive reports identified as higher risk based on the results of the FY22 risk assessment.	Complete	Airservices engaged a third-party organisation to complete an initial deep dive pilot over three suppliers in early FY23. During the second half of FY23, we then selected further suppliers for deep dive following the residual risk assessment with the support of the third-party advisor. As at the end of FY23, eight of these additional deep dives have been completed, with the remaining two completed in July 2023. See page 18 for more information.
	Update contractual provisions to include modern slavery and human rights risks. Streamline procurement and tender process across the organisation to ensure consistent incorporation of modern slavery and human rights risks.	Update 90 percent of our active contracts to include modern slavery in this financial year and to engage an external advisor if necessary to further improve on clauses.	Complete	All contracts and purchase orders placed in FY23 included a clause on modern slavery.  Airservices engaged an external advisor to draft a proposed clause to further enhance the existing clause for supplier contracts and is under internal review.
	Review internal grievance mechanisms	Finalise appropriate grievance mechanism approach, draft the associated policy, and include the relevant details in our tender documentation which is made available to all our suppliers.	Commenced	We commenced a review of an appropriate grievance mechanism related to modern slavery concerns and continue to work through this process and issues with our external advisor.

In FY21, Airservices established a three-year roadmap to deliver its vision and plan to proactively manage modern slavery risk. The roadmap enabled us to advance our modern slavery program through developing policies and frameworks. In FY24 Airservices will review the roadmap and refresh objectives to focus on practical implementation.

# About Airservices Australia

## Our organisational structure and what we do

Airservices was established 1995 under the *Air Services Act 1995*, which split the Civil Aviation Authority into two separate government bodies: Airservices Australia and the Civil Aviation Safety Authority (CASA).

Airservices is a designated corporate Commonwealth entity owned wholly by the Australian Government under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and has no owned entities. We are accountable to the Minister for Infrastructure, Transport and Regional Development and Local Government.

As our highest governing body, the Airservices Board is responsible for deciding our objectives, strategies and policies, and ensuring that we perform our functions in a proper, efficient and effective manner.

Airservices Australia is responsible for Australia's airspace management and operations, managing 11 percent of the world's airspace. Our primary role is to:

- Provide facilities and services for air navigation safety, regularity, and efficiency within Australian-administered airspace. This includes providing air traffic services, handling aeronautical information, aviation rescue firefighting services, aviation communications, navigation aids and technology, flight path changes; and
- Promote and foster civil aviation in Australia and overseas.

## Our operations

Airservices has operations across metropolitan and regional Australia, engaging 3,400 staff to deliver aerospace and aviation rescue firefighting services. Airservices staff occupy a range of roles from corporate services to trade services to support business execution.

Table 2: Our business units

Business line	What we do
<b>Aerospace Services</b>	Monitor and coordinate traditional airspace users, uncrewed aircraft, stratospheric operations, and space launch and recovery from 29 air traffic control towers and four air traffic service centres across Australia.
<b>Aviation Rescue Fire Fighting Services (ARFFS)</b>	Operate firefighting units at 27 Australian airports. Our aviation rescue fire fighters (ARFFS) are on standby to rescue people and property from aircraft fires or crashes, and other airport fires and emergencies.
<b>Enabling Services</b>	Provide a wide range of support services to deliver on our Aerospace and ARFF services.



Figure 1: Our operational footprint



**Legend**

- Air traffic towers 29 locations
- ▲ Aviation rescue fire fighting stations 27 locations
- Air traffic service centres 4 locations



## Workers are engaged directly by Airservices, through sub-contracting arrangements or through labour hire agencies.

Workers are engaged on a mix of full-time, part-time or casual contracts. All workers are covered by Airservices policies when working on site, regardless of whether Airservices is engaging the worker through an intermediary.

**Table 3: Worker roles**

Job role classifications	% Workforce	Relevant roles include	Worker description
<b>Corporate services</b>	20%	Human resources employees; procurement employees; legal and governance employees	Workers are typically highly skilled with tertiary education.
<b>Specialised services</b>	37%	Air traffic controllers; aviation rescue fire fighters; engineers	Workers have specialised training and certification. Some employees in specialised services undertake shift work.
<b>Support services</b>	3%	Administrative employees; IT employees; cleaning; security	Workers have a range of levels of education and specialisation. Some employees in support services undertake shift work.
<b>Trade services</b>	13%	Plumbers; electricians; maintenance and repairs	Workers are engaged to fulfil sporadic business needs. Workers typically have specialised training and certification.
<b>Labour hire and sub-contracting*</b>	27%	Cleaning; administrative or professional labour hire; security	Workers are engaged to supplement the existing workforce across each job role classification. Workers respond to short-term fluctuations in business needs.

