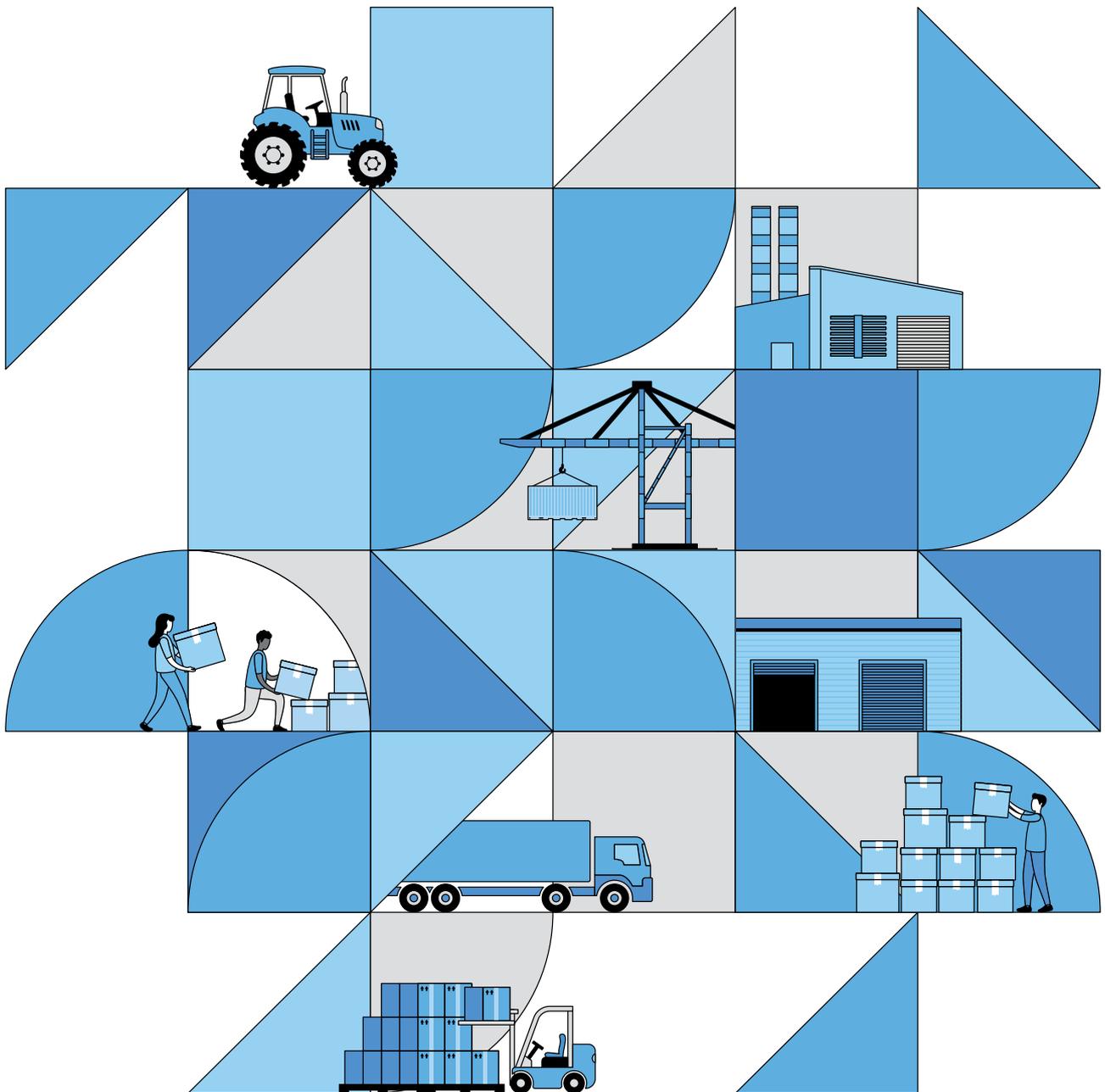




Australian Government

Commonwealth Modern Slavery Statement 2022–23



Dedication

The *Commonwealth Modern Slavery Statement 2022–23* is dedicated to the people and organisations who work tirelessly to prevent modern slavery, and support victims and survivors of modern slavery seeking to rebuild their lives.

Acknowledgement of country

We acknowledge Aboriginal and Torres Strait Islander peoples as custodians of Australia and pay our respects to Elders, past and present. We also acknowledge the ongoing connection to land, sea and communities throughout Australia, and the contributions to the lives of all Australians.

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Commonwealth Modern Slavery Statement 2022–23

Foreword Prime Minister



The 2023 Commonwealth Modern Slavery Statement is an action document. A review of annual progress, it is a framework for the future, and a world free from the pervasive injustice of modern slavery.

“Australia is proud to stand on the side of right in the global quest to eradicate modern slavery. A country of boundless opportunity, we aspire to be a nation where there are no barriers to progress, nothing to stand in the way of building a better life.”

The purpose of the Commonwealth Modern Slavery Statement is to achieve transparency and highlight the true impact of the connections—in business, trade and industry, and as consumers—between us and the rest of the world.

The global supply chains integral to all our activities are the product of human labour.

If a single link in the chain is forged by coercion, violence, threat or entrapment, then each of us has a responsibility to act.

The Commonwealth Modern Slavery Statement responds to the integrity and vigilance demanded by the *Modern Slavery Act 2018*. As an ongoing project of continuous improvement and reflection, it represents our national commitment to set the standard for combating modern slavery.

Australia is proud to stand on the side of right in the global quest to eradicate modern slavery. A country of boundless opportunity, we aspire to be a nation where there are no barriers to progress, nothing to stand in the way of building a better life.

I commend this Statement as progress towards eradicating slavery in all its forms.

The Hon Anthony Albanese MP
Prime Minister of Australia

December 2023

Foreword

Attorney-General



Modern slavery is an egregious form of human rights abuse which deprives victims and survivors of their dignity, fundamental rights, and freedoms. Modern slavery encompasses a range of serious exploitative practices, including trafficking in persons, slavery and slavery-like practices such as forced marriage, servitude, forced labour, deceptive recruiting and debt bondage.

The Australian Government is committed to combating modern slavery and is further strengthening Australia's response.

This fourth Commonwealth Modern Slavery Statement demonstrates the Government's commitment to lead by example in the fight against modern slavery. This Statement outlines how we are assessing modern slavery risks in our own supply chains and operations, and acting to mitigate these risks. Under the *Modern Slavery Act 2018* (Cth), the Government must report under the same requirements as the business community. It is a responsibility the Government does not take lightly. The Government procures billions of dollars of goods and services each year, and we are committed to using this significant purchasing power for good and to continuously improve our response to modern slavery each year.

I was proud to introduce legislation to the Australian Parliament proposing amendments to the *Modern Slavery Act 2018* (Cth) to establish the first Australian Anti-Slavery Commissioner, to play a key role in engaging and supporting victims and survivors of modern slavery and supporting action to address risks of modern slavery practices. The Government has provided \$8 million over four years for the establishment of the Commissioner.

The Government is also considering its response to the statutory Review of Australia's *Modern Slavery Act 2018* (Cth), led by Professor John McMillan AO, which will inform the Government's work to further strengthen the Act.

In 2023 the Government has provided \$2.73 million to 13 organisations over two years for community based projects and research under the National Action Plan to Combat Modern Slavery 2020-25, \$24.3 million committed over four years to bolster the Support for Trafficked People Program, a key support service for victims and survivors, \$12.1 million in funding over five years for a new Forced Marriage Specialist Support Program, \$2.2 million in further funding to extend the Speak Now project, and \$0.6 million in funding over four years to strengthen efforts to prevent and respond to forced marriage through the My Blue Sky national online hub and service.

These are just some examples of the Government's significant efforts to combat modern slavery. I am proud of the progress we have made, and look forward to continuing this important work.

In accordance with section 15 of the *Modern Slavery Act 2018* (Cth), it is my pleasure to submit this fourth Modern Slavery Statement for the 2022-23 reporting period on behalf of the Commonwealth Government of Australia.

The Hon Mark Dreyfus KC MP
Attorney-General of Australia

December 2023

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Executive Summary

In this fourth Commonwealth Modern Slavery Statement (Commonwealth Statement), published pursuant to the *Modern Slavery Act 2018* (Cth), the Australian Government describes its actions to identify, assess and address modern slavery risks in Commonwealth Government operations and global supply chains during the 2022–23 Australian financial year (the reporting period).

The Commonwealth Statement covers all non-corporate Commonwealth entities (NCCEs), within the meaning of the *Public Governance, Performance and Accountability Act 2013* (Cth). Relevant NCCEs are listed in the table on page 12, which also sets out the location of each NCCE within Government portfolios. This Commonwealth Statement represents the arrangement of Government portfolios as they stood during the reporting period.

The Government is one of the largest procurers of a broad range of goods and services in the Australian market, and consequently has a procurement profile characterised by complex and diverse supply chains. The Government is committed to continuously improving and progressing its identification and mitigation of modern slavery risks across Government procurements. In so doing, the Government has continued to focus on its identified high-risk areas: ICT hardware, cleaning and security services, investments, textiles, and construction.

In line with the Commonwealth's six-year program, this reporting period has transitioned from the *discovery* phase into the *implementation* phase of action. The Government has commenced further detailed mapping of the Government's ICT and construction procurement supply chains to increase the Government's visibility of supply chains and to gain insight into associated modern slavery risks. The Government has also further developed the Modern Slavery Response Protocol (Response Protocol) for incidents of modern slavery that may be identified within Government supply chains.

Looking forward, the Government will focus on implementing actions for continuous improvement. This includes developing guidance on supplier engagement, progressing a review of Commonwealth procurement procedures and supply chains, and finalising an update of the Government's Response Protocol for implementation.

Prioritising continuous improvement – key improvements in the 2022–23 Statement:

Key improvements in reporting for the 2022–23 Commonwealth Statement include:

- Greater detail on portfolio risks and actions.
- Additional insight into Government supply chains through mapping data and findings.
- Insight on potential modern slavery incidents within supply chains and investments and a summary of the subsequent response.
- Greater detail on the interconnection between the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Government's Response Protocol.
- Information on partnerships with civil society to improve Government procurement practices, including training materials developed with Electronics Watch and the Cleaning Accountability Framework.

How this statement addresses the mandatory criteria in the *Modern Slavery Act 2018* (Cth)

| Modern Slavery Act Requirement | Section in the Commonwealth Statement where the requirement is addressed | Page |
|--|---|-----------------|
| Section 16(1)(a) Identify the reporting entity | Section 1: Covered entities, structure, operations and supply chains | 10 |
| Section 16(1)(b) Describe the structure, operations and supply chains of the reporting entity | Section 1: Covered entities, structure, operations and supply chains | 10 |
| Section 16(1)(c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls | Section 2: Whole-of-government overview; and Section 3: Input from Government portfolios | 24 and 51 |
| Section 16(1)(d) Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes | Section 2: Whole-of-government overview; and Section 3: Input from Government portfolios | 24 and 51 |
| Section 16(1)(e) Describe how the reporting entity assesses the effectiveness of such actions | Section 2: Whole-of-government overview; and Section 3: Input from Government portfolios | 24 and 51 |
| Section 16(1)(f) Describe the process of consultation with (i) any entities that the reporting entity owns or controls and (ii) for a reporting entity covered by a joint statement, the entity giving the statement | Section 5: Consultation | 115 |
| Section 16(1)(g) Include any other information that the reporting entity considers relevant | Section 6: Related activities | 117 |

Section 1

Covered entities, structure, operations and supply chains



This section addresses section 16(1)(a) and 16(1)(b) of the *Modern Slavery Act 2018 (Cth)*, which requires modern slavery statements to identify the reporting entity and describe the structure, operations and supply chains of the reporting entity.

Commonwealth Statement coverage

In accordance with section 15 of the *Modern Slavery Act 2018 (Cth)*, the Commonwealth Statement covers all NCCEs. During the reporting period, there were 99 NCCEs covered by this Commonwealth Statement (see table below).

The Commonwealth Statement does not include government companies or corporate Commonwealth entities. These entities will be required to submit their own modern slavery statements if they meet the \$100 million in annual consolidated revenue threshold specified by the *Modern Slavery Act 2018 (Cth)*.

Australian Government's structure

The Commonwealth Statement reports on the operations and supply chains in respect of the procurement activities of the executive (the administrative arm of the Government), which is comprised of entities that employ staff under the *Public Service Act 1999 (Cth)*.

These entities are part of a large and complex organisation comprising of 15 different portfolios, with each portfolio containing a Government department and additional agencies and bodies. References to the Government throughout this Statement refer to the executive as it operates in respect of the covered NCCEs.

This Commonwealth Statement represents the arrangement of Government portfolios as they existed during the 2022-23 financial year. There have been some changes to the arrangement of portfolios since the 2021-22 financial year, including the establishment of some new portfolios following new Administrative Arrangements Orders issued during the reporting period.

More information on each Government portfolio and its structure is provided in Section 3.

List of *Public Governance, Performance and Accountability Act 2013* (Cth) Commonwealth entities and companies (99)

| | | | |
|--|---|--|--|
| Agriculture, Fisheries and Forestry | Defence | Health and Aged Care | Prime Minister and Cabinet |
| <ul style="list-style-type: none"> • Department of Agriculture, Fisheries and Forestry • Australian Fisheries Management Authority | <ul style="list-style-type: none"> • Department of Defence • Australian Signals Directorate • Department of Veteran's Affairs | <ul style="list-style-type: none"> • Department of Health and Aged Care • Aged Care Quality and Safety Commission • Australian National Preventive Health Agency • Australian Radiation Protection and Nuclear Safety Agency • Cancer Australia • National Blood Authority • National Health and Medical Research Council • National Health Funding Body • National Mental Health Commission • Organ and Tissue Authority • Professional Services Review • Sport Integrity Australia | <ul style="list-style-type: none"> • Department of the Prime Minister and Cabinet • Australian National Audit Office • Australian Public Service Commission • National Indigenous Australians Agency • Office of National Intelligence • Office of the Official Secretary to the Governor-General • Workplace Gender Equality Agency |
| Attorney-General's | Education | Home Affairs | Social Services |
| <ul style="list-style-type: none"> • Attorney-General's Department • Administrative Appeals Tribunal • Australian Commission for Law Enforcement Integrity • Australian Crime Commission (Australian Criminal Intelligence Commission) • Australian Federal Police • Australian Financial Security Authority • Australian Institute of Criminology • Australian Law Reform Commission • Australian Transaction Reports and Analysis Centre (AUSTRAC) • Federal Court of Australia • Office of the Australian Information Commissioner • Office of the Commonwealth Ombudsman • Office of the Director of Public Prosecutions • Office of the Inspector-General of Intelligence and Security • Office of Parliamentary Counsel • Office of the Special Investigator | <ul style="list-style-type: none"> • Department of Education • Australian Research Council • Tertiary Education Quality and Standards Agency | <ul style="list-style-type: none"> • Department of Home Affairs • Australian Security Intelligence Organisation • National Emergency Management Agency | <ul style="list-style-type: none"> • Department of Social Services • Australian Institute of Family Studies • Domestic, Family and Sexual Violence Commission • NDIS Quality and Safeguards Commission • Services Australia |
| Climate Change, Energy, the Environment and Water | Employment and Workplace Relations | Industry, Science and Resources | Treasury |
| <ul style="list-style-type: none"> • Department of Climate Change, Energy, the Environment and Water • Bureau of Meteorology • Clean Energy Regulator • Climate Change Authority • Great Barrier Reef Marine Park Authority • North Queensland Water Infrastructure Authority | <ul style="list-style-type: none"> • Department of Employment and Workplace Relations • Asbestos Safety and Eradication Agency • Australian Skills Quality Authority (National Vocational Education and Training Regulator) • Fair Work Commission • Office of the Fair Work Ombudsman • Safe Work Australia • Seafarers Safety, Rehabilitation and Compensation Authority (Seacare Authority) | <ul style="list-style-type: none"> • Department of Industry, Science and Resources • Geoscience Australia • IP Australia | <ul style="list-style-type: none"> • Department of the Treasury • Australian Bureau of Statistics • Australian Competition and Consumer Commission • Australian Office of Financial Management • Australian Prudential Regulation Authority • Australian Securities and Investments Commission • Australian Taxation Office • Commonwealth Grants Commission • Inspector-General of Taxation • National Competition Council • Office of the Auditing and Assurance Standards Board • Office of the Australian Accounting Standards Board • Productivity Commission • Royal Australian Mint |
| | Finance | Infrastructure, Transport, Regional Development, Communications and the Arts | Parliamentary Departments (not a portfolio) |
| | <ul style="list-style-type: none"> • Department of Finance • Australian Electoral Commission • Digital Transformation Agency • Future Fund Management Agency • Independent Parliamentary Expenses Authority | <ul style="list-style-type: none"> • Department of Infrastructure, Transport, Regional Development, Communications and the Arts • Australian Communications and Media Authority • Australian Transport Safety Bureau • National Archives of Australia • National Capital Authority | <ul style="list-style-type: none"> • Department of Parliamentary Services • Department of the House of Representatives • Department of the Senate • Parliamentary Budget Office |
| | Foreign Affairs and Trade | | |
| | <ul style="list-style-type: none"> • Department of Foreign Affairs and Trade • Australian Centre for International Agricultural Research • Australian Secret Intelligence Service • Australian Trade and Investment Commission | | |

Australian Government's operations

Operations refer to activity undertaken by an entity to pursue its business objectives and strategy. The Government's primary role is to implement, uphold and comply with the laws established by the Australian Parliament, make important national decisions, develop policy, and introduce bills. NCCEs implement and operationalise these laws through a range of policy development, program implementation and enforcement functions.

The Government undertakes a wide variety of activities in Australia and abroad to deliver these functions, including employment of 170,332 Australian Public Service (APS) staff, and the operation of an overseas diplomatic network through 124 overseas posts in 86 countries to support the representation of Australian citizens.

More information on the Government's operations within each portfolio are outlined in Section 3.

