



SOUTHERN PORTS
ALBANY BUNBURY ESPERANCE

Modern Slavery Statement

MODERN SLAVERY STATEMENT – FOR APPROVAL

DATE: 19 DECEMBER 2022

Prepared by: Andrew Dienhoff, Legal & Risk Manager

Reviewed by: Monica Birkner, General Manager, Sustainability
Simon Gavin, Chief Commercial Officer
Keith Wilks, Chief Operating Officer

Submitted by: Steve Lewis, CEO

RECOMMENDATION:

"The Board endorses Southern Ports Modern Slavery Statement for the year ended to June 2022."

BACKGROUND

Under the Modern Slavery Act, "reporting entities" such as Southern Ports must lodge an annual modern slavery statement covering certain prescribed matters relating to the steps Southern Ports is taking to address the risk of modern slavery in its supply chain. The Modern Slavery Statement covering the period ending on 30 June 2022 is required to be lodged by 31 December 2022.

The Modern Slavery Statement is expressly required to be approved by Southern Ports Board under the Modern Slavery Act. Once approved it will be lodged on the Commonwealth modern slavery register and will be publicly accessible.

CURRENT

This year's draft Modern Slavery Statement has been provided in a re-formatted format that aims to be more visually appealing to readers.

The text content is of a similar nature to that contained in previous statements, updated to discuss further progress made during FY 2022. Each of the prescribed matters under the Modern Slavery Act are addressed.

FUNDING/FINANCIAL IMPACT

At this stage there have been no identified financial impacts specifically relating only to Southern Ports complying with the Modern Slavery Act.

SAFETY OR RISK IMPLICATIONS

The Modern Slavery Statement is lodged on a publicly available Commonwealth register (and hence there is a potential risk that a reporting entity could be criticised – for example by human rights groups– for not doing enough to address Modern Slavery risk).

It is noted, for completeness, that the Modern Slavery Act is currently under review and that further Southern Ports compliance actions may be necessary in future reporting periods.

POLICY IMPLICATIONS / DELEGATION

The Modern Slavery Act expressly requires that the Modern Slavery Statement must be approved by the "principal governing body" (Board) of the reporting entity and signed by a member of the Board.

For Approval

Attached: Draft FY 2022 Modern Slavery Statement



Acknowledgement of Country

Southern Ports acknowledges the Minang, Wardandi, Wudjari and Whadjuk people as the traditional custodians of the lands and seas on which we operate and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures; and to Elders both past and present.

This Modern Slavery Statement is provided by Southern Ports Authority ABN 30 044 341 250 and reports on the matters outlined in section 16 of the *Modern Slavery Act 2018 (Cth) (MSA)* for the year ended 30 June 2022.

1. Details of the reporting entity

Southern Ports Authority ABN 30 044 341 250 (SPA), the reporting entity, is a Western Australian port authority created under the *Port Authorities Act 1999 (WA) (PAA)*. SPA is owned by the State of Western Australia and has its own Board of Directors. Its responsible Minister under the PAA is currently the Minister for Ports (Minister).

SPA does not own or control any other entity for the purposes of the MSA.

2. The structure and functions, operations and supply chains of SPA

a) Structure and functions

SPA operates three ports within Western Australia, namely the Ports of Albany, Bunbury, and Esperance. It also has a small corporate office in West Perth. Its total consolidated revenue for FY 2022 was \$162.4 million. It had 255 staff as at 30 June 2022.

OVERVIEW OF SPA PORTS



PORT OF ALBANY

MODEL: Gateway port

LANDHOLDING: 84.4HA

BERTHS: 4

ACTIVITIES: Leasing land to port-related industries and providing access to port infrastructure and facilities.

Services such as towage and stevedoring are outsourced to the private sector.



PORT OF BUNBURY

MODEL: Gateway port

LANDHOLDING: 482HA

BERTHS: 7

ACTIVITIES: Leasing land to port-related industries and providing access to port infrastructure and facilities.

Services such as towage and stevedoring are outsourced to the private sector.



PORT OF ESPERANCE

MODEL: Gateway port with full terminal services

LANDHOLDING: 75HA

BERTHS: 3

ACTIVITIES: Leasing land to port-related industries and providing access to port infrastructure and facilities.

Most product handling equipment is owned and operated by Southern Ports. As a deep-water port, Esperance can cater for capesize vessels.

The statutory functions of SPA are prescribed in section 30 of the PAA and include to:

- i) facilitate trade through its Ports and plan for their future growth and development;
- ii) undertake activities to facilitate the development of trade and commerce generally for the economic benefit of the State;
- iii) control business and other activities in the Ports (and ensure safe and efficient Port operations);
- iv) maintain Port property and manage Port security; and
- v) protect the Port environment.