\*Third-party labour hire and sub-contracting is captured in our supply chain data as Tier 1 service providers.

## Our supply chain

Airservices has a centre-led procurement team that support the organisation to source goods and services. The procurement team portfolios encompass Corporate Services, Infrastructure and Technology. Procurement team members are responsible for engaging and maintaining relationships for suppliers associated with their portfolio.

In FY23, Airservices procured a wide range of goods and services from across multiple countries, with a total spend of \$532.8 million<sup>1</sup> (exclusive of GST). Our most significant spend (~32 percent) was related to the aerospace industry, and includes aviation-related goods and services such as air traffic control and space systems, technologies and infrastructure. Many of our suppliers, particularly our suppliers of services, are located in Australia.

**Table 4: Supplier spend breakdown (by procurement category)**

Procurement category	% of total spend	Associated procurement sub-categories
<b>Aerospace</b>	32.12%	Airways systems; Airways technology services
<b>Network and Telecommunications</b>	12.55%	Networks and telecommunications
<b>Enabling Technology Platforms</b>	11.19%	Enterprise applications; ICT infrastructure; Desktop delivery
<b>Professional Services</b>	7.18%	Organisational advisory; Program management; Aviation advisory; Safety services; Compliance; Recruitment; Safety equipment
<b>Human Resources</b>	6.38%	Recruitment; Training and development; Contract staffing; Medical
<b>Technology Support</b>	5.61%	Project support; Information security; Support services; Enterprise architecture; CTEO
<b>Facilities Management</b>	4.14%	Cleaning and waste; Security; Safety equipment; Safety services; Uncategorised
<b>Construction</b>	4.08%	Construction services; Facility construction; Facility improvement; Facility repairs
<b>Finance and Legal</b>	3.29%	Insurance services; Legal services; Finance services
<b>Equipment Repairs and Leasing</b>	3.09%	Equipment maintenance; Plant and equipment leasing
<b>Head Office</b>	2.74%	Compliance; Corporate consumables; Educational materials; Enterprise applications; Community engagement
<b>Environment</b>	2.47%	PFAS; Cleaning and waste; Training and development
<b>Travel</b>	2.46%	Domestic travel
<b>Fleet</b>	1.45%	Purchases; Running costs; Equipment maintenance
<b>Utilities</b>	0.64%	Utilities
<b>Logistics</b>	0.33%	Transport; Relocation costs
<b>Marketing</b>	0.28%	Advertising; Printing

<sup>1</sup> Excludes unclassified spend

# Implementing modern slavery considerations into organisational structure, policies and procedures

## Assigning responsibilities within the organisation

Airservices has established a governance framework to oversee and execute the labour rights and modern slavery program as part of our approach to assessing and addressing risks of modern slavery. Oversight roles sit with senior management, while execution is with operational and procurement teams as set out below.

Figure 3: Modern slavery governance

<b>Oversight teams</b>	<b>Executive Leadership Team and Board of Directors</b> Oversee and review the management, administration and governance of Airservices. Updates on the modern slavery program are communicated to relevant members via the modern slavery working group.	
	<b>Modern Slavery Working Group</b> Oversees modern slavery and labour rights matters within Airservices operations and supply chain.	
<b>Management and execution teams</b>	<b>Procurement team</b> Responsible for supplier screening and engagement. Procurement teams are supported by dedicated operational staff to integrate modern slavery considerations into the procurement process.	<b>Operational team</b> Operational teams including human resources, legal and audit and compliance are responsible for integrating relevant elements of modern slavery management, largely dictated by the enterprise agreements of employees.

### Modern Slavery Working Group

In FY22 we established the Modern Slavery Working Group to ensure adequate governance and accountability for the modern slavery program, with its first meeting occurring in FY23. The working group aims to bring cross functional knowledge and oversight of the modern slavery program of work.



**FY24 Focus:** Continue to embed the Modern Slavery Working Group into Airservices' governance systems.

### Building capacity through training

Airservices engaged Anti-slavery Australia to develop a specialised modern slavery training module to increase awareness of modern slavery risks and to build capabilities within Airservices, contributing to Airservices' internal capabilities to assess and address risks of modern slavery. The module was finalised within the reporting period after being reviewed by an external advisor and tailored to Airservices' business.

Modern slavery training roll out has commenced across our commercial teams with the aim to achieve 100 percent within FY24 period. In FY24, the modern slavery training will be rolled out in a phased approach to additional Airservices teams to increase the awareness of modern slavery within our operations.

In addition to modern slavery training, Airservices provides comprehensive organisational training to ensure employees and contractors are aware of their obligations in relation to Airservices' Code of Conduct as well as ethics, fraud and risk management. In FY23, 88 percent of Airservices personnel received at least one organisational training module.