APS Employment as at 30 June 2023

Women 60.4% – 102,913

Men 39.3% – 66,877

Non-ongoing employees 11.3% – 19,277

Part-time employees 12.7% – 21,696

Overseas 0.8% - 1,407

NT 1.2% – 2,014

WA 4.8% – 8,144

QLD 12.7% – 21,557

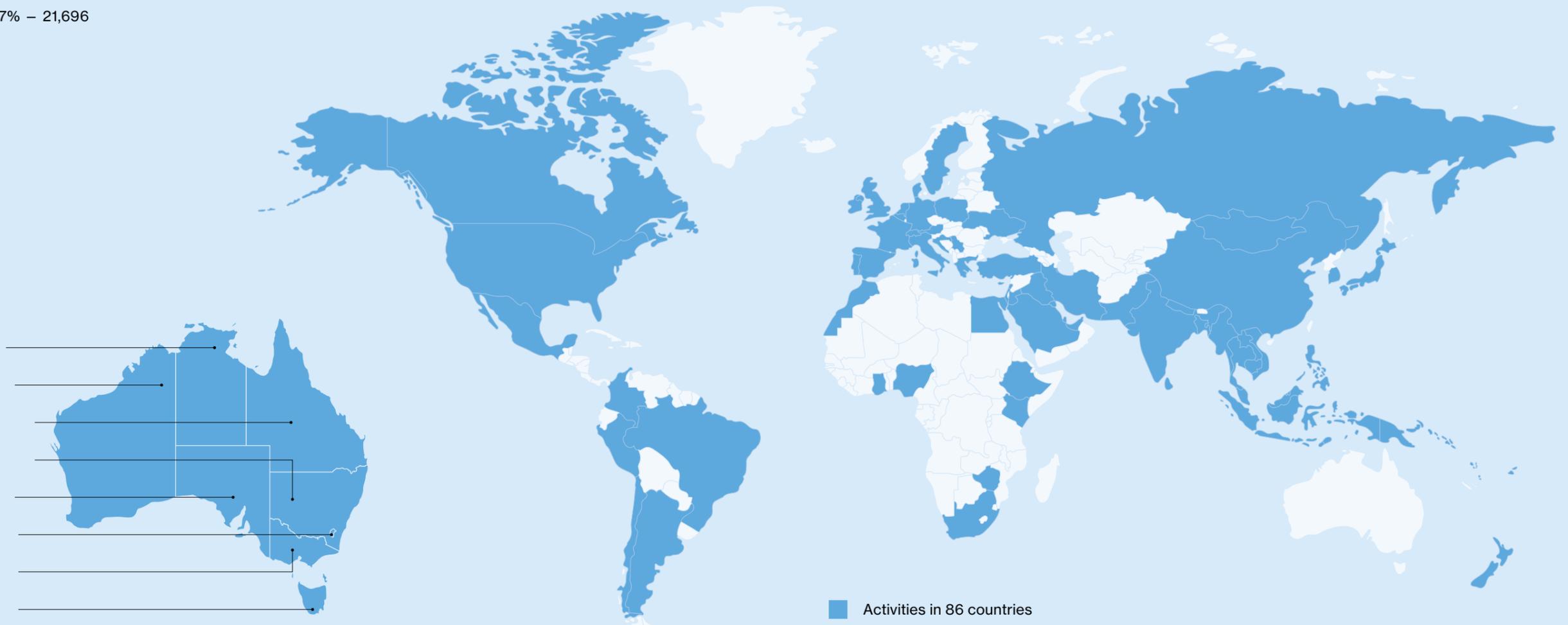
NSW 16.6% – 28,285

SA 6.6% – 11,259

ACT 38.1% – 64,943

VIC 16.8% – 28,536

TAS 2.5% – 4,187



World map of Australian Diplomatic missions

Australian Diplomatic missions include Australian Government Embassies, High Commissions, Consulates, Multilateral Missions and Representative Offices.

Australian Government supply chains

Supply chains refer to the products and services (including labour) that contribute to the entity’s own products and services.

The Government is one of the largest procurers in the Australian market and procures a diverse range of products and services each year. The Government’s supply chains vary greatly in size and complexity across various NCCs, and include products and services sourced in Australia or overseas.

To illustrate the complexity of Government supply chains, Figure 1 below uses ICT procurement as an example.

The below infographic highlights the increasing volume and complexity of supply chains as they are mapped to Tier 4. By showing the results of mapping 50 Tier 1 ICT suppliers to the Commonwealth, the infographic highlights that the number of suppliers at the lower tiers increases to 28,961 suppliers at Tier 4 with approximately 64,000 suppliers across the four tiers. Further information about the Government’s ICT supply chains is set out on page 27.

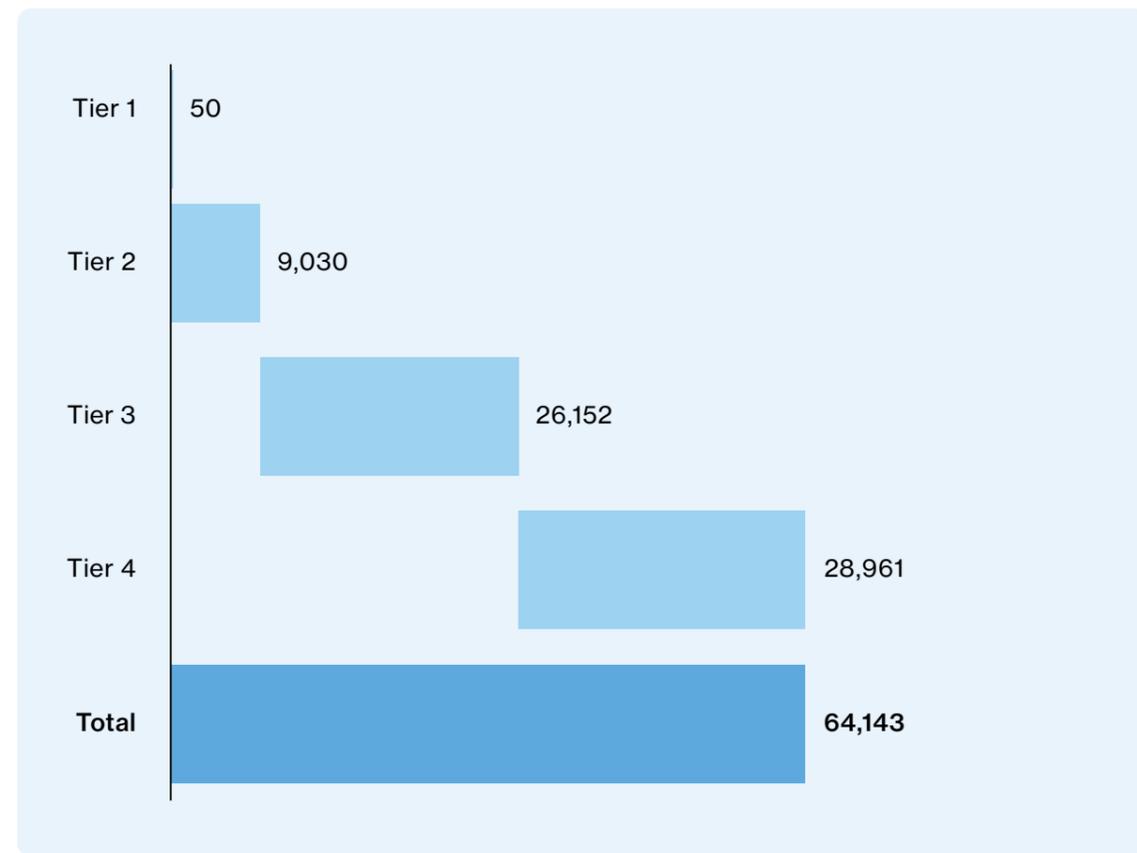


Figure 1. Potential suppliers connected to 50 Tier 1 Government ICT suppliers.

Overview of Government procurement 2022–23

In the 2022–23 financial year, the Government entered into 83,625 contracts, with a total value of \$74.7 billion.

The following graphics provide an overview of the Government’s procurement activity over 2022–23. This information helps outline key components of the Government’s supply chains and operations.

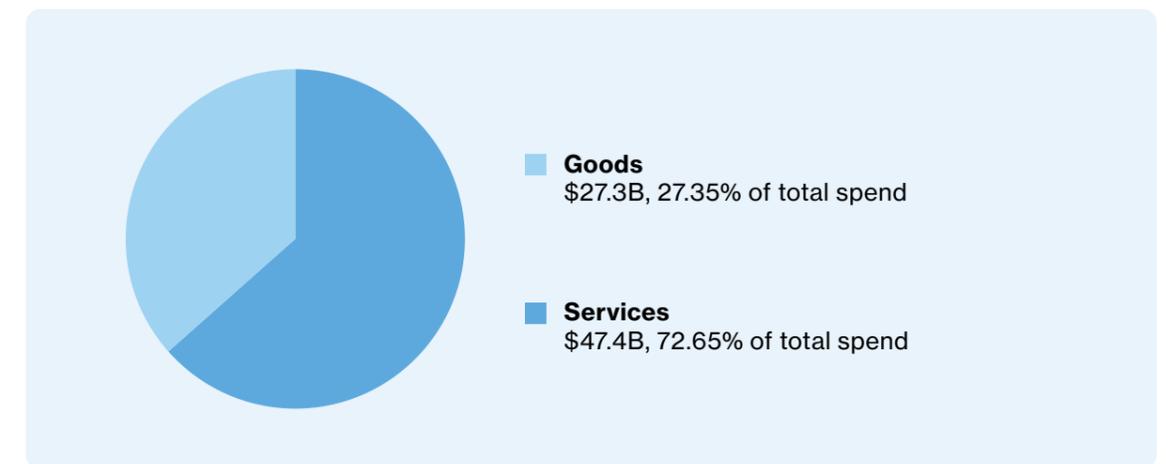


Figure 2. Proportion of Contracts by Type FY22–23.

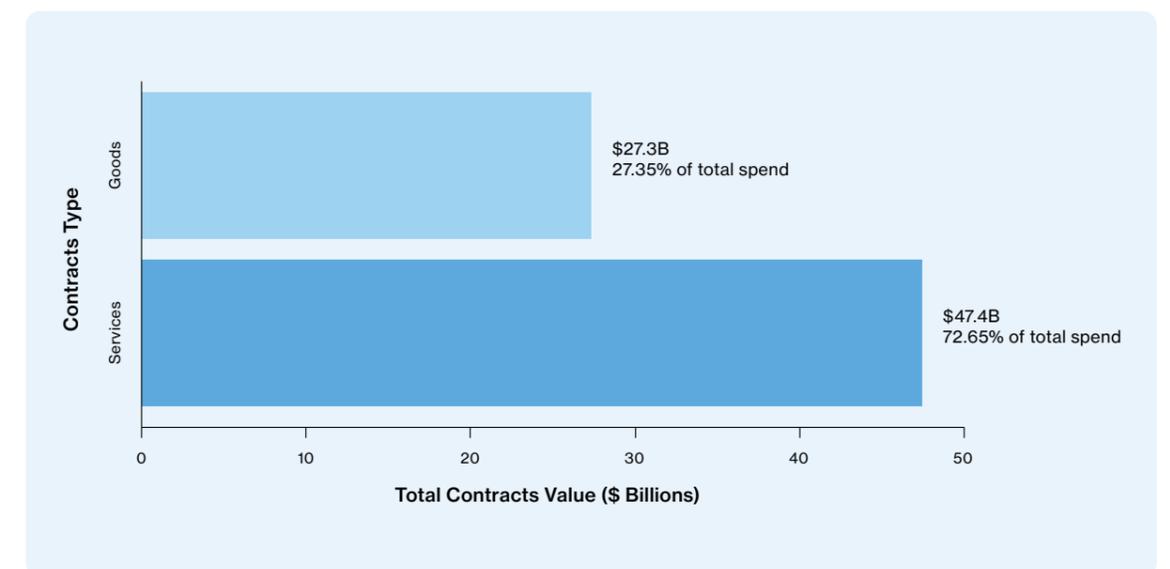


Figure 3. Total Contracts Value by Type FY22–23.

Overview of Government procurement 2022–23



98

NCCEs covered by AusTender data*



535

AusTender categories



83,625

contracts entered into, with a total value of \$74.7 billion



5.47%

by volume (4,574) and

11.58%

by value (\$8.7 billion) of suppliers located overseas



Australia Government suppliers

94.53%

by volume of the contracts



27.3%

of contract value was awarded to a small or medium enterprise (SME)

88.42%

by value of the contracts

* While there were 99 NCCEs covered by this Commonwealth Statement over the reporting period, 1 NCCCE did not publish any contracts during the reporting period.

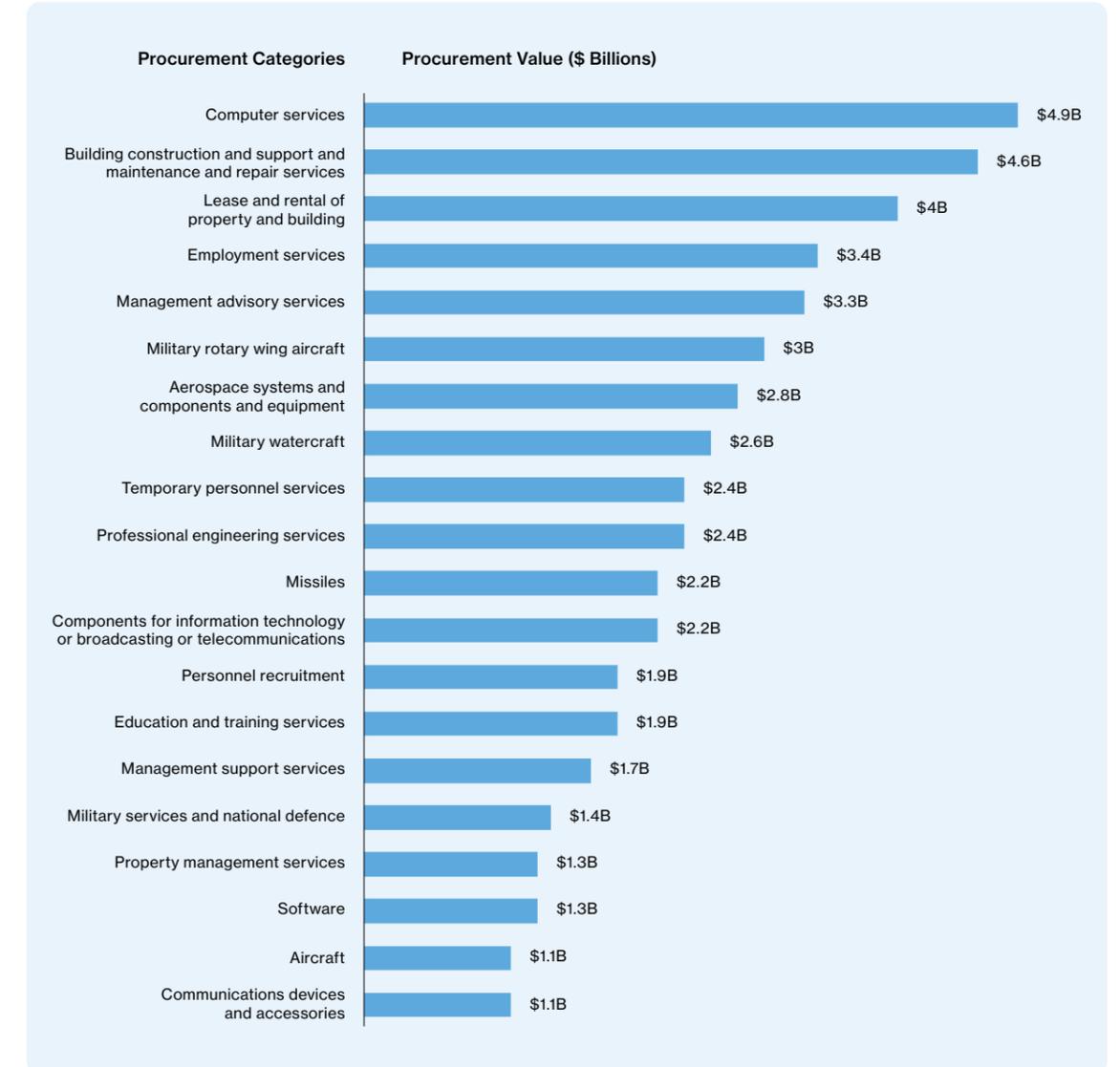


Figure 4. Top 20 Australian Goods and Services Procurement Categories FY22–23.

2022–23 Procurement Contracts: Top 20 categories for goods and services

| Category | Value | Value % | Volume | Volume % |
|--|---------------|---------|--------|----------|
| 1) Computer services Examples of procurement: ICT contractor services; software support services | \$4.9 billion | 6.57% | 5,779 | 6.91% |
| 2) Building construction and support and maintenance and repair services Examples of procurement: Property repairs; project management | \$4.6 billion | 6.15% | 3,053 | 3.65% |
| 3) Lease and rental of property or building Examples of procurement: Overseas leasing; property operating expenses | \$4 billion | 5.37% | 962 | 1.15% |
| 4) Employment services Examples of procurement: Labour hire; contractors | \$3.4 billion | 4.50% | 263 | 0.31% |
| 5) Management advisory services Examples of procurement: Supply and demand analysis; independent board members | \$3.3 billion | 4.38% | 5,788 | 6.92% |
| 6) Military rotary wing aircraft Examples of procurement: Aeronautical products; military rotary wing aircraft repairs | \$3 billion | 3.95% | 84 | 0.10% |
| 7) Aerospace systems and components and equipment Examples of procurement: Aeronautical products; military rotary wing aircraft repairs | \$2.8 billion | 3.76% | 459 | 0.55% |
| 8) Military watercraft Examples of procurement: Watercraft maintenance; military equipment repairs | \$2.6 billion | 3.46% | 1,597 | 1.91% |
| 9) Temporary personnel services Examples of procurement: Provision of contingent labour hire services; recruitment of casual staff | \$2.4 billion | 3.23% | 10,006 | 11.97% |
| 10) Professional engineering services Examples of procurement: Engineering support services; marine craft sea trials | \$2.4 billion | 3.21% | 749 | 0.90% |
| 11) Missiles Examples of procurement: Explosive ordnance; missile components | \$2.2 billion | 2.94% | 27 | 0.03% |

| Category | Value | Value % | Volume | Volume % |
|---|----------------|---------|--------|----------|
| 12) Components for information technology or broadcasting or telecommunications Examples of procurement: Data centre infrastructure; ICT network hardware services | \$2.2 billion | 2.89% | 1,462 | 1.75% |
| 13) Personnel recruitment Examples of procurement: Labour hire; temporary personnel; scribing services | \$1.9 billion | 2.59% | 3,012 | 3.60% |
| 14) Education and Training Services Examples of procurement: School mentor program; language services | \$1.9 billion | 2.48% | 4,108 | 4.91% |
| 15) Management support services Examples of procurement: Provision of ICT and records management services, professional services and project health check | \$1.7 billion | 2.22% | 589 | 0.70% |
| 16) Military services and national defence Examples of procurement: ICT services; disposal services; communications systems | \$1.4 billion | 1.82% | 88 | 0.11% |
| 17) Property management services Examples of procurement: Property management services; office fit-outs; repairs & maintenance | \$1.3 billion | 1.76% | 433 | 0.52% |
| 18) Software Examples of procurement: Provision of software licences and maintenance support; software renewal | \$1.3 billion | 1.68% | 2,172 | 2.60% |
| 19) Aircraft Examples of procurement: Commercial helicopter; aircraft components | \$1.1 billion | 1.49% | 90 | 0.11% |
| 20) Communications Devices and Accessories Examples of procurement: Communications equipment; maintenance & support services | \$1.1 billion | 1.48% | 424 | 0.51% |
| Total value of top 20 categories | \$49.5 billion | 65.93% | | |

Risks to people as the primary concern

The top categories of Government procurement (Figure 4, page 19) highlight key activities across Commonwealth supply chains. Areas of high spend may increase the Government's exposure to risk, and procurement officers are particularly encouraged to consider modern slavery risks in high-value procurements. However, it is important to note that high spend does not always equate to high risk.

When assessing modern slavery risk, the primary concern is the risk to people, rather than the risk to the entity. Though these risks may often intersect, the priority is to address areas that pose the most severe risks to people. During the reporting period, the Government continued focusing its efforts on five key areas of known modern slavery risk: ICT hardware procurement, cleaning and security services; investments, textiles procurement; and construction. The five key risk areas by value of Commonwealth procurement are indicated on page 23.

High-risk areas by value



\$85.9m

Cleaning and security services

Cleaning = \$43.1 million
Security services = \$42.8 million



\$256.2b

Investments



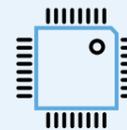
\$31.6m

Textiles



\$4.9b

Construction



\$2.3b

ICT hardware

Further information on risks and responses relating to each of the above five high-risk areas is set out in Section 2.