SPA has a duty under the PAA to act in accordance with prudent commercial principles and endeavour to make a profit. However, SPA also has a duty to comply with State budgetary requirements and ensure it performs the functions in accordance with the SPA Strategic Development Plan and Statement of Corporate Intent (both of which are approved by the Minister with the Treasurer's concurrence annually).

The Minister must approve certain classes of SPA transactions under the PAA and must be consulted on all major SPA initiatives. Additionally, the Minister can direct SPA in relation to the performance of any of its functions.

b) The operations of SPA

A key aspect of SPA's operating model is to act as "landlord" to commercial Port users operating at each of its Ports. SPA leases and/or licences the use of its Port land, Port facilities and/or Port infrastructure to a variety of third parties – but primarily to commercial entities seeking to import or export their products from a Port.

SPA is generally responsible for maintaining common use Port infrastructure, such as roads, berths, Port electrical networks, security gates, conveyers, ship loaders and cranes for shared use by Port users. It also owns and maintains other Port infrastructure, including some storage sheds.

In addition:

- i) SPA provides pilotage services for vessels berthing at each of its Ports;
- ii) SPA manages Port security – with many areas of its Ports regulated by the Maritime Transport and *Offshore Facilities Security Act 2003* (Cth) and subject to controlled access under maritime security plans;
- iii) pursuant to the Port Authorities Regulations 2001 (PAR), SPA is responsible for the licensing of competent service providers (such as stevedores) that wish to operate at its Ports. These service providers are generally directly engaged by our Port users for their trading activity;
- iv) at its Port of Esperance only, SPA itself also provides stevedoring and related services for a limited number of Port users.

c) The supply chains of SPA

SPA broadly procures the following types of goods and services from external suppliers:

- i) items of Port plant, machinery and cargo handling equipment (and other plant and equipment);
- ii) operational goods and supplies to maintain existing Port assets;
- iii) labour and trades people to build and maintain Port assets;
- iv) IT infrastructure services and ITC hardware;
- v) professional consulting and support services;
- vi) uniforms and personal protective equipment;
- vii) external security monitoring services;
- viii) office equipment and office supplies;
- ix) office related services, such as cleaning and catering services;
- x) accommodation, flights and car hire services (generally for SPA staff and officers).



SPA is encouraged by the WA Department of Finance to utilise suppliers from approved common use arrangement (CUA) panels of suppliers that have been “vetted” by the Department and considered suitable for use by all WA Government agencies and entities. Accordingly, SPA uses a number of CUA suppliers in its operations.

The Department has now put in place a debarment regime that sets out grounds upon which suppliers may be excluded from doing business with WA government agencies.

For FY 2022, 74.6% of goods and services were procured by SPA from WA-based providers, with approximately 18.3% of all goods and services supplied by local suppliers (as defined in the Buy Local Policy 2020) from the Albany, Bunbury and Esperance regions.

Goods directly purchased by SPA from overseas in FY 2022 (representing 0.46% of total goods and services procured) were from the following countries: USA, Singapore, Norway, New Zealand, Ireland, England, Denmark, Canada, the Netherlands and a single small procurement from China.

3. The risks of modern slavery practices in the operations and supply chains of SPA

SPA first conducted a risk assessment in relation to modern slavery risks in its operations and supply chains in 2019. In doing so, SPA considered the findings of the *Global Slavery Index (2018)*¹ to identify potential sources of modern slavery risk particularly relevant to its operations and supply chains and noted:

- a) the existence of forced labour exploitation, in Australia (particularly for migrant workers) in certain industries including agriculture, construction, domestic work, meat processing, cleaning, hospitality and food services;
- b) in relation to imported products, particular risk in relation to:
 - i) the manufacture of laptops, computer equipment and mobile phones;
 - ii) clothing and apparel;
 - iii) certain imported food products (fish, cocoa and sugar cane).

As noted above, SPA does engage (local) suppliers for construction work and cleaning and hospitality work at its Ports (and at its West Perth office). SPA remains committed to sourcing such services from reputable (local) suppliers and, to date, has not identified any concerns around potential forced labour exploitation in relation to any of its (local) suppliers.

As to the imported products noted above:

- a) SPA sources some ancillary computer hardware from CUA panel suppliers approved by the WA Department of Finance. All such equipment is generally from well-known global brands;
- b) computers, laptops, mobile telephones and tablets for staff are manufactured by well-known global brands;

- c) some IT peripherals are purchased “ad hoc” from less well-known manufacturers, generally via well-known Australian department stores;
- d) clothing and apparel supplied to SPA employees – office wear and personal protective equipment workwear – are from branded suppliers commonly utilised in the Australian market;
- e) fish, cocoa and sugar cane are not part of SPA’s supply chain (nor currently shipped to or from our Ports).