## Implementing our commitment

Our commitment to addressing modern slavery risk in our operations and supply chain is realised through a variety of policies and procedures which are endorsed by our Board. Our practices reinforce Airservices' expectation that our employees and contractors will act in alignment with our Code of Conduct and applicable legal obligations. Our policies are provided to employees and contractors during onboarding and made available through our intranet portal.

Table 5: Our policies

Policy	Purpose	Status
<b>Code of Conduct<sup>2</sup></b>	Sets the expectation that our employees, Board members, contractors, and consultants do not tolerate inappropriate workplace behaviour including bullying, harassment (including sexual harassment), discrimination, fraud, corruption, violence, and other misconduct.	Updated in FY23
<b>Employee Grievance Board (EGB)</b>	An avenue of independent dispute resolution where an employee has a grievance, and the relevant enterprise agreement sets out an EGB process.	No change in FY23
<b>People Policy<sup>3</sup></b>	Outlines our focus to deliver safe, valued, efficient and innovative services that promote and foster aviation.	Updated in FY23
<b>Bullying, Harassment and Discrimination Policy<sup>4</sup></b>	Documents our commitment to providing a workplace that is psychologically safe, respectful and free from unacceptable behaviour. Airservices does not tolerate any form of bullying, sexual harassment, harassment or discrimination.	Updated in FY23

### Developing our approach to modern slavery-related grievances and concerns

There are various pathways within Airservices for concerns to be raised in relation to unacceptable conduct, including an independent [Ethics Hotline](#) which is available online 24/7 to report alleged misconduct. During 2023, we have been working with our external advisor to understand how specific modern slavery related concerns and grievances might be best reported to ensure appropriate protections, escalation and resolution. We will continue this work in 2024.



**FY24 Focus:** Continue to work through our process and approach to manage and develop an appropriate mechanism for modern slavery related grievance.

### Developing a Supplier Code of Conduct

In addition to updating the policies set out in the table above Airservices continued work on developing a Supplier Code of Conduct ('SCOC') in FY23. Once published the SCOC will help Airservices communicate minimum expectations to suppliers, including the prevention of modern slavery. Airservices has drafted its SCOC in consultation with an external advisor and is engaging with stakeholders to finalise and implement the Code of Conduct in FY24.



**FY24 Focus:** Finalise and publish the Airservices Supplier Code of Conduct on the Airservices webpage. Communicate expectations set out in the Supplier Code of Conduct to key suppliers.

### Integrating modern slavery into our procurement documentation and processes

Airservices is looking to incorporate risk consideration and terms into our procurement practices, leveraging content developed in FY23 with the support of an external advisor. This content is currently under review by internal stakeholders.

# Strengthening our understanding of risks

During the year we reviewed our operational risks and updated our supply chain risk assessment. Through this process we refined our understanding of our areas of highest risk and conducted further investigations to set the foundation for an effective risk-based due diligence program. See *Addressing areas of highest risk*, page 19, for detailed on planned due diligence activities.

## Risks in our operations

Airservices conducted a modern slavery risk assessment of its operations in FY20. The risk assessment considered working conditions, organisational policies and procedures and organisational awareness. An overview of the assessment considerations is outlined below.

**Table 6: Operational risk assessment considerations**

Consideration	Description	Type of review
<b>Working conditions</b>	Airservices considered the different types of workers it employs and their associated working conditions. This included looking at policies and procedures established to protect workers from modern slavery risks.	Risks
<b>Organisational policies and procedures</b>	Airservices reviewed policies, procedures and standards which address human rights to ensure modern slavery considerations are included.	Controls
<b>Organisational awareness</b>	Airservices reviewed the level of awareness of modern slavery risks within procurement and leadership teams. Senior leadership communication and modern slavery training was delivered to stakeholders.	Controls

Airservices considers the risk and likelihood of modern slavery within its operations to be low. This is based on the country of operation, Australia, as well as workforce composition and controls. The table below sets out each employee type within our operations, and a description of the risk rating. The characteristics of Airservices' operations have not significantly changed since FY20 and we have not updated the operational risk assessment in FY23. As the risks within our operations are considered low, our modern slavery program and FY23 activities are primarily focused on our supply chain.

**Table 7: Operational risks**

Risk level	Worker	Description
<b>Very low</b>	Airservices direct workforce	All direct employees are under Enterprise Agreements or management contracts. A significant part of the workforce is represented by unions, providing a further reduction of risk of slavery occurring in our operations.
<b>Low</b>	Third party labour hire	While labour hire is considered inherently higher risk, we engage external assurance over our labour hire providers to understand how they address risks and similarly to Airservices, their personnel are employed under national contracts that meet national employment standards.
<b>Medium</b>	Non-FTE contractors	Risks for this category of employment are considered a supply chain risk as it is a purchased service. High risk non-FTE contractors include security services who are captured under the supplier risk assessment.