Section 2

Whole-of-government overview



This information provides a whole-of-government overview of the key, high-risk areas that were prioritised during the 2022–23 reporting period, and the actions that were taken to mitigate these risks. This section meets the following criteria in the *Modern Slavery Act 2018* (Cth):

- Section 16(1)(c) of the *Modern Slavery Act 2018* (Cth) requires modern slavery statements to describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.
- Section 16(1)(d) of the *Modern Slavery Act 2018* (Cth) requires reporting entities to describe the actions they have taken to assess and address the risks outlined in the previous section, including due diligence and remediation actions.

More detail on risks specific to each Government portfolio are outlined in Section 3 of this Statement.

Risks and responses

Over the reporting period, the Government progressed its transition from the *discovery* to the *implementation* phase of its planned program of work. The *discovery* phase of work focused on raising awareness about, identifying, and increasing visibility of modern slavery risks across the Government's procurement and activity. The *implementation* phase aims to take these findings and act on them accordingly to allocate resources and implement recommendations. While the Government continues to progress work within the *implementation* phase, it is committed to continuous improvement, including with respect to *discovery* actions, such as the ongoing identification and assessment of modern slavery risks across Government procurement and activity.

High-risk areas for modern slavery

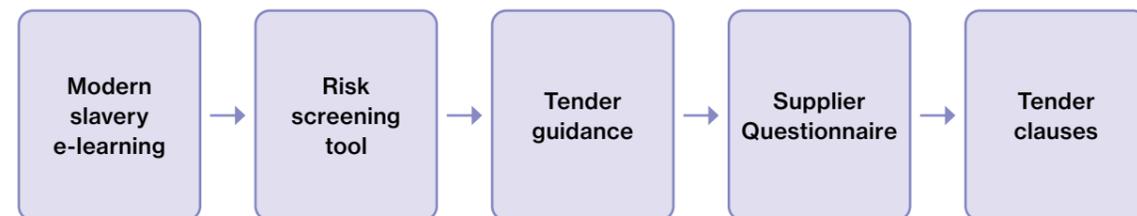
During the reporting period, the Government has continued its targeted, risk-based approach, focusing on key areas of known modern slavery risk in Commonwealth operations and supply chains over the reporting period. Ongoing research indicates supply chains within these sectors may expose workers to a greater risk of modern slavery. The five key risk areas of ICT hardware procurement, cleaning and security services, investments, textiles procurement, and construction have been identified through consideration of indicators such as geographic risks, product specific risks, organisation risks, and sector and industry risks. These high-risk areas are generally also high purchasing areas in the Government's purchasing profile.

The Government's approach of targeting these five high-risk areas is consistent with the UNGPs, the recognised global standard for preventing and addressing business-related human rights harm. In line with the UNGPs, the Government's continued focus on these identified high-risk areas in this reporting period and in previous reporting periods enables continuous improvement in driving meaningful change. The Government is committed to using its influence as a large procurer of goods and services to best influence suppliers to prevent and address risks of harm to victims and survivors.

This Statement highlights some key projects the Government is progressing within each high-risk area later in Section 2. Further detail on the identification and assessment of modern slavery risks identified within individual portfolio input is set out in Section 3.

While these five high-risk areas are a focus for the Government, there are additional modern slavery risk areas across all Government procurement areas. For example, medical consumables are an additional high-risk area of procurement for some portfolios, such as the Defence portfolio and the Health and Aged Care portfolio, as indicated in Section 3 at pages 64 and 87 respectively.

The Government also encourages the identification of risks through use of the Toolkit of Resources for Government procurement officers on addressing modern slavery in Government supply chains (Modern Slavery Toolkit). The Modern Slavery Toolkit is publicly available on the Government's online Modern Slavery Statements Register, and includes the following tools and resources to assist procurement staff to identify and mitigate risks in procurement:



ICT Hardware

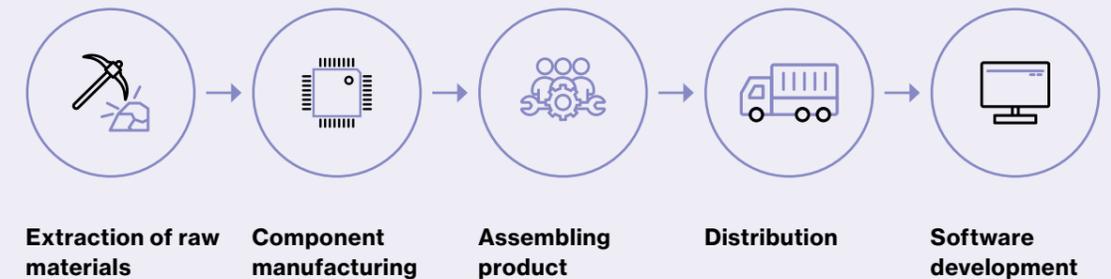
Risks and response

The Government procures a high volume of ICT hardware, which includes electronics goods such as desktop computers, laptops, phones, networks and servers. Over the reporting period, the Government awarded ICT hardware contracts to a value of \$2.3 billion.

The Government's procurement of ICT hardware is centralised through the Digital Transformation Agency (DTA), which hosts the BuyICT platform. The BuyICT platform is an online marketplace that connects government buyers with ICT industry suppliers. DTA continues to enhance BuyICT to deliver improved buyer and seller user experiences, including developing information prompts on modern slavery in the request for quote workflow and processes.

DTA is seeking to uplift its contract terms and conditions as it refreshes relevant hardware related panels, arrangements, and templates. DTA will continue its seller information sessions to inform industry of any updates to the policy and raise areas of concern.

The complexity, interconnectedness, and length of ICT supply chains make this industry high-risk for modern slavery. The following potential heightened risks throughout the various phases of the ICT supply chain process are identified as follows: child and forced labour, exploitation of vulnerable workers, occupational health and safety hazards, poor working conditions, low wages, and labour pressures.



During the previous 2021–22 reporting period, the Government worked with Electronics Watch, an independent monitoring organisation for public sectors that specialises in the electronics industry, to better understand risks in the Government's ICT hardware supply chains.

Electronics Watch provided a number of recommendations based on the Government's risks, including increasing supply chain transparency, developing internal strategies and capacity, investing in capabilities to monitor forced labour risks, and driving meaningful remediation. The Attorney-General's Department (AGD), in collaboration with NCCEs, began progressing and implementing these recommendations over the reporting period.

In addition, the Executive Director of Electronics Watch participated in the Government's national Modern Slavery Conference – Taking Action Together, held in Melbourne on 27–29 June 2023. This included participating in sessions on 'The Power of Partnership' and presenting a case example on the 'Road to Remedy – Overcoming Barriers to Effective Remediation and the Role of Partnership'. These sessions provided an opportunity for government and other stakeholders to explore remediation in practice, including the role of partnership in good-practice approaches.

Better understanding our ICT Supply Chains

During the reporting period, the Government commenced further ICT supply chain mapping under the Department of Defence's Supply Network Analysis Program (SNAP). SNAP uses open source intelligence data collection, big data analytics and augmented intelligence to map supplier networks and identify risk exposures. Under SNAP, the Government seeks to better understand modern slavery supply chain vulnerabilities within its multi-tier supply network.

To undertake this mapping, 50 Government ICT suppliers were analysed to build a multi-tier network map and risk sense for modern slavery exposures. The suppliers analysed as part of the project were a mix of ICT manufacturers and service providers selected from the Government's BuyICT platform and AusTender procurement data. Using these 50 suppliers, a supplier network of over 64,000 sub-tier suppliers to the Tier 4 level were identified, demonstrating the vast, complex nature of ICT supply chains.

The below infographic demonstrates the global geographic distribution of ICT supply chains, for 50 of the Commonwealth's Tier 1 ICT hardware suppliers.

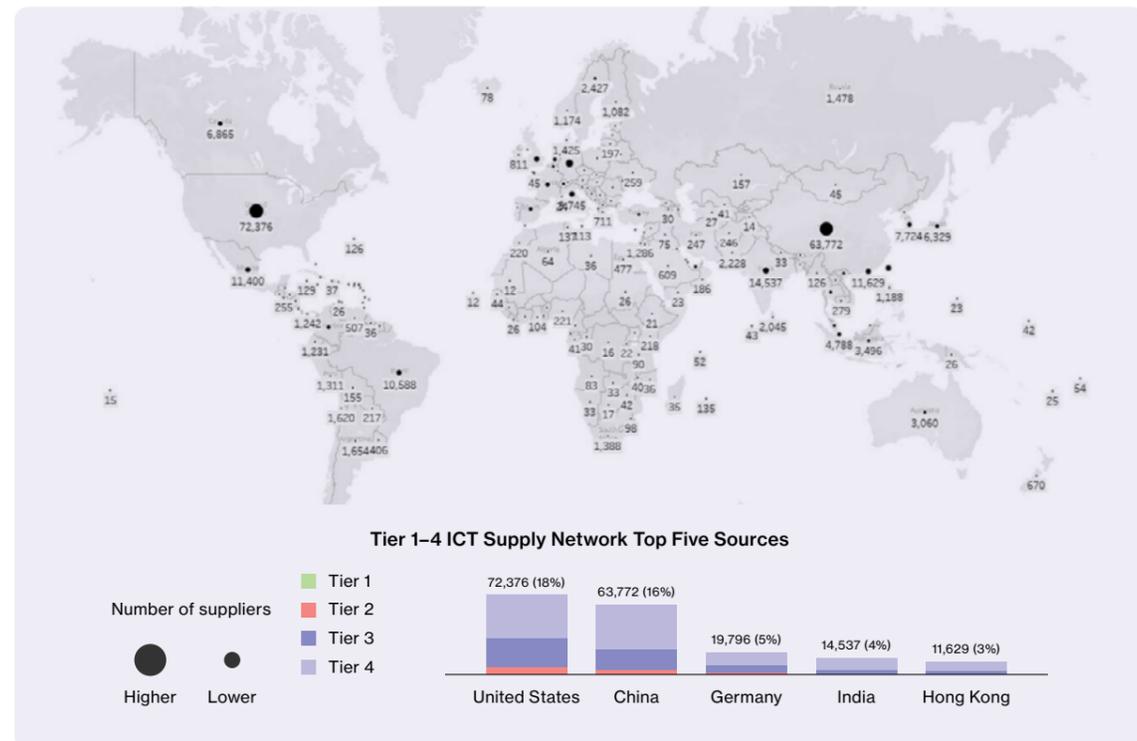
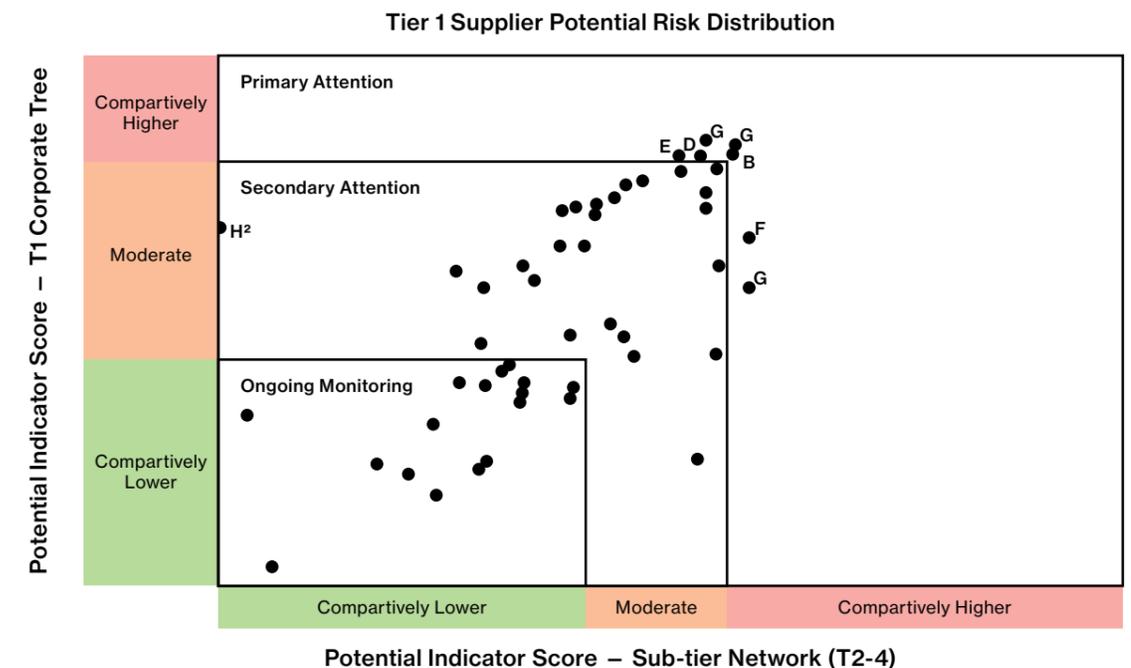


Figure 5. Tier 1–4 ICT Supply Network Geographic Distribution.

Through analysis of sub-tiers connected to the Government's Tier 1 suppliers, SNAP identified a number of potential higher-risk indicators to exposure to modern slavery within the supply chain. High-risk indicators were considered to be due to risk factors such as geographic location, enterprise risk and industry risk in conjunction with historical cases identified through open source reporting such as open source media reporting, civil and criminal proceedings, compliance actions by regulators, and investigations

by non-government organisations (NGOs). This information is designed to identify suppliers or exposures that may merit further validation and due diligence with appropriate stakeholders to assess suitability for further action.

The below infographic demonstrates the analysis of potential risks associated with the suppliers analysed in the project. The risk indicators were based on three categories: country risk, industry risk and enterprise risk.



Potential Indicator Score – T1 Corporate Tree¹
The Y-axis plots the Potential Indicator Score for all T1s based on (1) their global headquarters and, (2) the extended global footprint (eg. their corporate tree) considering their respective Country, Industry and Enterprise risk. The further north a T1 is on the Y-axis indicates a potentially higher comparative risk for modern slavery exposures than other T1s

Potential Indicator Score – Sub-tier Network(T2-4)¹
The X-axis plots an aggregate measure of the average Potential Indicator Score for all sub-tier suppliers illuminated for a given T1. As above, it considers the Country, Industry and Enterprise risk of each identified supplier. The further right a T1 is on the x-axis indicates a potentially higher comparative risk for sub-tier modern slavery exposures than other T1s

Figure 6. Tier 1 Supplier Potential Risk Distribution.

The below infographic demonstrates the complexity and interconnectedness of ICT supply chains, where one company of potential heightened risk is active in a number of tiers and is connected directly or indirectly to multiple suppliers at the Tier 3, Tier 2 and Tier 1 level.

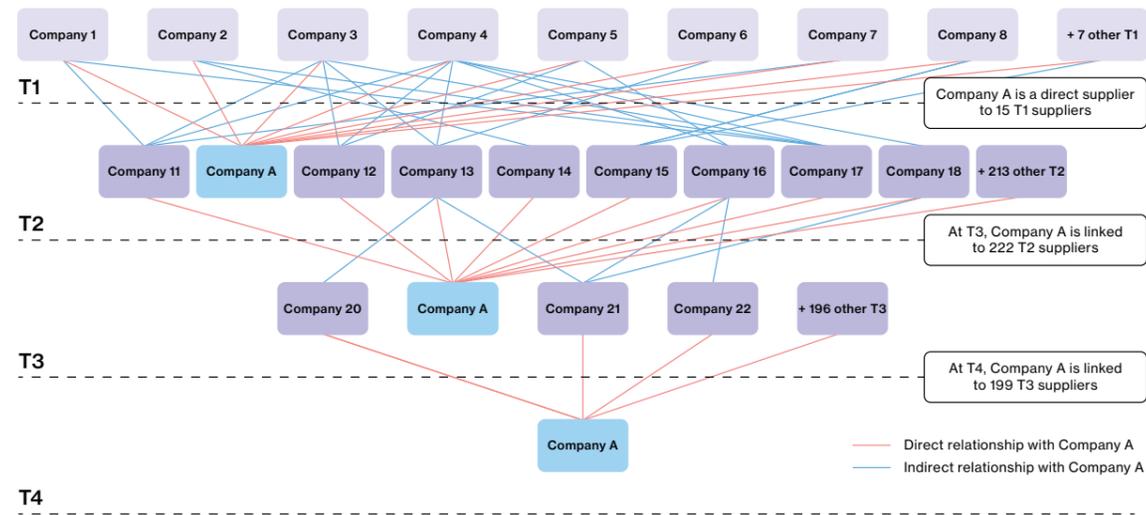


Figure 7. Relationships Between Tier 1 to 4 Suppliers.

Engaging with ICT Suppliers

Engaging with suppliers is a key component of assessing and addressing modern slavery risks throughout the supply chain.

During the reporting period, AGD and DTA delivered two capacity-building sessions for Tier 1 suppliers of ICT hardware to Government.

The first session provided an overview of modern slavery and the *Modern Slavery Act 2018* (Cth), Government expectations on ICT suppliers, and future priority areas for the Government. AGD and DTA polled participants following that session to seek feedback on content suppliers would like covered in future sessions. Those poll results indicated that suppliers sought practical guidance on managing modern slavery risks.

Accordingly, AGD and DTA worked in collaboration with Electronics Watch to develop a second capacity-building session. The content developed by Electronics Watch provided guidance on types of risks in the electronics sector, advice on and examples of monitoring and managing risk across supply chain tiers, the importance of worker voice, guidance on remediation, and a good practice case example.

In future reporting periods, AGD and DTA intend to continue providing these sessions to share knowledge with and build the capability of suppliers of ICT hardware to Government.

Partnership with industry experts – ICT supplier session developed in collaboration with Electronics Watch

Electronics Watch provided valuable information that the Government used in its capability-building session with ICT suppliers, including:

- Understanding risks and various forms of forced labour in the electronics sector
- Taking action to address risks through tools such as worker-driven monitoring and regular exchange with industry independent experts and civil society organisations

- Advice on transparency in supply chains
- Advice on remediation and the central role of stakeholder engagement in the process
- The importance of worker voice
- Understanding the central role of supply chain transparency

Cleaning and Security Services

Risks and response

Over the reporting period, the Government awarded contracts for cleaning services to the value of \$43.1 million and security services to the value of \$42.8 million. Under the Whole-of-Government Property Services Coordinated Procurement Arrangements (the Property Services Arrangements), three Property Service Providers (PSPs) (Ventia Property, Evolve FM, and Jones Lang LaSalle) deliver facilities management services to most NCCEs. The PSPs are responsible for the procurement, management and monitoring of downstream contracts including cleaning and some security services on behalf of NCCEs.

Cleaning and security services represent a potential high-risk area for Government. Key modern slavery risks entities may identify within cleaning and security services are set out below.

Under the PSPs' agreements with the Commonwealth, the PSPs are required to develop and maintain a Procurement and Downstream Contract Management Strategy (PDCMS) which defines the PSPs' approach to delivering procurement and subcontract management services. The PDCMS provides the Government with visibility over how the PSPs are planning and implementing actions under appropriate strategies, policies and legislation to mitigate modern slavery risks in the PSPs' supply chains and use of subcontracting.

For example, PSPs undertake risk assessments before onboarding a subcontractor, audits of payment data, training and induction programs, annual reporting, and routine compliance checks to ensure adherence to the overarching agreement with the Government and the *Modern Slavery Act 2018* (Cth).

| Common levels of involvement | Potential risk factors |
|---|--|
| Supplier practices  | <ul style="list-style-type: none"> • Low compliance with workplace laws • High staff turnover • Low pay for staff |
| Contracting practices  | <ul style="list-style-type: none"> • Subcontracting and labour hire practices • Weak and unreasonable contracting practices or underpriced contracts |
| Personnel  | <ul style="list-style-type: none"> • High proportion of temporary migrant workers • Poor understanding of Australian workplace rights |

During the reporting period, the Government progressed initiatives to build the capability of staff and suppliers to assess and address potential risks within Government cleaning services. This included the Government working with the Cleaning Accountability Framework (CAF) to develop an educational video targeted at procurement officers who procure cleaning services. This video provides a general overview of the risks of modern slavery in the cleaning industry, and is tailored to staff who procure or manage cleaning contracts. The video was published on the Government's Modern Slavery Statements Register Resources webpage, and promoted to agencies across the Government through the Government's Interdepartmental Committee on Modern Slavery in Public Procurement (IDCP), which comprises over 30 agencies. The title frame from the video is below.