To date, SPA has not become aware of any modern slavery concerns in relation to the supply chains of its mobile devices, laptops and apparel (or any of the other goods and services it procures). SPA’s office wear supplier, for example, has adopted an “Ethical Responsibility” policy that indicates it only works with approved factories holding a “no child labour policy” and which can provide safe healthy workplace conditions (i.e. no forced labour, regular work with paid living wages, non-excessive work hours, no discrimination and no harsh or inhumane treatment).

In relation to SPA’s own employees and contractors, SPA is committed to complying with all Australian workplace and safety laws to the highest legal standards. SPA engages its personnel under appropriate contracts of employment, applicable awards and/or registered enterprise agreements.

SPA’s Board approved policies in this regard can be found at: <https://www.southernports.com.au/policies-procedures>.

¹ www.globalslaveryindex.org/resources



4. Further actions taken by SPA in FY 22 to assess and address modern slavery risks and assess the effectiveness of such actions

In SPA's modern slavery statements for FY 2020 and FY 2021 it was noted that SPA had:

- a) trained relevant staff at each of our Ports on modern slavery risk and in particular, the potential for forced labour exploitation in the (Australian) industries identified above. Staff were trained to report any potential concerns observed in this regard to senior management;
- b) formalised modern slavery due diligence processes and contractual protections, seeking to ensure that modern slavery is not present in the operations and supply chains of its suppliers and indirect suppliers. This included building in appropriate modern slavery questionnaires and modern slavery contractual provisions (in line with Border Force resources) into its procurement processes, and utilising a procurement assessment tool with questions relating to potential modern slavery risks;
- c) established a media monitoring tool to seek to alert it to any adverse practices of suppliers that may relate to SPA's operations;
- d) established processes to exclude suppliers of SPA goods and services found or suspected to be engaging in modern slavery practices (or permitting it within their supply chains); and
- e) liaised with the WA Department of Finance on modern slavery risk in the context of the CUA panel.

During 2022, SPA undertook the following additional steps:

- a) rolled out new vendor management software containing more detailed modern slavery questions that "pre-qualified" SPA suppliers are required to complete;
- b) preparation of a gap analysis, materiality assessment and Sustainability Plan and framework based on the United Nations Sustainable Development Goals. This included consideration of modern slavery during its formulation; and
- c) further cross-functional planning work to co-ordinate SPA's overall modern slavery prevention activity and monitor developments in this area.

5. Any additional information that SPA considers relevant to this statement

Seafarer Welfare

Vessels entering SPA's Ports are contracted by a charterer, generally the buyer or seller of the product being shipped by SPA's customer. Accordingly, the vessels arriving at our Ports do not form part of SPA's own supply chain, rather they are part of the supply chain of SPA's customers.

Maritime crew conditions are regulated by international conventions including the Maritime Labour Convention (2006). These conventions are enforced by the Flag State (home country of the vessel) and the Port State (the country in which the ship berths). Australia has ratified the international conventions relating to international crew conditions, and those conventions are also adopted under Commonwealth legislation. Not all Flag States have adopted the conventions, however.

The Commonwealth's national regulator – the Australian Maritime Safety Authority (AMSA) – is responsible for monitoring seafarer wellbeing. AMSA has the power to detain vessels and restricts them from entering Australian waters for breaches of international conventions.

SPA assists with supporting seafarer welfare via various initiatives across our Ports including:

- monitoring by SPA pilots (based on conversations and observations of ship crews when a vessel is being piloted into our Ports) and reporting of concerns to AMSA;
- support for the [Mission to Seafarers](#), an international organisation devoted to supporting the welfare of men and women working at sea;
- support for the [Stella Maris](#) Seafarer Centres;
- hosting and attending quarterly Port Welfare Committees – a Port of Esperance committee commenced in April 2022, joining existing committees at Albany and Bunbury;
- shore pass pathways;
- shore leave, which recommenced at our three ports (as COVID-19 restrictions on crew shore leave were eased by the WA Government);
- assisting with the training of SPA staff as International Transport Federation (ITF) volunteers to assist ships' crew. A number of new volunteers were trained during 2022;
- funding free portable Wi-Fi units for crew; and
- facilitating access for inspectors from [ITF Seafarers](#) in our Ports. ITF Seafarers is an international body representing the interests of seafarers that is affiliated with unions worldwide.

SPA remains committed to doing what it can to positively impact seafarer welfare.



6. Details of approval by SPA's governing body (Board)

The content of this Modern Slavery Statement was reviewed and approved by the Board of SPA on 23 December 2022. The CEO and Chair of SPA are authorised to sign this statement on SPA's behalf.

CHAIR

CHIEF EXECUTIVE OFFICER



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