## Deepening our understanding of supply chain risk

In FY23, Airservices undertook a comprehensive risk assessment process to identify the modern slavery risks in our Tier 1 supply chain and engaged with high-risk suppliers to begin to understand our extended supply chain. Our approach to understanding supply chain risk took place in four parts:



### Inherent risk assessment

During the year we updated our approach to assessing our supply chain's inherent risk of modern slavery by extending our assessment to all Tier 1 suppliers. The risk assessment is a point-in-time assessment conducted in mid-FY23 using all FY22 supplier spend data available in Airservices' procurement system. Based on industry, controversy and geographic risk factors, suppliers were assessed to be in one of five risk categories, from low to high, for human trafficking, forced labour and child labour. When determining suppliers' overall inherent risk of modern slavery, Airservices considers the maximum risk rating across all three forms of modern slavery.

**Table 8: Inherent risk assessment considerations**

Industry risk	Controversy assessment	Geographic risk
Assessed against several factors, including labour intensity, skill level, the presence of migrant or sub-contracted workers, and the presence of opaque intermediaries.	Performed by undertaking a media and literature review for the past 10 years. The scale and impact of the identified controversy, or the number of instances, is used to determine a controversy risk score.	Assessed using databases, indexes, and reports from internationally recognised bodies, including, the International Labour Organization, United Nations Development Program, and the World Bank.

### Inherent risk assessment results

The majority (71 percent) of our supply chain is considered low-medium risk, with the remaining 29 percent of suppliers rated either medium or medium-high. The medium and medium-high ratings are driven by product sectors that are inherently higher risk or services with high levels of sub-contracting or dangerous working conditions.

We are linked to modern slavery risks through our purchasing relationships of goods and off-site service providers, but do not believe we are causing or directly contributing to the risk of these workers. We do have a causal relationship with workers engaged on-site at Airservices and thus our risk for these suppliers is elevated.

**Table 9: Summary of Tier 1 supply chain inherent risk results**

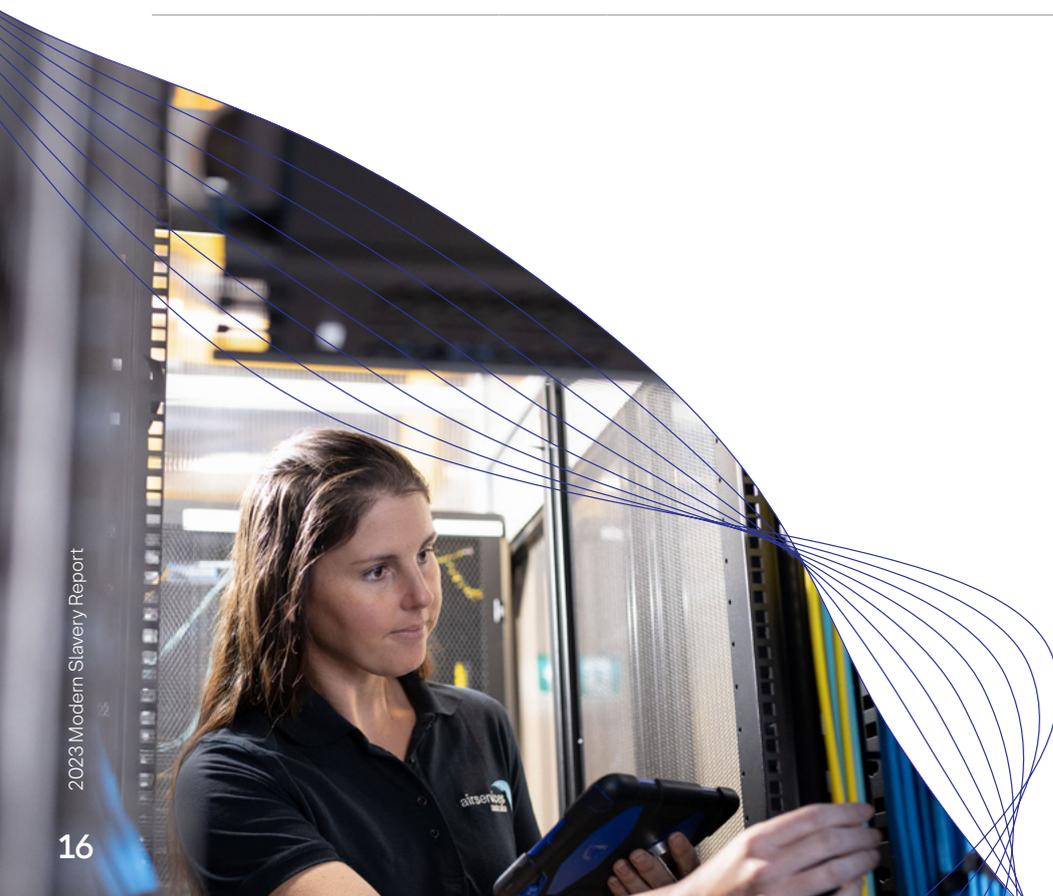
Inherent risk	% of suppliers	% of spend	Highest spend sub-industries
High	0%	0%	N/A
Medium-high	17%	3%	Diversified Support Services; Electronic Equipment & Instruments; Electronic Components; Forest Products; Health Care Supplies
Medium	30%	26%	Construction & Engineering; IT Consulting & Other Services; Human Resources & Employment Services; Airport Services; Electrical Components & Equipment
Low-medium	53%	71%	Aerospace & Defence; Research & Consulting; Environmental & Facilities Management; Integrated Telecommunications Services
Low	0%	0%	N/A