The Government also ran a capability-building session with a large cohort of NCCCE staff who have direct dealing with PSPs under the Property Services Arrangements. The session provided an overview of the *Modern Slavery Act 2018* (Cth), key modern slavery risks across the cleaning sector, and the Government's priorities in this area. The session further discussed how the Government and PSPs can collaborate to best address and mitigate modern slavery risks in the cleaning and security industry, including through feedback from PSPs.

Collaboration and engagement between the PSPs and suppliers in the cleaning and security sector is an important part of modern slavery mitigation. The Government is committed to continuing to strengthen these relationships and facilitate open communication with key stakeholders to best encourage mitigation of modern slavery risks in Government cleaning and security supply chains over future reporting periods.

Investments

Commonwealth statement investments case study

The Future Fund

The Future Fund is Australia's sovereign wealth fund. It was established in 2006 to strengthen the long-term financial position of the Australian Government and its purpose is to invest for the benefit of future generations of Australians.

The Future Fund organisation consists of two main entities – the Board of Guardians (Board) and the Future Fund Management Agency (Agency). The Board, supported by the Agency, is responsible for investing the Future Fund and five other special purpose public asset funds: the Medical Research Future Fund, the Aboriginal and Torres Strait Islander Land and Sea Future Fund, the Future Drought Fund, the Disaster Ready Fund (formerly the Emergency Response Fund), and the DisabilityCare Australia Fund.

Each public asset fund has an investment mandate that is determined by the Australian Government under legislation. The Board and Agency invest the funds independently from Government and tailor the management of each fund to its unique investment mandate.

Collectively, these public asset funds total over \$256.2 billion. The Future Fund is the largest of these funds and was valued at \$206.1 billion on 30 June 2023.

Operations and supply chain

The primary activities of an investment fund include office operations, corporate procurement activities and the investment portfolio.

The Agency operates corporate offices in Melbourne and Sydney. The Agency's team is drawn from across investment, finance, legal, people and culture, technology and operations, bringing the skills necessary to manage the day-to-day operations of the business and the investment portfolio.

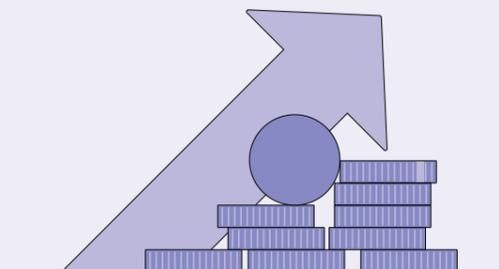
Under legislation, the Board is required to invest through external investment managers. These external investment managers invest both domestically and globally across public and private markets on behalf of the Board. They also invest across different financial asset classes including: Listed Equities, Private Equities, Tangible Assets, Alternatives, Cash, Debt and Overlays.

A list of investment managers is provided on the Future Fund's website (<https://www.futurefund.gov.au/en/investment/how-we-invest/investment-managers>) and information on how each of the funds are invested can be found in the Future Fund's annual report (<https://www.futurefund.gov.au/About-us/Publications>).

Risks

Agency operations

The Board's modern slavery risk assessment identified that the Agency's office operations and corporate procurement activities are unlikely to pose a high-risk for modern slavery given the Agency is solely based in Australia, subject to Australian laws and supported by Commonwealth procurement arrangements. Areas across the procurement of goods and services for the Agency's operations which could potentially have elevated modern slavery risk include: information technology, logistics and property, and building services.



Investment portfolio

Domestic investments:

Australian domiciled investments within the portfolio are generally considered lower risk in terms of onshore modern slavery. There are however particular sectors and industries where modern slavery risk is elevated domestically, including: migrant and contingent labour in the horticultural, cleaning, security and building construction industries.

Australian domiciled investments may also import modern slavery through their supply chains where finished products and services come from high-risk industries or countries, including: textiles and apparel from China, Bangladesh, Vietnam, India, Malaysia, Brazil and Argentina; solar panels from China; electronics from Malaysia; and seafood from Thailand, China, Indonesia, and Ghana¹.

International investments:

Modern slavery risks across international investments in the portfolio are likely to be elevated across emerging markets in Africa, Eastern Europe and Asia. A breakdown of investments by geographic region is available in the Future Fund's 2022–23 Annual Report.

Investment in sectors including mining, agriculture, textiles and apparel, construction, industrial manufacturing, diversified support services and technology components may also have elevated modern slavery risks.

Actions

Agency operations

The Commonwealth Procurement Rules and Whole-of-Australian-Government (WoAG) Arrangements apply to the Agency's non-investment related procurement activities. During the year the Agency's centralised procurement model was used to manage operational procurement activities. The Government's modern slavery model contract clauses have also been incorporated into the relevant Commonwealth Contracting Suite and professional services arrangements.

¹ Walk Free 2023, The Global Slavery Index 2023, Minderoo Foundation, Available from: <https://www.walkfree.org/global-slavery-index/downloads/>

Investment portfolio

The Board has integrated modern slavery into its Statement of Investment Policies and its Environmental, Social and Governance (ESG) Policy. The Agency's underpinning investment frameworks and approach guide how ESG risks, including modern slavery, are identified and managed across the investment portfolio.

The Future Fund's investment team undertake thematic modern slavery risk assessments across the investment portfolio on an annual basis. These assessments focus on geographic and sector risks in the first tier of the investment portfolio. During the year, work was undertaken to further enhance the Future Fund's internal modern slavery processes. This included the integration of industry-based modern slavery risk levels. Monitoring of controversies, media coverage and NGO activity is also undertaken across the course of the year.

These risk assessments and ongoing monitoring activities help to identify which investment managers to include in the Future Fund's investment stewardship engagement and monitoring program. Over the past year, modern slavery engagements were undertaken with investment managers across a number of asset classes, including: infrastructure, listed equities, listed tangibles, credit and private equity.

The Future Fund undertakes strategic engagement with Australian Stock Exchange (ASX) listed companies through its established investment stewardship program. Discussions on modern slavery are also commonly undertaken during the Future Fund's corporate governance meetings with ASX company Boards. During the year, modern slavery engagements were undertaken across a number of ASX industry sectors, including: materials and mining, financials, healthcare, consumer staples, consumer discretionary and industrials.

Published modern slavery statements for selected holdings within the Future Fund's ASX listed portfolio are also reviewed on an annual basis. During the year, the Future Fund was aware of several modern slavery incidences reported by ASX companies held in the investment portfolio. This included:

- Eight instances deemed to represent actual reports of modern slavery by the following ASX companies: ANZ, CBA, Seek, Wesfarmers, Westpac, Woolworths, Ansell and Oz Minerals and;
- Nine potential instances of reported modern slavery, by the following ASX companies: BHP, Brambles, Coles, GPT, NAB, Mineral Resources, Qantas, Stockland, and Worley.

These incidences were disclosed in each ASX company's modern slavery statement and were investigated and addressed by the companies

themselves in accordance with their own modern slavery obligations and policies. Where an actual or potential incidence of modern slavery is identified, the ASX company is added to the Future Fund's strategic engagement program.

Effectiveness

The effectiveness of modern slavery frameworks and actions is reviewed regularly through the Agency's Modern Slavery implementation program. The Agency reports to the Board annually on modern slavery related activity. Annual disclosures are also made through the Commonwealth Statement and in the Board and Agency's public annual report.

Case example

Investment manager engagement framework

The Future Fund's investment team undertake a Modern Slavery Review for each new investment manager appointment or mandate. This review aims to help the Future Fund's investment team understand potential exposure to modern slavery risks associated with the investment manager's own operations and the underlying investments that they manage on the Future Fund's behalf.

The Future Fund's internal processes are used to determine if the investment manager's own operations are located in a country that has been identified to have moderate or high modern slavery risk. If identified, further due diligence is undertaken to assess how the investment manager considers modern slavery risks within their own business and operational supply chain.

Geographic and sector risks of new investment strategies and mandates are also

assessed using the Future Fund's internal processes. If elevated modern slavery risks are found to exist, further assessment of the investment manager's policy, systems, risk management approach and monitoring activities is undertaken. This generally includes an assessment of the following during due diligence:

- Policies, governance, and oversight.
- Implementation approach.
- Engagement processes.
- Incident management and reporting.

Once investment managers have been appointed, they are included in the Future Fund's ESG Manager Review program. Through this program, investment managers' approaches to the management of ESG risks and opportunities, including modern slavery, are periodically reviewed on an ongoing basis.

Textiles

Risks and response

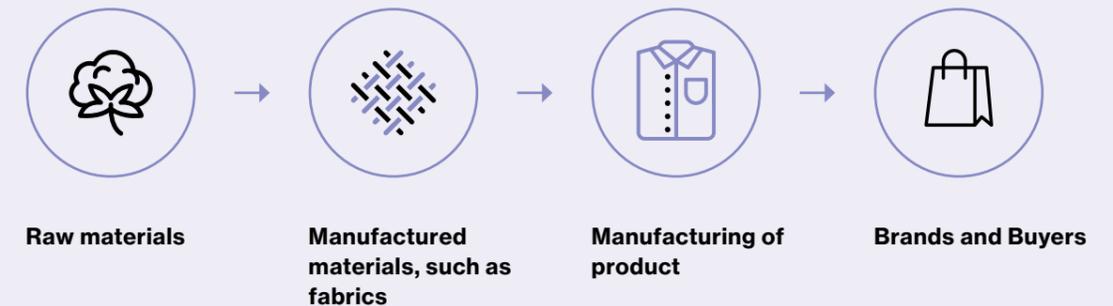
Over the reporting period, the Government awarded textile contracts to a value of \$31.6 million. Most textiles procured by the Government are for uniforms, including clothing, fabrics, and footwear. The textile industry is recognised globally as a high-risk industry for modern slavery risks. Well-documented modern slavery risk areas within textiles supply chains include child and forced labour, exploitation of vulnerable workers, time pressures, reduced profit margins, excessive hours, exploitative and deceptive recruitment, and unrealistic demands on suppliers, such as time pressures and lower cost.

During the 2021-22 reporting period, the Government engaged Sedex to undertake a targeted risk assessment of key textile suppliers across NCCEs. The risk assessment provided a series of recommendations on how to mitigate

risks, including by working directly with suppliers, reviewing supplier policies and standards, and encouraging further supplier mapping down the supply chain. In line with these recommendations, over the reporting period, AGD, in collaboration with NCCEs, progressed development of guidance for procurement staff on engaging with suppliers to manage modern slavery risks, particularly in high-risk areas like textiles.

Textile procurements are undertaken in large volumes, particularly in agencies where there is a need for uniforms, such as the Australian Federal Police (AFP), Australian Border Force (ABF) and the Department of Defence.

The case examples below illustrate how these agencies are assessing and addressing modern slavery risks in their textile procurements.



Case example

Textiles procurement in AFP and ABF

In the previous reporting period, AFP and ABF entered into a five-year service agreement with Australian Defence Apparel (ADA), for the Provision of Uniform, Accoutrement and Personal Protective Equipment Supply and Management Services.

The ABF and AFP utilise Australian-made or manufactured suppliers for uniforms, personal protective equipment and accoutrements, where possible.

As at 30 June 2023, AFP and ABF's uniforms and equipment came from the following countries of origin:

Under contract arrangements, the service provider is required to ensure personnel responsible for managing the operations and supply chains have undertaken suitable training to identify and report modern slavery, and are required to implement a Modern Slavery Risk Management Plan, reviewed and approved by the Department of Home Affairs.



Figure 8. AFP and ABF Textile Source FY22-23.

Case example

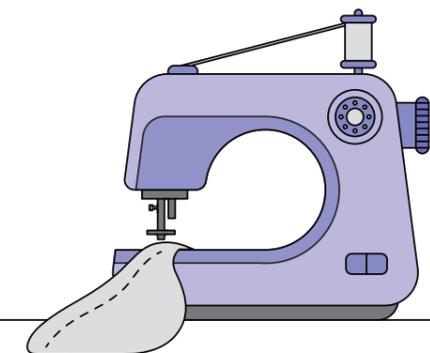
Textiles procurement in Defence

Defence is responsible for procuring clothing for the Australian Defence Force (ADF). Defence has undertaken a range of actions to mitigate modern slavery risks in relation to this procurement:

- Defence procures its clothing and footwear from both the domestic and international textile and clothing industries.
- Defence has mapped the locations in which Defence clothing and footwear are manufactured and has selectively chosen to manufacture some clothing in Australia.
- Defence engages routinely with its suppliers to promote the importance of modern slavery legislation.

- Defence also conducts regular and routine physical audits of clothing and footwear manufacturing locations to monitor the level of compliance of its suppliers against modern slavery legislation.
- In November 2022, Defence sent a small team of clothing procurement experts to Vietnam and Indonesia to conduct a quality and modern slavery compliance audit of multiple clothing manufacturers, all of whom supply Defence with clothing. The team was able to view all relevant factories and workplaces and found no evidence of non-compliance with Defence contracts or international certifications.

Further information about risk mitigation in the Defence portfolio can be found at page 64.



Construction

Risks and response

Over the reporting period, the Government awarded contracts for construction services to the value of \$4.9 billion.

The Government undertakes construction procurement to support a range of projects, from office building fit-outs and refurbishments of government-owned buildings, to construction of offshore embassies.

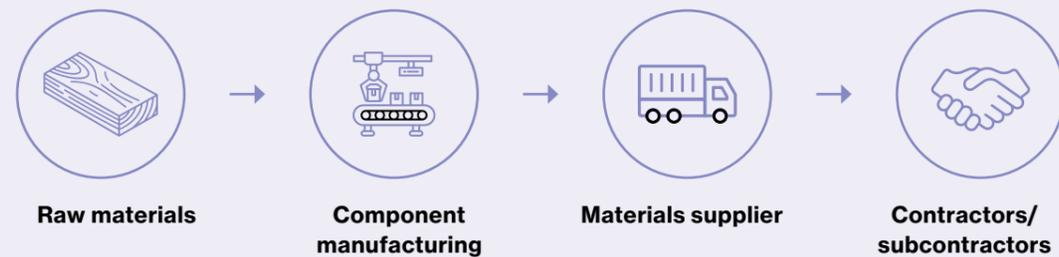
The construction industry is a high-risk sector for modern slavery, in part due to the high demand for workers paid low wages and with less work-specific skills, poor visibility and transparency in supply chains, fragmentation and complexity in supply chains, and low-tier suppliers operating in higher-risk geographic areas. Tight project deadlines and seasonality also contribute.

Significant subcontracting is also a risk factor within the construction industry, alongside the treatment of vulnerable workers, particularly migrant workers. Risks include poor worker understanding of rights and legal position due to complex contracting and subcontracting hire arrangements, forced labour, and unethical recruitment practices.

In tandem with the textiles risk assessment conducted by Sedex discussed on page 37, during the 2021-22 reporting period the Government also engaged Sedex to undertake a targeted risk assessment of key construction suppliers across NCCs. The risk assessment provided the Government with a series of recommendations

on how to mitigate risks, including by working directly with suppliers, reviewing supplier policies and standards, and encouraging further supplier mapping down the supply chain.

To increase transparency and visibility over Government construction supply chains, the Government commenced construction supply chain mapping under the Department of Defence's SNAP. As discussed on page 28, SNAP uses open source data, big data analytics and augmented intelligence to map supplier networks and identify modern slavery risk exposures in Government construction supply chains. As stated on page 29, this information is designed to identify suppliers or exposures that may merit further validation and due diligence with appropriate stakeholders to assess suitability for further action. Construction suppliers were selected for analysis with a focus on manufacturer suppliers (that is, suppliers controlling a physical product supply chain to produce goods), with a lesser focus on service companies, and focused on analysing a wide range of companies, to optimise results based on SNAP capability.



The below infographic demonstrates the geographic distribution of construction supply chains across the world, from the 30 Tier 1 suppliers initially connected to the Government.

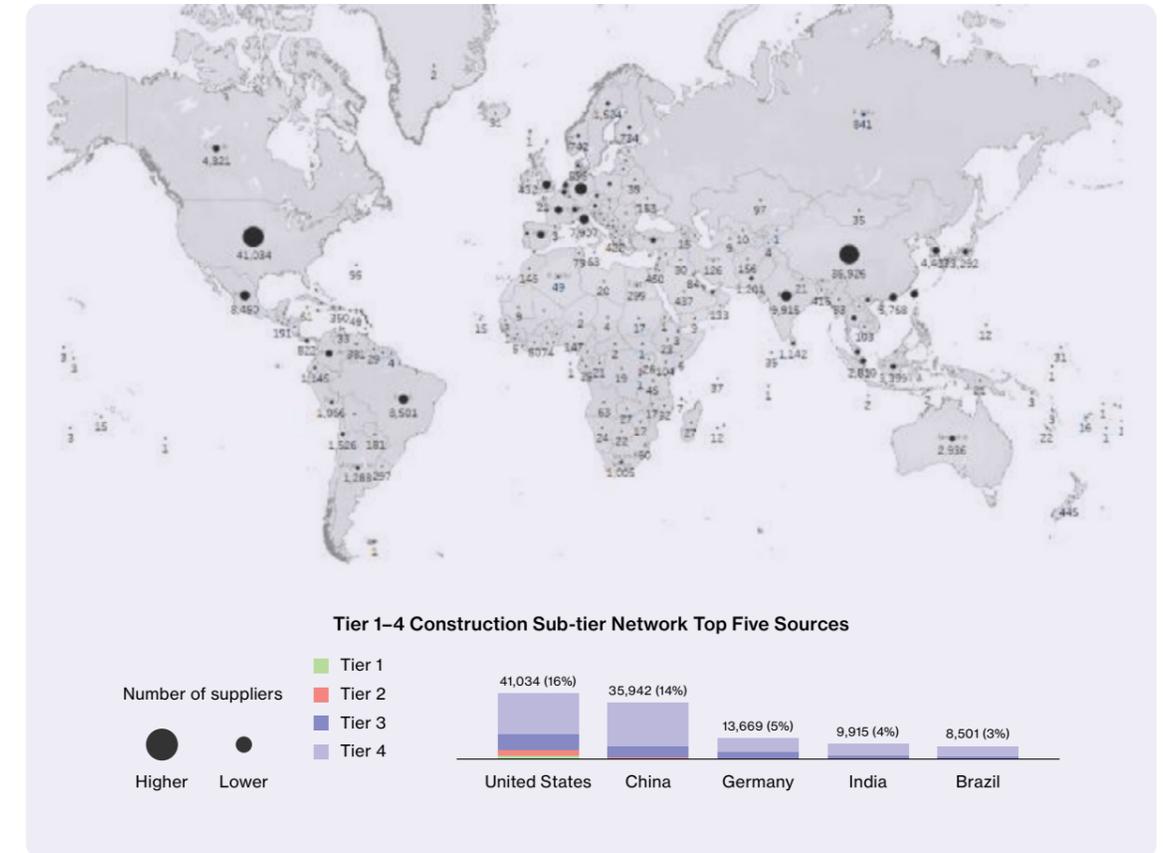
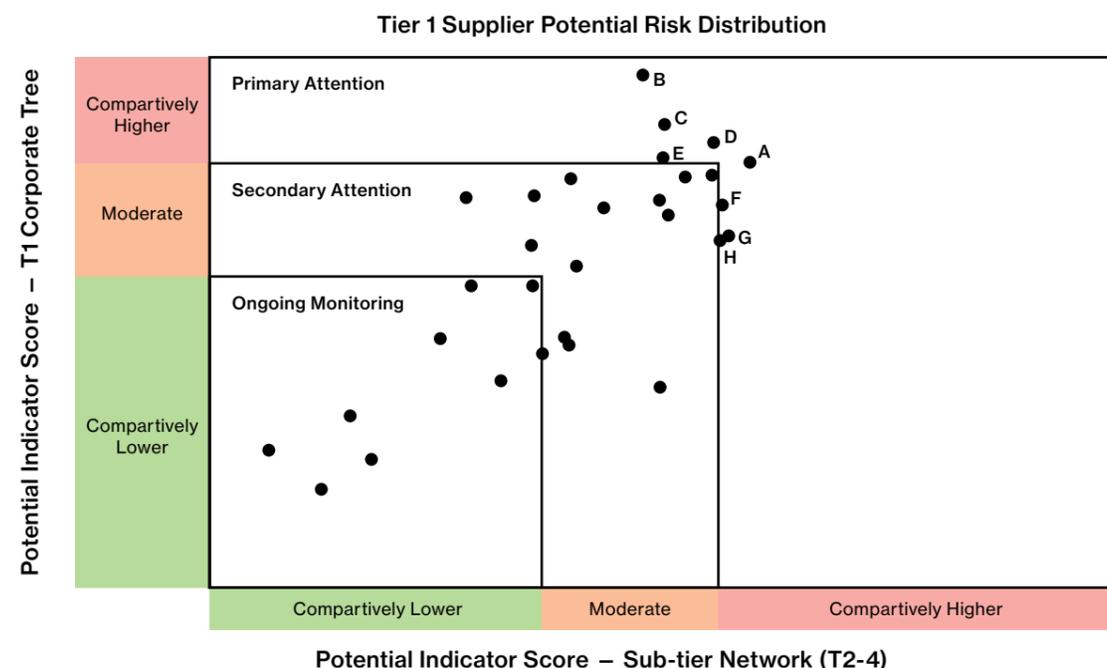


Figure 9. Tier 1-4 Construction Service Sub-tier Network Geographic Distribution.