The risk assessment identified five sub-industries with an inherent medium-high risk of modern slavery, which are described below. While these categories below relate to our Tier 1 supply chain, high risk activities occur in our indirect supply chain (Tier 2 and beyond) that we may be linked to through our purchasing relationships.

**Table 10: Identified sub-industries with a medium-high inherent risk of modern slavery**

**Medium-high risk sub-industries**

Sub-industry	Supplier (#)	Spend (\$)	Risks associated with procurement
<b>Diversified Support Services</b>	14.3%	1.7%	Diversified Support Services includes a variety of labour-intensive and lower-skilled services such as cleaning, removalists, maintenance work and catering. These industries have a high concentration of low-skilled migrant workers, often in labour intensive roles. Competition in the industry is driven by the cost of labour putting downward pressure on wages and increasing the number of complex and informal sub-contracting and labour hire arrangements. Reported instances of underpayment, withholding of wages and excessive working hours are common, particularly within the Australian context.
<b>Electronic Equipment &amp; Instruments</b>	0.9%	1.4%	Forced labour is systemic in the production and provision of electronic equipment. Structural challenges in the industry are driven by the use of temporary, part-time and sub-contracted labour, often engaged through third-party labour agents. The use of migrant workers is significant, with recruitment fees leading to debt bondage common place. Workers typically operate in a manufacturing setting which is linked to excessive working hours and substandard worker accommodations.
<b>Electronic Components</b>	0.9%	<0.1%	Similarly to electronic equipment, forced labour is a key risk in electronic component production in global supply chains. This risk is driven by the presence of temporary and sub-contracted labour in manufacturing environments, including migrant workers who may be more vulnerable to exploitation or exposed to substandard worker accommodations. These workers may be engaged through labour agents, with risks of debt bondage where there are opaque payment practices and recruitment fees.
<b>Health Care Supplies</b>	0.3%	<0.1%	The health care supplies industry is documented to be at risk for forced labour and human trafficking in manufacturing operations due to the concentration of low-skilled sub-contracted and migrant workers who are often engaged through labour agents (for example, latex glove manufacturing). There is risk that workers may be subjected to debt bondage through recruitment fees, underpayment, excessive overtime and sub-standard worker accommodations.
<b>Forest Products</b>	0.1%	<0.1%	Forest products include timber and other wood-related products. Forestry involves low-skilled and labour-intensive activities which elevates risks related to working conditions and hours. Seasonal work in the industry elevates the likelihood of operators using labour agents to engage temporary and migrant workers, who may be more vulnerable to deceptive recruitment practices or sub-standard worker accommodations. The isolated or remote locations of some forestry operations can also increase these risks. While these risks in Australia are generally low, offshore risks are considerable. Due to challenges associated with supply chain traceability of forest products, the inherent risk is considered elevated.