The infographics below and on page 43 highlight the increasing complexity of construction supply chains as they are mapped to Tier 4. Showing the results of mapping 30 Tier 1 construction suppliers by spend to the Commonwealth, the infographic highlights the number of suppliers at the lower tiers increases to 39,912 suppliers at Tier 4 with approximately 68,000 suppliers across the four tiers.



Potential Indicator Score – T1 Corporate Tree¹
 The Y-axis plots the Potential Indicator Score for all T1s based on (1) their global headquarters and, (2) the extended global footprint (eg. their corporate tree) considering their respective Country, Industry and Enterprise risk. The further north a T1 is on the Y-axis indicates a potentially higher comparative risk for modern slavery exposures than other T1s

Potential Indicator Score – Sub-tier Network(T2-4)¹
 The X-axis plots an aggregate measure of the average Potential Indicator Score for all sub-tier suppliers illuminated for a given T1. As above, it considers the Country, Industry and Enterprise risk of each identified supplier. The further right a T1 is on the x-axis indicates a potentially higher comparative risk for sub-tier modern slavery exposures than other T1s

Figure 10. Tier 1 Supplier Potential Risk Distribution.

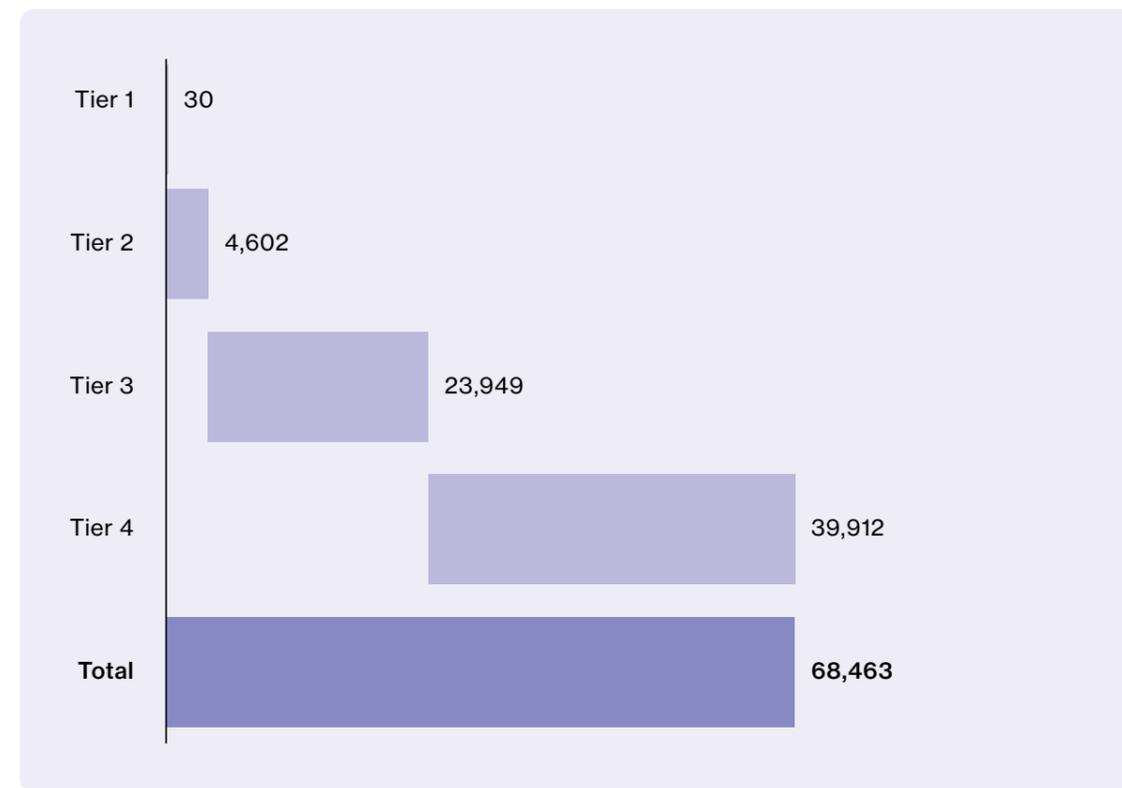


Figure 11. Filtered Construction Supply Network Tier Breakdown.

Case example

Defence engagement with offshore construction suppliers on modern slavery risks

During the reporting period, Defence was notified of allegations concerning a subcontractor’s employee working conditions while supporting the Lombrum Naval Base Redevelopment project on Manus Island, Papua New Guinea. The Project Manager observed signs of potential modern slavery occurrences and approached the subcontractor’s employees to undertake general welfare checks. The workers noted they were experiencing payment issues from their employer. Following notification to the Head Contractor’s Representative, the Project Manager undertook further investigations and provided their observations to Defence.

Upon review of the allegations and information provided, Defence closed out the issue in May 2023. This action was based on the information provided and the ongoing engagement in partnership with the supplier to improve and address their procedures. No proven modern slavery outcomes were recorded. Part of the close out included Defence’s recommendations to the subcontractor to review payment administration and processes in relation to local labour laws in Papua New Guinea.

Case example

Managing risks in the Overseas Property Office and Service Division

As at 30 June 2023, the Overseas Property Office and Services (OPO) Division in the Department of Foreign Affairs and Trade, managed 116 owned properties (including compounds) in the Government’s overseas estate with a combined value of approximately \$3 billion.

OPO considers and assesses modern slavery risks in medium / major construction and property procurement activities. OPO manages the following at-risk procurements:

- Overseas construction (both new build construction and office fit-outs).
- Direct (Post managed) and indirect (managed by a contracted property service provider) engagement of domestic and local overseas suppliers for required property and facilities management tasks.

OPO considerations for modern slavery risks are based on risk assessments associated with the sector of work, demographic location (including countries of high risk) and the proposed contracting methodology.

Modern slavery risks in supply chains can increase through high rates of subcontracting, which reduce transparency of downstream

suppliers, manufacturers, and workers. While there is also often limited visibility of where and how raw materials procured for construction projects have been sourced, OPO maintains a level of visibility through the procurement process, contract conditions, and specifications, to provide control of downstream suppliers.

Offshore contracts may also have a high proportion of labour that may come from low-skilled migrant workers who are more vulnerable to exploitation. Contracts include clauses to mitigate such exploitation through assurance mechanisms of subcontractor payments (usually small and medium enterprises).

OPO maintains a robust level of control and oversight of onshore and offshore construction and property procurement processes and regularly consults with legal and procurement advisors to create fit for purpose tender and contract documents that include modern slavery clauses and safeguards that are specific to the project location. These have been used for projects where the contractor is required to implement a Modern Slavery Action Plan in high-risk locations.

Overarching actions

In addition to actions taken across high-risk areas of procurement in the 2022-2023 financial year, the Government also progressed a range of actions across its four strategic areas of focus. These areas of focus build capacity across Government to best identify and respond to modern slavery risks.

Actions across these strategic areas support the Government’s implementation of the *Principles to guide Government action to combat trafficking in global supply chains*, a joint commitment between the Governments of Australia, Canada, New Zealand, the United Kingdom and the United States. In particular, these actions promote Principle 1: Take steps to prevent and address human trafficking in Government procurement practices.

| | |
|---|--|
| <p>Training and awareness activities</p> | <ul style="list-style-type: none"> • Hosted a whole-of-government capacity-building workshop on modern slavery within Government procurement, attended by over 20 agencies. The workshop focused on collaboration and sharing of good-practice examples across Government, identifying gaps and opportunities in the Government’s work, and provided an opportunity to consult on future tools and resources for procurement officers. The workshop received positive feedback. • Tailored capacity-building sessions to individual Government agencies and portfolios on modern slavery risks and guidance specific to those agencies. • Worked with CAF to develop and promote an educational video on modern slavery risks, targeted at procurement officers who procure cleaning contracts across the Government. • Commenced development of a guidance resource for Government financial delegates on modern slavery risks in Government procurement. • Convened the 2023 Modern Slavery Conference in Melbourne from 27-29 June. The conference included sessions on responsible sourcing and procurement, fair and ethical recruitment, remedy in modern slavery responses, and working collaboratively with suppliers. The event brought together over 400 in-person and 80 online attendees, including representatives from Government, business, civil society, academia and survivor-leaders and advocates. This included attendance and presentations by survivor-leaders Sophie Otiende and Rani Hong. • Shared educational videos with the IDCP that were developed under the Modern Slavery Impact Initiative, reflecting the Government-funded project developed by the UN Global Compact Network Australia. |
| <p>Procurement activities</p> | <ul style="list-style-type: none"> • Progressed scoping of the Government’s audit of procurement procedures and supply chains. Future reporting periods will discuss the implementation and outcomes of this audit. • Ongoing promotion of modern slavery resources across the Commonwealth by way of the IDCP. |

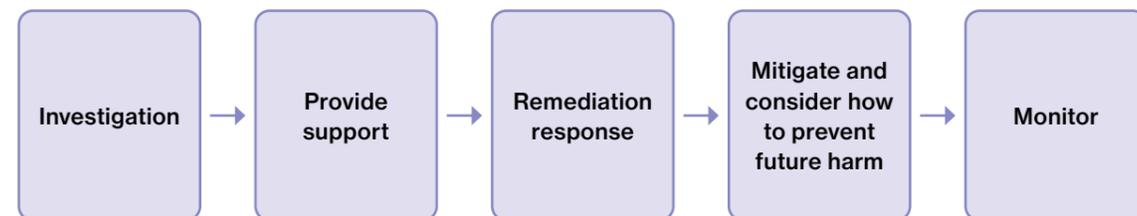
| | |
|----------------------------|---|
| Supplier activities | <ul style="list-style-type: none"> • Undertook supply chain mapping and risk sensing to Tier 4 level for selected ICT and construction suppliers under SNAP. Further information is set out on pages 28 and 40. • Convened two capacity-building sessions on modern slavery risk to ICT suppliers to Government (discussed further on page 31). • Commenced development of new guidance for procurement officers, focusing on good-practice supplier engagement. • Presented at a forum facilitated by the Department of Finance, attended by Commonwealth officials from entities in the WoAG Property Services Coordinated Procurement Arrangements. • Ran a capacity-building workshop with cleaning and security Property Service Providers (further information on page 33) . |
| Response activities | <ul style="list-style-type: none"> • Consultation through the Lived Experience Engagement Program on remediation and practical support for victims and survivors of modern slavery, including how government and business can engage victims and survivors to hear their views on remedy. • Sessions held during the 2023 Modern Slavery Conference, including on remedy in modern slavery responses, overcoming barriers to effective remediation, and people-centred and people-led approaches to combating modern slavery. • Continued update of the Government's Response Protocol (further information below). |

Responding to modern slavery

Over the reporting period, the Government progressed updating its Response Protocol. This has included research into advancements on good practice, internal consultation, and scoping of external consultation with victims and survivors, business, civil society, and academia.

The Response Protocol follows five key guidance steps outlined below.

The Response Protocol is underpinned by the UNGPs. For example, access to remedy is a pillar of the UNGPs, and is acknowledged as a vital step in the process of government and business entities addressing human rights abuses in their business operations.



| UN Guiding Principles on Business and Human Rights | | |
|---|---|---|
| The UNGPs are the recognised global standard for preventing and addressing business-related human rights harm. The UNGPs contain 3 key pillars. | | |
| Pillar 1: State Duty to Protect | Pillar 2: Corporate Responsibility to Respect | Pillar 3: Access to Remedy |
|  |  |  |
| State duty to protect against human rights abuses, through policies, regulation, legislation and adjudication. | Responsibility to respect human rights across the value chain. | Access to remedy in cases of human rights abuse by state and non-state actors. |

The Government acknowledges that, in line with UNGPs, expectations on how business responds to modern slavery will depend on whether a business has caused, contributed or is directly linked to the risk. To help model this approach for business and help Government procurement staff understand how risk may present in Government

supply chains and operations, the Response Protocol will outline this continuum of involvement.

Once the Response Protocol has been updated, the Government will publish an overview of the Response Protocol on the Modern Slavery Statements Register Resources page.

| DEGREE OF INVOLVEMENT | | | |
|---|--|--|---|
| | CAUSED by your entity | CONTRIBUTED TO by your entity | DIRECTLY LINKED TO your entity |
| Definition | Operations or actions in your entity's supply chains directly result in modern slavery practices. | Operations or actions in your entity's supply chains increase the risk of modern slavery occurring. For example, an omission incentivises modern slavery. | Operations, products or services of your entity are connected to modern slavery through the activities of another entity your entity has a business relationship with. |
| How this affects the entity's response | <ul style="list-style-type: none"> • Take action to cease or prevent the risk and provide for or cooperate in remedying any actual impact. • Cooperate in remedying any actual impact. | <ul style="list-style-type: none"> • Take action to cease or prevent your contribution to the risk. • Provide for or cooperate in remedying any actual impact. • Use leverage to mitigate remaining risk. | <ul style="list-style-type: none"> • Use leverage to influence the entity causing the risk to take action. • Consider if you should provide for or cooperate in remedying any actual impact. • Consider exiting in discrete circumstances. |

Case example

Lived Experience Engagement Program

The Government has continued to build its capability to engage and empower victims and survivors of modern slavery. Survivor voices were prominently represented in the Modern Slavery Conference and National Roundtable on Human Trafficking and Slavery meeting. Increasingly, the Government has been engaging directly with victims and survivors of modern slavery to inform policy and program design.

During the 2021–22 reporting period, as part of the National Action Plan (NAP) to Combat Modern Slavery 2020–25 Grants Program, the Government funded the Salvation Army to create the Lived Experience Engagement Program (LEEP).

The LEEP is an evidence-based and ethical model to support the Government’s engagement with victims and survivors of criminal labour exploitation to inform national policy under the NAP. The modern slavery Survivor Advisory Council (SAC) was established as a pilot to enable victims and survivors to share their experiences through the LEEP.

Over the 2022–23 reporting period, the LEEP held five sessions, and two out-of-session engagements, in which the members of the SAC shared their experiences with various Government agencies on a range of issues concerning modern slavery and human trafficking. This included discussion on legislative review, training and awareness activities, engagement and empowerment, and remediation and practical support. The SAC further developed a ‘people-centred and people-led’ video which was presented at the Modern Slavery Conference. Members of the SAC further presented at a number of sessions at the Conference around survivor voice, advocacy, and leadership.

Engagement with the LEEP is assisting Government in updating its Response Protocol, by helping Government better understand how to best support victims and provide remediation. In the next reporting period, AGD will meet with the LEEP to discuss what good-practice remediation looks like.

Whole-of-Government Mandatory Criterion 4: Effectiveness

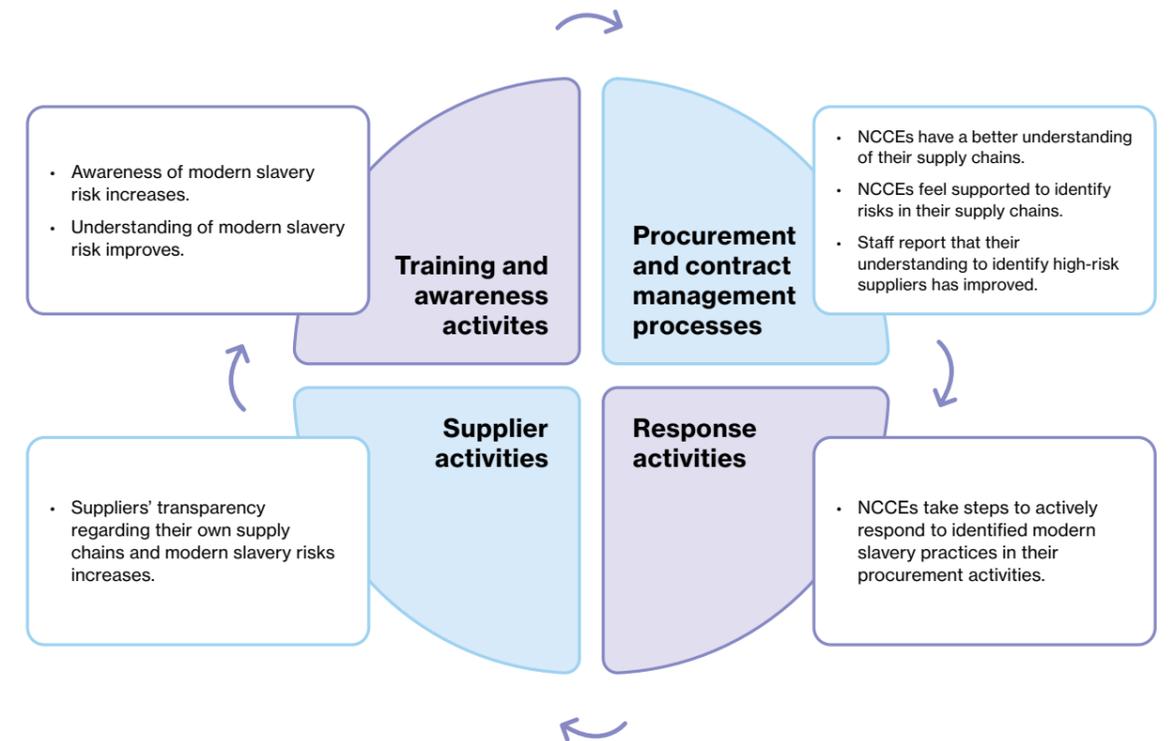
Section 16(1)(e) of the *Modern Slavery Act 2018* (Cth) requires reporting entities to describe how the reporting entity assesses the effectiveness of the actions being taken to assess and address modern slavery risks.

This section provides a whole-of-government overview of how the Government has reviewed the effectiveness of its actions to assess and address modern slavery risks, including how it will monitor the effectiveness of actions in future Commonwealth Statements. More detail on specific measures of effectiveness within each Government portfolio is outlined in Section 3.

The Government’s measures of effectiveness come from the Performance Review Framework developed by the Australian Institute of Criminology, in consultation with the IDCP. A summary of this Framework is outlined below, with a more extensive overview available in the previous 2021-22 Commonwealth Statement.

Portfolio input in Section 3 details the actions that each portfolio has undertaken, in accordance with the strategic areas outlined in the Performance Review Framework. The table on page 50 highlights some key indicators against the Framework.

In the previous 2021–22 reporting framework, Government agencies were surveyed on progress against the Framework to establish a baseline of data (these results are included in the previous 2021-22 Statement). This data helped Government shape some its actions and priorities in this reporting period, some of which are detailed below. The Government intends to collect further data in future reporting periods, to further track our progress against the Framework.

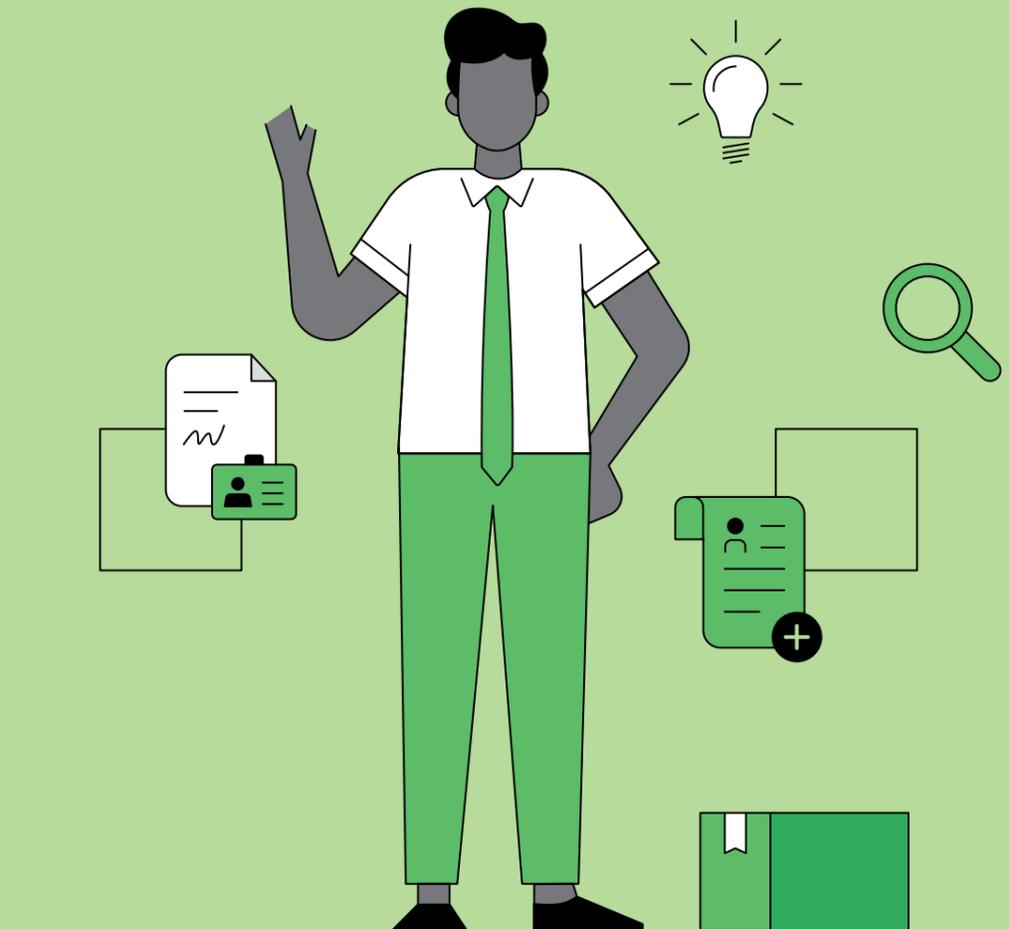


| Performance Review Framework Area | Key Indicators in 2022–23 |
|---|---|
| Training and awareness activities | <ul style="list-style-type: none"> • The Government’s consolidated Modern Slavery Toolkit has been downloaded over 14,969 times from the online Modern Slavery Statements Register.* • In response to data gathered in the last reporting period which indicated that current tools and resources can be improved, AGD consulted with NCCEs to determine gaps in resources. • AGD conducted five tailored capacity-building training sessions with individual agencies. • AGD and DTA conducted two capability-building workshops for ICT suppliers, including one workshop with training material prepared in collaboration with Electronics Watch. • The Government hosted a capacity-building workshop with Property Service Providers. • The Government delivered a national social media campaign to raise awareness of human traffickers, reaching nearly 10 million users. |
| Procurement and contract management processes | <ul style="list-style-type: none"> • The Government’s contract clauses have been downloaded over 11,655 times from the online Modern Slavery Statements Register.* • Over 30 Government agencies were members of the IDCP, attending regular meetings to collaborate on modern slavery risk in Commonwealth procurement. |
| Supplier activities | <ul style="list-style-type: none"> • The Government’s Modern Slavery Supplier Questionnaire has been downloaded over 19,913 times from the online Modern Slavery Statements Register.* • Commenced work on supplier engagement guidance in response to data gathered last reporting period that indicated low confidence in engaging with suppliers on modern slavery risks. |
| Response activities | <ul style="list-style-type: none"> • The Government identified and responded to potential instances of modern slavery (see pages 36 and 43 for further information). • The Government consulted with the LEEP to better understand how to best support victims and provide remediation. |

* As at 20 April 2023.

Section 3

Input from Government portfolios



This section sets out the risks, mitigating actions, and measures of effectiveness specific to each of the Government’s portfolios. Each portfolio has distinct procurement activities, purposes, and level of maturity in its modern slavery response. A list of NCCEs are set out on page 12 of this Statement. Those NCCEs each sit within a Government portfolio and have been consulted in the development of the portfolio inputs set out below.

Portfolio input below refers where appropriate to WoAG arrangements for the procurement of certain goods or services. As a coordinated procurement, WoAG arrangements are mandatory for NCCEs. Corporate Commonwealth Entities, Commonwealth Companies, and Government Business Enterprises may opt in to use the WoAG arrangements. For example, WoAG arrangements are set up for Property Services, Management Advisory Services, Recruitment, Stationery and Office Supplies, and ICT hardware. In the establishment of the WoAG arrangements, tenderers are required to indicate compliance with the *Modern Slavery Act 2018* (Cth) as part of the Request for Tender (RFT) process. RFT documentation requests tenderers to provide

information regarding their supply chain integrity that includes exploitation in its supply chain. The tenderer is also held accountable by warranting that they are not aware of any evidence of exploitation in its supply chain after conducting a reasonable examination of its supply chain. In addition, compliance with the *Modern Slavery Act 2018* (Cth) is a requirement under the Head Agreements with successful suppliers/panellists.

Below is an overview of the use of Australian Government training, tools, and resources across Government portfolios. The graphs below reflect use of modern slavery training for procurement staff, the Supplier Questionnaire, and modern slavery contract and tender clauses, respectively.

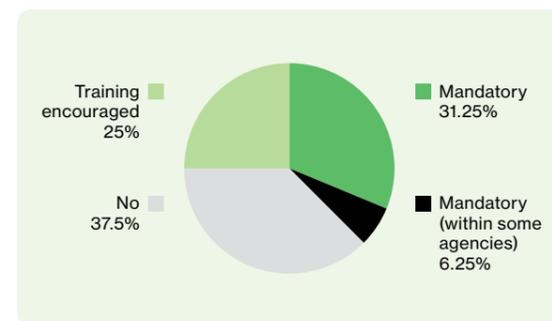


Figure 12. Overview of Portfolio Input: Training for Procurement Staff.

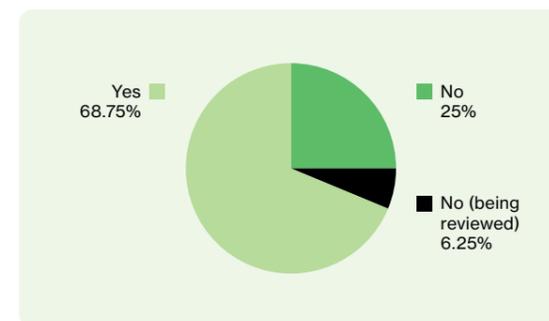


Figure 13. Overview of Portfolio Input: Questionnaire Used in Portfolio.

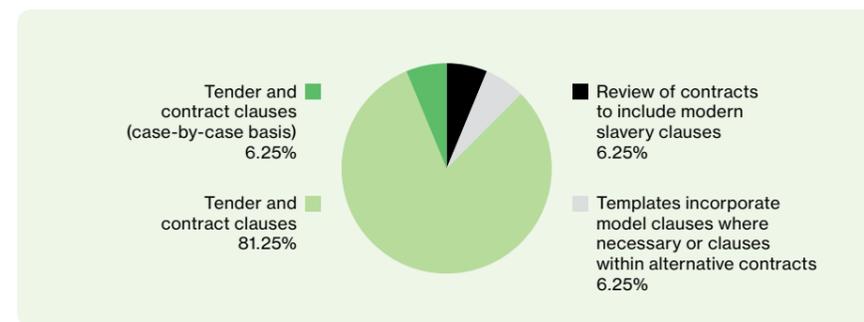


Figure 14. Overview of Portfolio Input: Clauses Used.

Agriculture, Fisheries and Forestry

The Agriculture, Fisheries and Forestry Portfolio enhances Australia’s agricultural industries and trade, and manages the threat of biosecurity risks to Australia. The portfolio’s operations support the agriculture, fishery, food and forestry industries so they can remain competitive and sustainable to ensure industry growth, biosecurity, resilience and sustainability.

The Agriculture, Fisheries and Forestry Portfolio consists of the Department of Agriculture, Fisheries and Forestry, as well as the Australian Fisheries Management Authority.

The highest areas of contract value within the Agriculture, Fisheries and Forestry Portfolio identified are:

- Temporary Personnel
- Property Management, including lease and rental of property or building
- ICT hardware and software maintenance and support
- Consultancy Services
- Education and Training.

Risks

During the 2022–23 financial year the Department of Agriculture, Fisheries and Forestry and associated portfolio agencies continued to target modern slavery risks. Within the portfolio the main industries identified as potentially high-risk included:

- Property Services (including cleaning and security services)
- ICT hardware
- Textiles and Personal Protective Equipment such as jackets, uniforms and t-shirts
- Construction and maintenance.

Modern slavery risks are identified through various actions across the portfolio, including:

- When a business area first identifies the need to undertake a procurement activity through the completion of a procurement registration form, they are required to consider whether modern slavery risks are prevalent for the particular good and/or service being procured, including the supply chain model involved. This provides an alert to the central Procurement Team to identify if any additional requirements may need to be considered throughout the procurement process, and so that tailored advice can be provided regarding potential mitigation strategies.

- After further planning and prior to approaching the market, there is a requirement to undertake a formal Procurement Risk Assessment. Within this assessment is the need to identify whether the procurement activity may introduce modern slavery risks into the department’s supply chain with consideration to the industry/sector being approached, the location of goods and/or services and the likelihood and prevalence of modern slavery risk.
- Drafting notes are included in the Approach to Market templates and departmental bespoke suite of templates, drawing attention to modern slavery requirements and information required to be captured and assessed during the evaluation phase and in the resulting contract.
- As part of the tendering process, potential suppliers are asked to provide details of how they identify, assess and address risks of modern slavery practices in their operations and supply chains, which may also include the need for a further policy or plan to be provided. This allows for the adoption of any required mitigation strategies for any risks identified.
- During the contract formation stage, modern slavery risk considerations are incorporated into standard clauses and contract terms, along with any necessary plans. This is to allow for the ongoing management of and engagement with the supplier, and to conduct due diligence in the business supply chain and operations.

- Prompts have also been embedded in contract management tools and resources to ensure that modern slavery risks are considered in the ongoing contract management phase. Extensive guidance is provided during the contract management phase through the departmental Contract Management Framework

and support from central procurement teams. Fostering a positive and collaborative relationship with the supplier is key to managing the ongoing risks of modern slavery in the procurement activity. This contributes to building knowledge of relevant supply chain risks and how to best manage them.

Response

Training and awareness raising activities

Key training and awareness raising activities carried out across the portfolio over the reporting period include:

- Face-to-face procurement and contract management training, available to all staff, which covers the consideration of modern slavery risks in supply chains and operations. This is captured through the following training courses on offer:
 - Procurement Principles
 - Procurement Planning and Processes
 - Contract Management Principles.
- Mandatory online training for procurement officers in the central procurement team. The central procurement teams provide strategic advice to officials and promote use of the Modern Slavery Toolkit to support officials undertaking procurement activities.
- Face-to-face training sessions and e-Learning modules for staff covering the *Modern Slavery Act 2018* (Cth) and broader modern slavery considerations for procurement officers.
- Internal communications to staff raising awareness of the requirements under the *Modern Slavery Act 2018* (Cth) and practical tips to apply when undertaking a procurement activity.
- Provision of internal procurement policies, templates, checklists and training to raise awareness of potential risks and supporting resources available.
- Procurement planning documentation, which addresses modern slavery considerations for all goods and services being procured, including the supply chain model involved, and informs future steps required to mitigate any potential risk.
- Self-service guidance published and available on the Intranet.

Procurement and contract management activities

The Portfolio utilises mandatory WoAG-coordinated procurement arrangements and encourages the use of existing panel arrangements (Standing Offer Notices) established by other agencies. The use of standardised templates, including the Commonwealth Contracting Suite, are used, which address modern slavery requirements. As modern slavery clauses are incorporated into the initial approach to market documentation, this initial approach to the market will outline and address modern slavery requirements. It also stipulates the draft modern slavery contract clauses to be adhered to throughout any resulting contract, for acceptance and compliance by any successful supplier. More information on WoAG arrangements are set out on the covering page of Section 3.

The Department of Agriculture, Fisheries and Forestry's suite of bespoke approach to market documentation and contract templates include modern slavery clauses to alert prospective tenderers of measures being taken by the department, and to prompt tenderers to review their supply chains in accordance with the degree of risk. Legal advisors are also often engaged for high-risk procurement activities where professional support and guidance is provided to contract managers to ensure we remain compliant, proactive, and diligent.

Through continued efforts, support is provided from a dedicated Contract Management Support team, as well as the central procurement team who are working to equip staff with the skills and knowledge to successfully identify, address, and continually manage modern slavery risks.

All procurement and contract management materials are updated to capture any identified or developing changes to ensure guidance and training on modern slavery remains fit-for-purpose.

In the department, guidance and templates are available to departmental officials during the contract management phase, with prompts embedded through the departmental Contract Management Framework.

The Framework includes sections specifically addressing "Contract Management and Modern Slavery", a "Probity, Security, Integrity and Fraud Control" with an additional checklist that references and prompts Managers to consider Procurement Connected Policy to ensure that modern slavery risks are considered in the ongoing contract management phase.

Supplier activities

The portfolio procures property management services under the mandatory WoAG coordinated procurement arrangement. This ensures that thorough onboarding procedures are in line with the expectations and requirements of the Commonwealth. Where appropriate, ICT services are procured under the mandatory WoAG-coordinated procurement arrangements or existing panel arrangements such as the centralised BuyICT platform. Modern slavery concerns or risks can, to an extent, be mitigated and managed in this process.

The portfolio encourages the use of standardised templates; however, bespoke procurement templates are also used which include relevant modern slavery clauses and requirements.

Outcomes

Focus for the 2022–23 financial year has been on uplifting and improving risk identification practices and mitigation strategies, including through building further requirements for identification into relevant procurement and tendering processes. These outcomes include:

- Increased training and education
- Increased internal communications
- Improved Contract Management practices.

In the 2022–23 financial year 236 staff across the department completed procurement and contract management training.

The portfolio's approach to undertaking risk assessments has been improved over the reporting period, ensuring modern slavery risks are considered as part of the standard risk assessment process for every procurement, regardless of value. No increased portfolio supply chain risks have been identified during the 2022–23 financial year.

The portfolio has further strived for a stronger understanding of supply chains and risks in relation to departmental and supplier operations. Actions taken to do so over the reporting period have been effective, with staff more actively engaging with suppliers to understand core

business undertakings and supply chain activities. Improvement in understanding of supply chains and modern slavery risks will continue to be a focus over the next financial year.

The portfolio is committed to promoting the awareness of modern slavery risks in procurement activities and will continue to measure the effectiveness of controls in place. Raised awareness of modern slavery risks will be achieved through the maintenance of regular face-to-face procurement and contract management training, and through the continued provision of online training modules. Guidance located on the intranet as well as alongside templates, checklists, and policies, will further ensure material stays current and best practice is followed.

Over the next reporting period, it is intended that the Supplier Questionnaire will be used more broadly where appropriate across the portfolio. This will assist in developing a stronger understanding of supply chains and operations, and lead to a greater understanding of portfolio Tier 2 supply chains.

The portfolio is an active supporter of the Government's efforts to assess and address modern slavery risks in the Commonwealth supply chains when undertaking procurement activities.

Attorney-General's

The Attorney-General's Portfolio supports the Attorney-General, the Hon Mark Dreyfus KC MP, including his role as First Law Officer. The portfolio comprises AGD and 17 entities (one of which is a Corporate Commonwealth Entity).

The portfolio's responsibilities are diverse. They encompass legal services, national security and criminal law, integrity and anti-corruption matters, the Commonwealth justice system including courts, tribunals, justice policy and legal assistance, regulation and reform, protecting and promoting human rights, and support for Commonwealth royal commissions.

The Attorney-General's Portfolio mostly procures its goods and services through WoAG Arrangements. These are either coordinated or cooperative procurements, some of which are mandated to use, and generally result in overarching contracts or standing offer (panel) arrangements.

Coordinated arrangements are mandatory for most Commonwealth entities to use. These arrangements cover various types of goods and services including, but not limited to, categories relating to travel, stationery and office supplies, legal services, property services, and ICT. More information on WOAG arrangements are set out on the covering page of Section 3.

Cooperative arrangements are optional for use, and occur where multiple entities agree to purchase similar goods or services cooperatively. These generally result in standing offer (panel) arrangements.

The highest areas of contract value within the Attorney-General's Portfolio in the reporting period were:

- Property leasing and management
- Software and maintenance services
- Computer equipment and accessories
- Temporary personnel services
- Legal services.

Risks

AGD and portfolio agencies have identified that procurements for the following products and services contain a risk of utilising forms of modern slavery:

- ICT hardware
- Cleaning services
- Construction and maintenance
- Textiles.

The AFP is particularly exposed to modern slavery risks across its supply chain. Generally, risks are higher where there is a lower-skilled labour force. Examples include cleaning and security services or where goods are manufactured offshore, such as uniforms and ICT hardware. These are the AFP's highest risk areas. Given most of the manufacturing of products in the textiles and ICT industry takes place offshore, ensuring supply chains are free from modern slavery can

be difficult to monitor for individual agencies. For more information on managing risks relating to AFP uniform procurement, see the 'case example' on AFP and ABF in Section 2 at page 38.