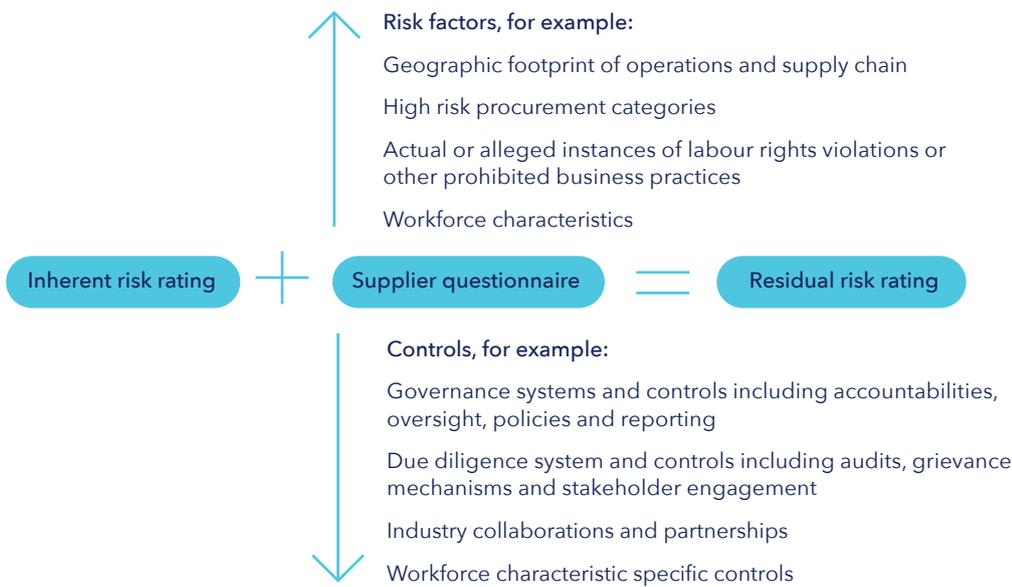


### Supplier questionnaire and residual risk assessment

Airservices prioritised suppliers for a residual risk questionnaire based on a combination of their inherent risk level, criticality to Airservices' business and the normalised value of spend. Criticality and spend were considered in the prioritisation process to determine the business' reliance on and leverage over suppliers. A total of 58 suppliers from 18 sub-industries were selected for the residual risk questionnaire (13 medium-high inherent risk; 31 medium inherent risk; and 14 medium-low inherent risk).

Disclosed workforce and supply chain risk characteristics could increase suppliers' inherent risk score, and due diligence and governance controls related to suppliers' operations, supply chain and workforce risk factors could decrease their score.

Figure 4: Selection of controls and risk factors considered in the residual risk questionnaire



### Residual risk assessment results

25 suppliers completed and submitted the questionnaire, which were then assessed for their residual risk of modern slavery. All suppliers reported at least some level of controls to manage modern slavery risk; however, reported controls varied in maturity. We acknowledge that there are limitations to surveys as suppliers may overstate the maturity of their modern slavery controls, or omit information about higher risk worker demographics, operational and supplier locations, or past labour rights violations. An overlay of professional judgement and desktop research was considered when assigning residual risk scores.

Figure 5: Residual risk questionnaire and assessment insights

**Highest spend suppliers** typically had lower residual risk ratings when compared to lower spend suppliers. High spend suppliers are typically large businesses with more mature governance and due diligence systems.

**All suppliers had controls in place**, however their levels of maturity ranged from basic to advanced. The most advanced control types included due diligence system and associated controls, followed by governance systems.

**The controls considered to have the lowest maturity** for all suppliers were workforce characteristic controls, targeted at specific workforce risks and presence in industry collaborations or partnerships.

While **no suppliers had a low inherent risk of modern slavery**, **five suppliers reduced their residual risk rating to low** due to advanced governance and due diligence controls over their operations and supply chains.

**Aerospace & Defence, Airport Services and Telecommunications suppliers** were considered mature when compared to the other supplier categories. Supplier controls included human rights-related policies that are integrated into business strategy, executives assigned modern slavery responsibilities and supplier auditing.

**Diversified Support Services** maintained the position as the highest risk procurement category, as workforce characteristics were considered high. Of the eight diversified support services suppliers, seven reduced their residual risk rating to medium from medium-high. Only one supplier maintained a medium-high risk rating.

## Engaging with higher risk suppliers

Ten suppliers were selected for deep dives, with interviews occurring throughout the year.

**Table 11:** Suppliers selected for supplier deep dive assessments

Sub-industry	Service description	Number of suppliers	Country of origin for goods and services
Diversified Support Services	Cleaning and waste management, Security services, Commercial removalists, Demolition and asbestos removal, Facilities maintenance, Electrical contractors	7	Australia
Apparel, Accessories & Luxury Goods	Textiles clothing and footwear	1	Australia
IT Consulting & Other Services	IT managed services and hardware provision	2	Australia, Philippines, India
Airport Services	Air traffic management	1	Australia
Human Resources & Employment Services	Human resources and employment services	1	Australia, Hong Kong, Singapore, Pakistan, Philippines
Electronic Equipment & Instruments	Electronic equipment and instruments	1	Australia, US, Japan, Germany, Spain, Finland, China, Malaysia.

The deep dive considered the suppliers inherent and residual risk profile, in addition to supplementary information provided through supplier interviews. The final stage of the deep dives were due diligence and risk mitigation plans tailored to the suppliers' unique risks and corresponding controls.

**Table 12:** Supplier deep dive approach

1. Supplier risk assessment	2. Supplier interviews	3. Due diligence & risk mitigation plan
Perform an inherent risk assessment for selected suppliers ('deep dive suppliers')	Conduct supplier interviews to gain further insights on risk and control profile.	Develop recommendations for Airservices and selected suppliers corresponding to risk profile and controls.
Perform a desktop assessment through an internet scan to understand suppliers' risks and controls or residual risk questionnaire.		

Airservices typically engages with suppliers on their management of modern slavery on an ad hoc basis throughout the contract term, where a supplier is deemed higher risk. The deep dives provided an opportunity to formalise this engagement through a series of questions related to modern slavery and labour rights management, tailored to each supplier. This direct engagement elevated modern slavery as a topic with our suppliers, resulting in increasing Airservices' knowledge and awareness of suppliers' unique risk profiles, and increased buy-in from suppliers to progress modern slavery agendas within their own organisations.

## Case study: Suppliers developing a modern slavery policy

One of the suppliers selected for deep dive was a small business in the Diversified Support Services category providing demolition services.

This supplier had identified a need to respond to increasing interest in modern slavery and broader labour rights attention from customers so had begun to develop a modern slavery policy. Through engagement with Airservices via the residual risk survey and the subsequent supplier deep dive, the business communicated an increased knowledge and awareness of controls and standards related to modern slavery and labour rights. As a result of the supplier interview, in addition to market pressures, the supplier finalised its own modern slavery policy setting out minimum standards for employment in their business covering the following topics:

- Conditions of employment including the prohibition of modern slavery in line with the *Australian Modern Slavery Act (Cth) 2018*
- Harassment, abuse and discrimination
- Wages, benefits, working hours and leave
- Regular employment and freedom of association
- Migrant workers including prevention of recruitment fees and identification document withholding
- Workplace conditions

### Due diligence and risk mitigation plans

Based on the supplier risk assessment and deep dive assessments, a set of recommendations to improve modern slavery management were made with reference to the *ISO 20400 Sustainable Procurement Framework*, the *United Nations Guiding Principles and Business and Human Rights* and the *OECD Due Diligence Guidance for Responsible Business Conduct*. Action plans include recommendations for both Airservices and the supplier to execute. Set out below are the high-level themes of recommendations, tailored to a supplier's context. Airservices will work with suppliers in FY24 to identify priority recommendations to action.

Figure 6: Thematic recommendations for due diligence and risk mitigation plans

<b>Commit to modern slavery management</b>	<b>Identify modern slavery risks</b> in the organisation and broader value chain	<b>Assign accountability</b> to key personnel to monitoring modern slavery in the organisation	<b>Upskill</b> workers to support the identification and management of modern slavery risks
<b>Establish ongoing management</b> of modern slavery risks appropriate to the organisation	<b>Monitor management program</b> through tracking key indicators	<b>Report</b> modern slavery management activities	<b>Strengthen grievance mechanisms and remediation approach</b>



**FY24 Focus:** Work with the selected suppliers to implement prioritised actions from the supplier deep dives. This includes building key themes identified during deep dives into broader procurement processes.

# Evaluating the effectiveness of our actions

In FY22 and FY23 Airservices committed to developing a comprehensive set of metrics and KPIs to monitor the effectiveness of actions and establish a monitoring mechanism to evaluate actions over each reporting period.

In FY23, we developed an Effectiveness Measurement Framework ('Framework'). This Framework marks a significant evolution in our approach to monitoring the effectiveness of our modern slavery program. The Framework is founded on the elements of the current modern slavery program, with output and impact measures defined for each program activity. We plan to assess the framework to prioritise areas for practical implementation in FY24.

## The Framework foundation

To create the foundation of the Framework, the activities of Airservices Modern Slavery Program were aligned to pillars set out in leading practice modern slavery advices including the *UN Guiding Principles on Business and Human Rights* and *ISO20400 Sustainable Procurement framework*.

Figure 7: Modern slavery program framework

Modern slavery program			
Governance	Strategy	Capability	Reporting
Integrating modern slavery into oversight and accountability functions	Develop approach by setting clear intention, direction and priorities.	Upskill personnel across relevant business functions	Transparently communicate modern slavery program to stakeholders
Due diligence program			
Identify and assess risk	Mitigate risks	Remediate	
Identify areas of highest risk for modern slavery to focus mitigation efforts	Engage with areas of highest risk to develop and implement controls	Identify negative impacts and provide remedy where these have occurred	

Outputs, outcomes and effectiveness measurements are separate but interrelated concepts related to evaluating the effectiveness of Airservices' modern slavery program. These components were at the foundation of developing the Effectiveness Measurement Framework, and flow into one another. For each activity there are effectiveness measures aligned to three time horizons. Effectiveness measures have been developed for roadmap activities with a prioritisation process underway to determine metrics for tracking and reporting in FY24.