Ensuring suppliers have robust modern slavery policies helps reduce the associated risks. The AFP recognises historical underpayment and over-utilisation of labour forces. There is also a large downstream subcontractor delivery base. These risks are mitigated by the importance placed on the management of core principle vendors through robust procurement and management practices. Risks within the security services supply chain have been identified including engagement of foreign nationals to undertake security guarding services in offshore locations outside of Australian jurisdiction and outside of the protection of awards overseen by the Fair Work Commission (*Fair Work Act 2009* (Cth)).

Response

Training and awareness raising activities

- Training in AGD is mandatory for the central procurement policy team. It is encouraged for procuring officials.
- Some portfolio agencies encourage all procurement and contract personnel to complete a Certificate IV in Government Procurement and Contracts, which includes content on the *Modern Slavery Act 2018* (Cth), supply chain awareness and related issues.
- Raising awareness of modern slavery risks amongst staff by providing detailed information available via the intranet, access to online training and updated procurement documentation outlining the requirements.
- Encouraging the use of modern slavery training and toolkits in conjunction with internal information and documentation.

Procurement and contract management activities

- AGD has modern slavery contract clauses for new open approaches as per panel arrangements already in place.
- Modern slavery contract clauses are also embedded in AFP bespoke contracts that have been written in consultation with the AFP legal team. Clause Bank is utilised to ensure that the content of the clause is accurate.
- Requesting modern slavery policies from tenderers in open tender processes and considering the risk during the risk assessment process.
- The AFP National Guideline on Procurement and Contracting is under review. This review includes all associated procurement and contract management documentation and templates. The review is expected to strengthen modern slavery considerations within the Guideline itself and will feature prominently within RFT and AFP Risk Assessment templates and Contract Management Plans.

- All ICT hardware is procured through WoAG Arrangements which include the requirement for vendor compliance with modern slavery legislation.
- The AFP engages a single service provider through the Security Systems and Maintenance Panel Standing Offer Notice (SON3441941) for the provision of the National Security Guard and Patrolling Services. The Standing Offer Notice requires the service provider to comply with legislation, including, amongst other requirements, offences against Division 270 of the *Criminal Code 1995* (Cth) (slavery and slavery like offences). The service provider must further employ all security staff under an award overseen by Fair Work Australia and in line with relevant State and Territory security industry legislation.

Cleaning Accountability Framework Certification

In identifying cleaning services as a high-risk area, AGD are working with CAF who are able to provide a Building Certification which provides an assessment of the cleaning supply chain in nominated buildings to verify that cleaners' working conditions meet appropriate standards.

The Canberra buildings which house the Business Operations Branch and AGS group of AGD, and AGD portfolio agencies, Australian Financial Security Authority and Australian Crime Commission, have undergone this certification. The building owners nominated these office spaces to be certified by CAF.

AGD is exploring the option of having its main building, 3-5 National Circuit, Barton certified by CAF. Future reporting periods will discuss the process and outcome of this work.

Supplier activities

- AFP have engaged in discussions with a security service provider in relation to modern slavery risks, to ensure it has a modern slavery policy and is compliant with all relevant Australian legislation. The service provider has a comprehensive and robust policy on modern slavery. The service provider recognises that businesses have an important responsibility to respect and promote human rights in their operations and supply chains and must play a key role if the quest to eradicate modern slavery is to be achieved.
- AFP Infrastructure procurement tenderers must confirm their acceptance to, incorporation of, and compliance with, the Supplier Code of

Conduct. The Supplier Code of Conduct includes compliance with modern slavery requirements.

- As part of procurement processes the service provider and key personnel (including the bid manager and company directors, area managers, partners and/or specified personnel as applicable), are required to undergo a security, suitability professional conduct and integrity assessment to determine if the personnel and supplier are suitable to provide goods or services to the AFP. All workers engaged by the AFP under the National Security Guard and Patrolling Services contract are required to be security cleared to AFP Negative Vetting 1 level. Australian citizenship is a mandatory eligibility requirement for all Australian government security clearances.

Mitigating risks in cleaning

The AFP manages cleaning services through Jones Lang LaSalle (JLL). JLL works closely with downstream vendors through formal ongoing vendor management framework and due diligence audits. These place a focus on ensuring compliance against modern slavery legislation. JLL assess suppliers to understand their inherent risk based on the below considerations:

- Workplaces with hazardous, low-skilled, seasonal, or low-paying work
- Industries with high resource demands, multi-tiered supply chains, or high quantities of materials or parts
- Industries with a large labour force, no union, outsourced recruitment, or fees placed on workers
- Regions with limited regulation, high levels of corruption and low levels of education
- Suppliers where prices are too cheap or where there are sudden changes in demand.

To mitigate the risk and ensure there are no instances of negligence with regard to the supply of labour, JLL have developed a robust cleaning framework. To manage the risk as part of the recent tender submissions the vendors have confirmed acceptance of the following items:

- Payment to staff adhering to the Fair Work Modern Award
- Adhering to industry standards as set by CAF
- JLL's contractual supplier agreements include compliance with modern slavery requirements.

The purpose of adhering to an industry standard as set by CAF is to ensure cleaning employees are paid at the modern award. JLL has developed a leading industry pricing schedule and analytics to ensure there is no underpayment of employees in the delivery of cleaning services. JLL impose strict anti-modern slavery contractual obligations on their suppliers. This includes a commitment to abide by their global Human Rights Policy, which prohibits violations of human rights anywhere in their operations or supply chains. This also includes their Vendor Code of Conduct, which requires suppliers to comply with modern slavery laws and refrain from engaging in modern slavery, forced labour and human trafficking.

Tenderers must confirm their acceptance of, incorporation of, and compliance with, the Supplier Code of Conduct. The Supplier Code of Conduct includes the requirement to comply with modern slavery requirements.

Working with suppliers to understand their modern slavery policies

JLL addresses modern slavery risks through an industry-leading framework as well as the robust procedure outlined in this submission. These initiatives include:

- Ethics Everywhere program, which embraces and promotes strong principles of business and professional ethics at every level of their company
- Code of Business Ethics, which specifically prohibits modern slavery activities
- Vendor Due Diligence Policy, which prohibits doing business with suppliers engaging in illegal practices
- Global ESG Sourcing and Procurement Policy
- Human Rights Policy
- Corporate Governance policy addressing Anti-Slavery and Human Trafficking
- Contractual provisions requiring suppliers' commitment to ensure there is no modern slavery or human trafficking in their organisation or supply chain
- High-level risk assessment to identify high-risk employment sectors and geographies
- Collaboration with clients and NGOs to learn and implement best practices
- Training for suppliers through OnSite
- Training for high-risk business lines

- Periodic communications to raise awareness
- Annual reporting on progress in its modern slavery statement
- JLL Global Modern Slavery Committee meetings.

JLL recently implemented a compliance program with differing levels of compliance procedures depending on the risk rating of the supplier. High-risk suppliers under this program are subject to random audits. These audits check payment data against work order data to identify any red flags – as it is recognised that payment and work order discrepancies are a potential red flag for underpayment of wages. Three major cleaning suppliers were audited in 2021, with one supplier found to have been occasionally mischarging. This triggered an investigation, which found the cause was a human input error in the financial system of the supplier. Although no labour exploitation was found, it indicates that this audit process is effective at identifying potential wrongdoing by suppliers.

JLL also provides an Ethics Helpline as a confidential reporting platform available to its employees, subcontractors, clients, suppliers and members of the public if they have a concern or suspect behaviours that are inconsistent with the Code of Business Ethics and policies or the law. It is available 24 hours a day, 7 days a week, and reports can be made anonymously.

Outcomes

AGD procurement processes implemented centrally address modern slavery considerations at an overarching level. This ensures suppliers have robust policies with regards to modern slavery and mitigates the risk of modern slavery within AGD procurements.

In addition, AFP has advised that Security Command has engaged with the security guarding services provider to ensure they have and maintain a modern slavery policy and are compliant

with all relevant Australian legislation. The AFP security guarding services contract is in place until April 2029. Modern slavery risks in relation to the security guarding services are addressed by the above-mentioned requirements and actions. The AFP's internal and external legal teams are developing a tender and contract suite specifically for construction which includes extensive requirements in relation to modern slavery.

Climate Change, Energy, the Environment and Water

Six NCCs operate within the Climate Change, Energy, the Environment and Water Portfolio, representing national interests across climate change, energy, the environment, water and the Antarctic. The Department of Climate Change, Energy, the Environment and Water (DCCEEW) has seven Deputy Secretaries leading 30 divisions to deliver the outcomes of the portfolio.

The portfolio agencies include:

- **The Bureau of Meteorology (BOM):** Provides weather, water, climate, ocean, and space weather services for Australia. The Bureau procures a wide variety of goods and services to support its operations, with most suppliers based in Australia primarily providing information technology and related services.
- **The Clean Energy Regulator (CER):** Administers and implements the areas of legislation that are their responsibility under the *Clean Energy Regulator Act 2011* (Cth). Their supply chain primarily consists of temporary personnel services, auditing services, digital services, and legal services.
- **The Climate Change Authority:** Primary operations consist of commissioning and conducting independent research and analysis on:
 - the Carbon Framing Initiative (Emissions Reduction Fund)
 - The National Greenhouse and Energy Reporting System including the Safeguard Mechanism
 - Preparing the Annual Climate Change Statement to Parliament. Suppliers provide consultancy, research, and environmental management services.

- **The Great Barrier Reef Marine Park Authority:** Operates as a statutory agency under the *Great Barrier Reef Marine Park Act 1975* (Cth). The Reef Authority is responsible for managing the Great Barrier Reef Marine Park and engaged suppliers' management information, strategic planning and environment management and protection.
- **The North Queensland Water Infrastructure Authority (NQWIA):** Tasked with providing strategic planning and coordination of Commonwealth resources to facilitate water security and agricultural developments in Northern Queensland. Over the reporting period, NQWIA undertook limited procurements and activity was primarily related to consultancies and contracted services with IT and associated administrative services suppliers and environmental management.

The highest areas of contract value within the portfolio are:

- Property management/building services
- Fuels, compounds
- Environmental management and protection
- Communications and IT
- Research programs.

Risks

Areas of procurement identified as high-risk within the portfolio are textiles (uniforms), ICT hardware and office fit-outs.

For all types of procurements valued at \$200,000 or more (including GST), modern slavery risk is assessed as part of the procurement process using specific risk tools.

Response

Training and awareness raising activities

Over the reporting period, the portfolio carried out the following training and awareness raising activities in respect of modern slavery risk in procurement:

- Prompts were built into procurement risk assessment tools to alert the procuring officer to assess modern slavery considerations and how they will apply to the procurement.
- Procurement officers attended a presentation on modern slavery considerations, and encouraged use of the modern slavery e-Learning modules.
- Internal guidance documentation was developed to assist staff in relation to modern slavery risks.
- An internal assurance review was completed that examined compliance with modern slavery considerations.

Procurement and contract management activities

Over the reporting period, the portfolio responded to modern slavery risks within its procurement activities by:

- Using the template modern slavery tender and contract clauses.
- Updating existing approach to market, risk assessment templates, and contractual templates to reflect the requirement for suppliers to comply with modern slavery considerations.
- Introducing mandated training in DCCEEW for the central procurement team that incorporates updated procurement planning processes and evaluation considerations to capture modern slavery considerations.
- Referring to the Government's Modern Slavery Toolkit, which addresses modern slavery in procurement.
- Ensuring the central procurement teams are involved in the development of tenders and contracts.

Supplier activities

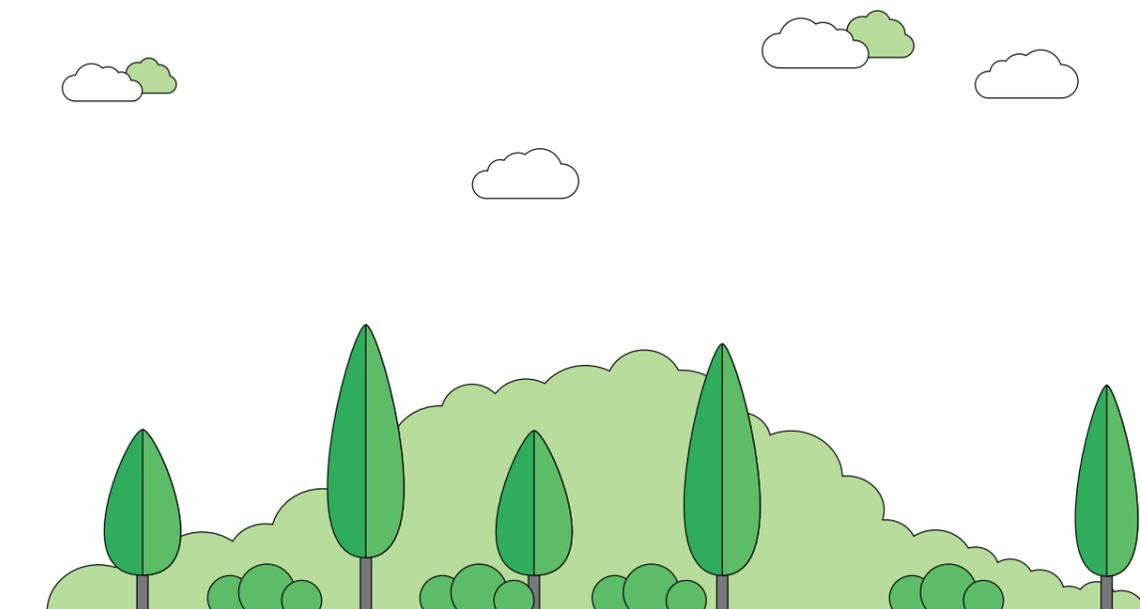
Over the reporting period, the portfolio has used the Government's Supplier Questionnaire when tendering and where there was a high risk of modern slavery. The portfolio also verified and engaged only licenced providers when procuring contract labour hire services.

Outcomes

DCCEEW was formed on 1 July 2022. As a result of the portfolio's efforts to assess modern slavery risks and take actions to address those risks, over the reporting period the portfolio has improved risk mitigations and increased staff awareness of the importance of identifying and addressing modern slavery risks within the portfolio. This has occurred through, for example, strengthening guidance materials and workflow processes, which has resulted in procuring officers being able to identify and assess risks with more ease

and clarity. The central procurement team has been appropriately equipped to guide procuring officers to correct resources, assessment tools, and clauses.

In the next reporting period, the portfolio aims to improve tender and contracting templates, risk guidance, and intranet guidance, bring e-Learning to an internal platform, and will consider broadening the scope of who training is required for (i.e. beyond central team).



Defence

Defence's Mission and Purpose is to defend Australia and its national interests in order to advance Australia's security and prosperity.

In fulfilling this Mission and Purpose, Defence serves the government of the day and is accountable to the Australian Parliament, which represents the Australian people, to efficiently and effectively carry out the Australian Government's defence policy.

Defence defends Australia and its national interests through the conduct of operations and provision of support for the Australian community and civilian authorities in accordance with Government direction.

Defence protects and advances Australia's strategic interests through the provision of strategic policy, the development, delivery and sustainment of military, intelligence and enabling capabilities, and the promotion of regional and global security and stability as directed by the Government.

During the reporting period, the Defence portfolio consisted of:

- the Department of Defence (including the ADF)
- the Australian Signals Directorate
- trusts and companies
- statutory offices created by the *Defence Force Discipline Act 1982* (Cth) and the *Defence Act 1903* (Cth)
- the Department of Veterans' Affairs and its associated bodies.

The Australian Signals Directorate is a statutory agency in the Defence portfolio that defends Australia against global threats and advances national interests through the provision of foreign signals intelligence, cyber security and offensive cyber operations as directed by the Australian Government.

The Department of Veterans' Affairs (DVA) is responsible for carrying out government policy and implementing programs to fulfil Australia's obligations to veterans and war widows, serving and former members of the ADF, certain AFP officers with overseas service and Australian participants in British nuclear tests in Australia, and their dependants. This responsibility includes the provision of health services, commemorative activities, research into veteran health issues, and evaluation of its service delivery programs. DVA has a range of administrative and corporate services under contract to support these activities.

The categories with the highest contract value within Defence are:

- Building construction and support and maintenance and repair services (\$3.70 billion)
- Military rotary wing aircraft (\$2.95 billion)
- Military watercraft (\$2.55 billion)
- Professional engineering services (\$2.25 billion)
- Missiles (\$2.19 billion).

The category with the highest contract value for DVA is the temporary personnel services category (\$251 million) and relates to health and wellbeing services.

Risks

Key modern slavery risks identified within Defence include:

1. Offshore projects
2. Direct procurement
3. Indirect procurement of goods
4. Procurement of building services (cleaning, security, property).

Why they are high-risk:

- Base-skill workers
- Migrant workers
- Risk of child labour
- Intersections with human trafficking
- Contracting/subcontracting
- Weak rule of law
- Corruption.

For example, a risk in the procurement of ADF clothing lies in the dominance of identified high-risk manufacturing locations in South-East Asia. The Australian Textile, Clothing and Footwear industry has continued to contract since the deregulation of import tariffs late last century, and no longer has the capability or capacity to deliver the full range of clothing products required by ADF personnel.

General high-risk areas are also noted as being within the logistics and health sectors. There is a high risk relating to the procurement of medical consumables, aids and appliances where potential supply chain issues could exist. The areas of risk are identified with products manufactured overseas.

Defence further considers that extraction of raw materials/components for electronic parts and commercial off-the-shelf items are likely to result in areas of higher risk.

Response

Training and awareness raising activities

Over the reporting period, the portfolio carried out the following training and awareness activities in respect of modern slavery considerations within the portfolio:

- Promotion of the Modern Slavery Toolkit to increase modern slavery awareness. Defence also supports attendance at national forums such as the Government's Modern Slavery Conference held in June 2023.
- Use of 'The *Modern Slavery Act 2018* – Defence Obligations' Fact Sheet, which outlines Defence officials' obligations under the *Modern Slavery Act 2018* (Cth) and provides guidance for Defence officials when considering the risks and implications of modern slavery practices in their procurements.

- In some business units, delivery and facilitation of modern slavery training to increase the knowledge of staff and project personnel.
- In some business units, following contract execution between the Commonwealth and a supplier, Just-In-Time-Training (JITT) contract training has been conducted. This includes gaining a better understanding of the contract provisions in place that manage modern slavery and its risks within the project.
- In some business units, establishment of a procurement and contracting network to enable sharing of information, training and guidance.

Procurement and contract management activities

Over the reporting period, the portfolio responded to modern slavery risks within its procurement activities by:

- Ensuring Defence officials involved in procurement activities adhere to the Defence Commercial Framework, which aims to maximise value for money, and procurement and contracting outcomes, by providing policy and best practice guidance throughout the lifecycle of a procurement or contract. The Defence Commercial Framework refers to the Modern Slavery Toolkit, and provides advice on the obligations of Defence officials in relation to reducing the risk of modern slavery in its procurements, including guidance on how the Government's modern slavery risk assessment tools can be applied to Defence procurements.
- Recognising the heightened modern slavery risks in its operating environment in the Indo-Pacific region. Defence's Indo-Pacific Infrastructure Branch developed a Modern Slavery Control Plan to manage heightened modern slavery risks faced by Defence when delivering offshore infrastructure projects in higher-risk jurisdictions. This control plan provides Defence with a risk management framework and approach to mitigating modern slavery risks. It requires that modern slavery considerations are built into each stage of the supplier/contractor management lifecycle. All tenderers are required to submit supplier due diligence questionnaires to assess their controls of modern slavery risks. The information received from each respondent is assessed to determine whether there are any modern slavery-related concerns and to determine the level of supplier/contractor engagement that is necessary to manage the level of risk identified.
- Developing internal and external reporting mechanisms into the Indo-Pacific Infrastructure Branch's project management and governance practices. This reporting supports assurance and provides a feedback loop of continuous improvement, management oversight and accountability. These practices are supported by strong and verifiable visibility over the content.