Table 14: Effectiveness measurements

Short-term	Medium-term	Long-term
<p>Short-term measures consider whether the relevant stakeholders:</p> <ul style="list-style-type: none"> <li>• Are aware and have knowledge of the activity</li> <li>• Have access to the output of the activity</li> <li>• Have engaged with the output</li> </ul>	<p>Medium-term measures consider whether resulting actions to identify, assess and address modern slavery or promote decent work have been taken</p>	<p>Long-term measures consider whether there have been substantive changes as a result of the activity to improve the Modern Slavery Program and Due Diligence Program</p>



**FY24 Focus:** Prioritise key activities to begin tracking and reporting output and short-term effectiveness measures.

# Focus areas for FY24

Airservices is committed to improving the modern slavery program, including improving the way we measure the effectiveness of our activities over the short, medium and long term. Set out below are our focus areas for FY24:

- Continue to embed the Modern Slavery Working Group into Airservices' governance systems and hold two sessions during FY24.
- Finalise and publish the Airservices Supplier Code of Conduct on the Airservices webpage. Communicate expectations set out in the Supplier Code of Conduct to key suppliers.
- Continue to refine our approach on broader human rights principles in the context of our work to address modern slavery risk.
- Continue to work through our process and approach to manage and develop an appropriate mechanism for modern-slavery related grievance.
- Work with selected suppliers to implement prioritised actions from the supplier deep dives. This includes building key themes identified during deep dives into broader procurement processes.
- Prioritise key activities to begin tracking and reporting output and short-term effectiveness measures.
- Implement monitoring mechanisms to evaluate actions over each reporting period.
- Track the performance of procurement and tender process.
- Implement an external reporting mechanism.
- Continue to report on modern slavery risk areas in the annual report.
- Consider industry partnerships to streamline supplier engagement with other industry stakeholders and engage with industry forums and NGOs.



# Appendix

## Mandatory reporting criteria of the Modern Slavery Act

This statement was prepared to meet the mandatory reporting criteria set out under the *Modern Slavery Act 2018 (Cth)*. Our report sections and alignment to the criteria are outlined below.

Modern Slavery Act Criteria	Airservices response to reporting criteria	Further details
<b>Identify the reporting entity</b>	This statement was prepared by Airservices Australia (ABN 59 698 720). The statement sets out actions taken during the 12 months ending 30 June 2023.	<i>Introduction, page 5</i>
<b>Describe the reporting entity's structure, operations, and supply chain</b>	Airservices Australia is responsible for Australia's airspace management and operations. Airservices engages 3,400 staff across Aerospace, Aviation Rescue Firefighting and Enabling services. Airservices procures a wide range of goods and services from Tier 1 suppliers in 16 sourcing countries, with a total spend of \$569.8 million. The key spend categories are aerospace, networks and telecommunications, and enabling technology platforms.	<i>Our organisational structure and what we do, page 8</i> <i>Our operations, pages 8-10</i> <i>Our supply chain, pages 11</i>
<b>Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls</b>	Airservices considered the risk of modern slavery or other adverse labour rights impacts in our operations to be low. This risk is elevated for workers engaged through sub-contracting arrangements; however, controls are put in place to minimise this risk. The majority (71 percent) of our supply chain is considered low-medium risk, with the remaining 29 percent of suppliers rated either medium or medium-high.	<i>Risks in our operations, page 14</i> <i>Deepening our understanding of supply chain risk, pages 15-17</i>
<b>Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes</b>	Airservices takes a risk-based approach to assessing and addressing modern slavery risk. We have established a set of policies to guide our operational staff, and are progressing in the development of policies to set expectations for suppliers. During the year we engaged a number of higher risk suppliers through supplier questionnaires and interviews to gain a deeper understanding of their risks and elevate modern slavery as a topic of importance. Airservices has begun to draft supplier due diligence and risk mitigation plans for roll out in FY24.	<i>Implementing modern slavery considerations into organisational structure, policies and procedure, pages 12-13</i> <i>Engaging with higher risk suppliers, pages 18-19</i> <i>Due diligence and risk mitigation plans, page 19</i>
<b>Describe how the reporting entity assesses the effectiveness of these actions</b>	During the year Airservices developed an Effectiveness Measurement Framework to support measuring the impact of our actions. This Framework will be rolled out in FY24.	<i>Evaluating the effectiveness of our actions, page 20</i>
<b>Describe the process of consultation with any entities that the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)</b>	Airservices has no owned or controlled entities. Consultation for the statement occurred within the organisation through key stakeholders related to the modern slavery and labour rights program.	<i>Introduction, page 5</i>
<b>Provide any other relevant information</b>	Airservices conducts training to upskill operational team members on modern slavery and human rights.	<i>Building capacity through training, page 12</i>



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