- Ensuring tendering documentation requests tenderers to identify, assess and address any project specific modern slavery risks for capital facilities projects.
- Mapping the manufacture locations of all its clothing and footwear.
- Manufacturing some ADF clothing in Australia, in compliance with the Commonwealth Procurement Rules.
- Including optional clauses and guidance requiring compliance with modern slavery legislation in Defence's endorsed contracting templates. Defence also seeks to ensure appropriate legislative obligations are flowed down to sub-contractors as necessary.
- Utilising tools and resources such as the Global Slavery Index, the Responsible Sourcing Tool, SNAP and online Modern Slavery Statements Register to assist procurement officials in their supply chain mapping and selection of suppliers that conform with the *Modern Slavery Act 2018* (Cth).
- Using SNAP to map the supply chains of a number of Defence capability projects. Through mapping supply chains for Defence capability projects using SNAP, Defence has identified the presence of suppliers with relationships with factories overseas known to use forced labour. Defence intends to utilise this information as part of the overall risk management framework to inform possible actions and methods aimed at collaborating with contractors to address modern slavery risk.
- Taking into consideration the general risk profile of the procurement and the risk profile of the supplier relating to modern slavery compliance when undertaking planning activities to procure goods and services. Defence includes modern slavery as one of its key risks and by doing so, ensures implementation of appropriate mitigation strategies.
- Developing and promulgating of modern slavery guidance for Defence's procurement officials to build staff capability and increase awareness. This guidance refers to the Modern Slavery Toolkit, and provides advice on the obligations of Defence officials in relation to reducing the risk of modern slavery in its procurements, including guidance on how risk assessment tools can be applied to Defence procurements.

Supplier Network Analysis Program

SNAP is capable of enhancing visibility into Defence supply chains below the level of Prime and subcontractors. Defence have found the multi-tier supply networks are opaque, complex, global, often beyond the visibility of the Prime contractors and are vulnerable to disruption. SNAP utilises big data analytics and augmented intelligence to automate Open Source Intelligence (OSINT) data gathering to analyse surface and deep web data sources and build supplier network maps.

Under the current model, the SNAP Program Management Office supports projects to engage the service provider through the SNAP Standing Offer on a user pays basis. One of the projects identified over 36,000 interconnected suppliers in the supply network map of one ship. Advanced data analytics and skilled data analysts are required to identify opportunities and threats in the

supply chain including modern slavery. SNAP offers six interdependent work streams to focus opportunities and threats into areas of tactical and strategic importance: Obsolescence, Australian Industry Capability, Supply Integrity, Cost Out, Supply Security and Targeted Analysis which allow the flexibility to undertake bespoke projects.

The benefits of using SNAP include: stronger Defence supply chains with reduced risks, improved supply chain decision-making, identification of sovereign capability development opportunities, increased supply chain cost efficiencies and the safeguarding of Defence's reputation. To date, SNAP has delivered benefits through identifying potential exposures and opportunities to Defence through delivering 26 reports, two dashboards and two datasets across one industry, five platforms and one system.

- Reviewing and updating Defence's endorsed Suite of Tendering and Contracting Templates to include guidance and incorporate model clauses for modern slavery. This ensures that both Contractors and Contract Managers are aware of their obligations in respect of the modern slavery requirements.

Reporting entities contracted to Defence generally self-identify high-risk activities in their annual modern slavery statements. Their statements also include mitigation strategies that vary depending on the risks identified, such as:

- Undertaking awareness training with staff
- Modern slavery considerations/requirements as part of procurement processes
- Supplier obligations, such as a Supplier Code of Conduct
- Whistle-blower policies
- Proposing remediation activities
- Changing the choice of vendor
- Implementing and enforcing systems and controls to ensure modern slavery and human trafficking is not taking place in supply chains
- Establishing Modern Slavery Committees.

Supplier activities

Over the reporting period, Defence has engaged routinely with its suppliers to promote the importance of modern slavery considerations. Over the reporting period, supplier activities have included:

- Site audits and corporate systems audits, conducted through forensic accounting capabilities, and the development of recommendations for continuous improvement and ongoing monitoring. For example, over the reporting period, Defence conducted regular and routine physical audits of clothing and footwear-manufacturing locations to ensure suppliers are compliant with modern slavery legislation. Over the reporting period, Defence also monitored payments to suppliers and contractors in the supply chains to manage bribery, fraud, corruption and slavery threats.

Quality and modern slavery compliance audit

In November 2022, Defence sent a small team of clothing procurement experts to Vietnam and Indonesia to conduct a quality and modern slavery compliance audit of multiple clothing manufacturers, all of whom supply

Defence with clothing. The team was able to view all relevant factories and workplaces and found no evidence of non-compliance with Defence contracts or international certifications.

- Meetings between Defence representatives and supplier representatives were held at tactical, operational and strategic levels at appropriate intervals (typically weekly, monthly or biannually), to reflect on contract performance and compliance. Any concerns by either party in relation to supply chain issues, including modern slavery risks, would be raised in these forums and subsequently addressed.

A case example in relation to working with a supplier over the reporting period to respond to allegations of subcontractor working conditions is set out above in Section 2 at page 43.

One of Defence's suppliers, ADA, is understood to have maintained its registration with Ethical Clothing Australia, an accreditation body that works collaboratively with local textile, clothing and footwear companies to ensure their Australian supply chains are transparent and legally compliant.

Another example of engagement with suppliers over the reporting period is Defence's Indo-Pacific Infrastructure Branch Modern Slavery Risk Management Assessment process, which encompasses the following steps.

The short-term engagement step with the supplier is to hold a capability-building workshop to:

- Prioritise alignment actions, focusing on areas rated high-risk.
- Agree on contractor commitments and timeline.
- Provide high-level review of documentation and assistance with specific alignment actions.

The medium-term step with the supplier is to conduct a check-in to:

- Understand how the supplier is progressing towards alignment. This will be a contact point to talk through any additional explanation that the supplier may require and/or additional capability building that Defence can provide to assist with alignment actions.
- Provide high-level review of documentation and assistance with specific alignment actions.

The 12-month review step will be to:

- Conduct a 12-month review against the Alignment Plan to understand steps the supplier has taken to develop and formalise its modern slavery response, using the residual risk assessment and Alignment Plan as a baseline.
- If the residual risk level is still high, determine whether to conduct an onsite assessment, including document and system verification and interviews with management and workers who represent a cross-section of the workforce.
- Defence may also choose to verify management assertions against any element as indicated above.

Outcomes

Defence understands that the intent of modern slavery control under the *Modern Slavery Act 2018* (Cth) is not to expose and reprimand suppliers in the Commonwealth supply chain. Instead, it is intended to identify potential issues and work with suppliers to rectify risks to their employees' well-being.

Over the reporting period, the inclusion of the Modern Slavery Model Contract Clauses within Defence's endorsed contracting templates and the guidance provided to Defence officials have enabled a greater understanding of modern slavery risks and the ability to identify modern slavery risks and suspected breaches in projects. As a result of active supply chain mapping and contract monitoring and reporting, potential modern slavery incidents can be detected.

In addition, Defence's approach to contract management ensures that its partners are fully engaged in the delivery of goods and services, and compliant with their respective contractual obligations.

Over the next reporting period, Defence's procurement officials will be encouraged to continue to undertake modern slavery risk assessments and insert modern slavery clauses into tender documents, where appropriate, to ensure risks can be identified. Continuous supplier engagement will also occur with particular emphasis on mapping supply chains to ensure modern slavery risks can be mitigated and managed. There is potential to expand the use of the SNAP tool to other projects and provide Defence with identification of new modern slavery risk areas.

Defence will also seek to incorporate the Government's modern slavery e-Learning modules onto Defence's internal learning platform to gather data on how many Defence staff have completed training and are becoming more aware of their modern slavery obligations.

Education

The Education Portfolio's 2022–23 purpose is to contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes through access to quality education.

The Education portfolio statement comprises input from the Department of Education (the department), and the following portfolio entities:

- Australian Research Council (ARC), and the
- Tertiary Education Quality and Standards Agency (TEQSA).

The department and portfolio entities work closely with other Australian Government agencies, international organisations, regulators, states and

territories, business, education institutions, peak bodies, providers, industry, the non-government sector and the community. These partnerships are crucial to the delivery of outcomes, sharing the responsibility of improving Australia's education system.

The portfolio's areas of highest contract value are:

- Education and training services
- Management advisory services
- Communication campaigns
- Research programs
- Temporary personnel services.

Risks

The department and portfolio entities are aware of areas of high risk of modern slavery that are of particular focus for the Government. These areas of high risk are considered as part of procurement planning, approach to market and the evaluation. The portfolio's procurement of goods and services is primarily sourced using WoAG Standing Offer Panels in compliance with the Commonwealth Procurement Framework and Commonwealth Procurement Rules, which include requirements of modern slavery reporting.

The department has a Memorandum of Understanding with the Department of Employment and Workplace Relations (DEWR) for the supply of services to the department covering a wide range of items including office premises, security and access control, cleaning, ICT services, ICT software, ICT hardware and related systems. Consequently, the department does not directly manage the supply contracts for these services and relies on DEWR to manage any associated Modern Slavery risks and compliance issues during the procurement stage.

DEWR has confirmed to the department that it includes the modern slavery model clause in all Panel work orders and contracts for ICT hardware

procurements, including enterprise storage, network equipment and cabling, end user and enterprise computing, video collaboration and printers. The clause requires suppliers to notify DEWR of any identified risks within the supply chain. DEWR also manages modern slavery risks and compliance for office premises, security and access control and cleaning through contractual clauses and management arrangements on behalf of the Department of Education.

During 2022–23, the ARC and TEQSA both entered into one ICT hardware procurement contract each at a value of \$22,865.00 GST inclusive and \$104,295.97 GST inclusive, respectively. As an identified high-risk area, the ARC sourced their supplier through a WoAG Standing Offer Panel. Both entities also entered into one cleaning and security services contract each at a value of \$86,405.00 GST inclusive and \$796,174.90 GST inclusive, respectively. As an identified high-risk area, the suppliers were sourced through WoAG Standing Offer Panels. Additionally, the ARC asked their suppliers in these high-risk areas to complete the Supplier Questionnaire with the suppliers confirming they have modern slavery policies in place.

Response

Training and awareness raising activities

During the reporting period, the portfolio conducted a number of training and awareness-raising activities in relation to modern slavery risks, including:

- Hosting of the Modern Slavery e-Learning modules on Learnhub, the department's learning management system. These modules are accessible by all departmental staff, with portfolio entities able to access these modules on the Modern Slavery Statements Register.
- Completion of modern slavery training by procurement officials.
- Attendance by departmental representatives at the Government's Modern Slavery Conference in Melbourne from 27–29 June 2023.
- Hosting a modern slavery information session, facilitated by the Modern Slavery and Human Trafficking Branch in AGD.
- The department working with the Fair Work Ombudsman to ensure that international students are aware of their workplace rights and know where to seek assistance, and to promote resources to education providers, education agents and student services to help combat student workplace exploitation.
- The department's Workforce Taskforce is implementing options to address workforce shortages in the early childhood and school sectors, which is a key priority for Government. For example:
 - Working with DEWR and other departments on workplace relations matters
 - Working with Jobs and Skills Australia on forecasting workforce shortages; as well as peak associations, states and territories
 - Chairing committees such as the ECEC Workforce Working Group.
- The department recognises that migrant workers are at risk of falling victim to modern slavery by employers. The department works with the Fair Work Ombudsman and the Department of Home Affairs to ensure that migrant workers are aware of their workplace rights and know where to seek assistance.

Procurement and contract management activities

During the reporting period, the portfolio engaged in the following procurement and contract management activities to mitigate modern slavery risks within the portfolio, including:

- The commencement of a review by the ARC of contracts to include modern slavery clauses.
- An update of the department's Modern Slavery Risk Plan, which maps out modern slavery risks, relevant risk rating, and mitigating actions. This plan is reviewed annually. Additionally, staff are encouraged to include modern slavery risks and treatments in risk plans they create where applicable.
- Use of the department's Procuring Official Checklist, which includes a modern slavery checklist.
- Use of the department's Long Form Services Contract template which includes a modern slavery clause, included in contracts where modern slavery risks are present.
- Use of Standard 6 of *the National Code of Practice for Providers of Education and Training to Overseas Students 2018* requiring education providers to give information to international students about their work rights and conditions, and how to resolve workplace issues, including referrals to appropriate services and programs at no cost to the student. These activities reduce the risk of international students falling victim to unscrupulous employers.

Supplier activities

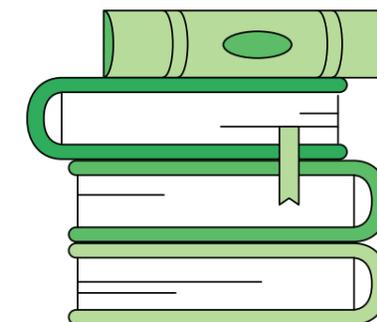
To further mitigate supplier risks in the identified areas of high risk, the portfolio primarily sources using WoAG Standing Offer Panels where panel suppliers must agree to supply goods or services under agreed terms and conditions.

Over the reporting period, the ARC analysed their current contracts and responses to the Supplier Questionnaire from existing suppliers in high-risk areas of procurement.

Outcomes

Over the reporting period, all portfolio staff are encouraged to complete the Modern Slavery e-Learning modules irrespective of whether they have a role in procurement activities. Through completion of the e-Learning modules, staff have indicated that they have developed a stronger awareness and understanding of modern slavery risks, and increased competency to manage modern slavery risks in the procurement process.

Over the next reporting period, the portfolio will continue its focus on awareness of modern slavery risks in the portfolio's activities, and in identifying modern slavery risks in supply chains. The portfolio will focus on increasing engagement with suppliers of contracts in identified procurement areas of high risk or services/ programs for potentially at-risk individuals, for example, international students or vulnerable students, through the use of the Supplier Questionnaire. The questionnaire will allow us to further analyse the portfolio's supply chains and where risks might occur, and also raise awareness of modern slavery with suppliers.



Employment and Workplace Relations

The Employment and Workplace Relations (EWR) Portfolio is made up of several NCCEs. The portfolio enables access to quality skills, training and employment to support Australians to find secure work in fair, productive and safe workplaces – supporting individuals and the nation to prosper. The estimated portfolio supplier expenditure for 2022–23 spend was \$2.6 billion with the majority of this within DEWR.

The majority of procurement activity in the portfolio relates to Employment Services delivered under the Workforce Australia program. The next highest expenditure category relates to ICT services.

DEWR seeks to increase procurement efficiencies by:

- Accessing cooperative procurements such as panel arrangements established by other Commonwealth agencies
- Using WoAG-coordinated procurement initiatives where applicable.

As a result, several of the arrangements entered into rely on the head agreements entered into by the originating procuring entity.

DEWR also uses bespoke DEWR contracts for some procurement activities, noting that bespoke contracts are required to be developed in consultation with the Legal area within DEWR. Bespoke DEWR contracts contain standard

modern slavery clauses.

The highest procurement values of spend across the DEWR portfolio based on contracts published since 1 July 2022 were:

- Employment Services – \$3.4 billion. The Employment Services category relates to Workforce Australia Employment Services. There are a number of providers funded to help Australians to find, keep, change jobs or create their own job.
- ICT Services – \$302 million.
- Education and Training Services – \$191 million. Education and Training Services covers the Skills for Education and Employment program, the Job Ready Program and Foundation Skills for your Future Development Project.
- Property management services – \$145 million.
- Recruitment/Employment/Temporary personnel services – \$37 million.

The Employment Services category relates to Workforce Australia Employment Services. There are a number of providers funded to help Australians to find, keep, change jobs or create their own job.

Education and Training Services covers the Skills for Education and Employment program, the Job Ready Program and Foundation Skills for your Future Development Project.

Risks

ICT hardware products may be linked to modern slavery due to the way they were produced and provided. ICT supply chains are complex and involve many parties in the value chain as manufacturing and operations are often located in different countries where governance is poor, resulting in high risks of human rights violations.

Most ICT procurement is required to be drawn from the Commonwealth's Digital Market Place. These arrangements have been put in place by and managed by DTA. If the head agreement does not include the standard modern slavery clauses, these are added to the work order.

Another high-risk area relates to cleaning services. These are managed through the WoAG property services arrangements.

Response

Training and awareness raising activities

Over the reporting period, the portfolio carried out the following training and awareness-raising activities relating to modern slavery:

- Links to the Government's Modern Slavery e-Learning Modules were available on the departmental intranet. The portfolio will continue to raise awareness of modern slavery risks amongst staff, and will recommend that relevant corporate services staff (legal, procurement and business services) who are most likely to be able to identify and manage risks use the online training module on an annual basis.
- The portfolio raised awareness among staff in respect of the identification of modern slavery relevant to its procurements and the importance of increased transparency in high-risk procurements.
- DEWR Intranet procurement page links to the Government's Modern Slavery Toolkit and related resources.

Procurement and contract management activities

Over the reporting period, the portfolio conducted the following procurement and contract management activities relevant to modern slavery risk:

- Commenced a targeted risk-based approach in assessing and addressing modern slavery risks in the procurement of goods and services.
- Developed a stronger understanding of portfolio supply chains to ensure modern slavery risks in current and future procurements are identified and managed.
- Carried out its procurements in line with the Department of Finance's Commonwealth Procurement Rules.
- For open tender approaches to the market, the portfolio utilised bespoke RFT templates including modern slavery clauses.
- Periodically reviewed and updated internal guidance, the intranet procurement page and the internal Learning Management System to ensure those tools aligned with Government guidance relating to modern slavery procurement and/or contract management practices.

Supplier activities

Over the reporting period, the portfolio carried out the following supplier activities relating to modern slavery:

- Use of the Supplier Questionnaire.
- New Request for Tenders/Proposals for employment services procurements included a detailed statement advising that respondents must comply with the *Modern Slavery Act 2018* (Cth) and further set out the department's expectations in relation to modern slavery considerations. The statement further detailed that the department may require tenderers to provide any relevant information relating to modern slavery risks within 10 business days, as part of the tender process.

Outcomes

Over the reporting period, the portfolio carried out a review of its procurement practices that seeks to improve and uplift its procurement effectiveness and efficiency. The portfolio expects that the considerations identified, and recommendations being implemented as a result of undertaking the procurement review, will also improve its approach in managing modern slavery.

This includes improving risk guidance, intranet guidance, bringing e-Learning to an internal platform, considering broadening scope of who training is required for (i.e., beyond central team), and continued reviews of internal tender and contract templates.

In line with the findings of that review, over the next reporting period the portfolio's procurement processes will be modified. This will include modification of its procurement guidance materials, templates, and awareness/training activities.

The portfolio will also continue to increase staff awareness of modern slavery and the supply chains and operations where modern slavery risks may be particularly heightened.

Audits by Australian Skills Quality Authority (ASQA)

In line with its risk-based approach, ASQA consistently treats Vocational Education and Training (VET) delivered to international students as at a higher risk of serious exploitation of vulnerable students and illegal RTO practices. Accordingly, ASQA attempts to mitigate this risk through the range of education, compliance, and enforcement strategies at the provider and sector level.

In relation to onshore and international VET and ELICOS, under the Education Services for Overseas Students (ESOS) Act 2000, ASQA regulates:

- 583 providers that only deliver VET courses
- 85 providers that only deliver English Language Intensive Courses for Overseas Students (ELICOS) courses
- 228 providers that deliver both VET and ELICOS courses.

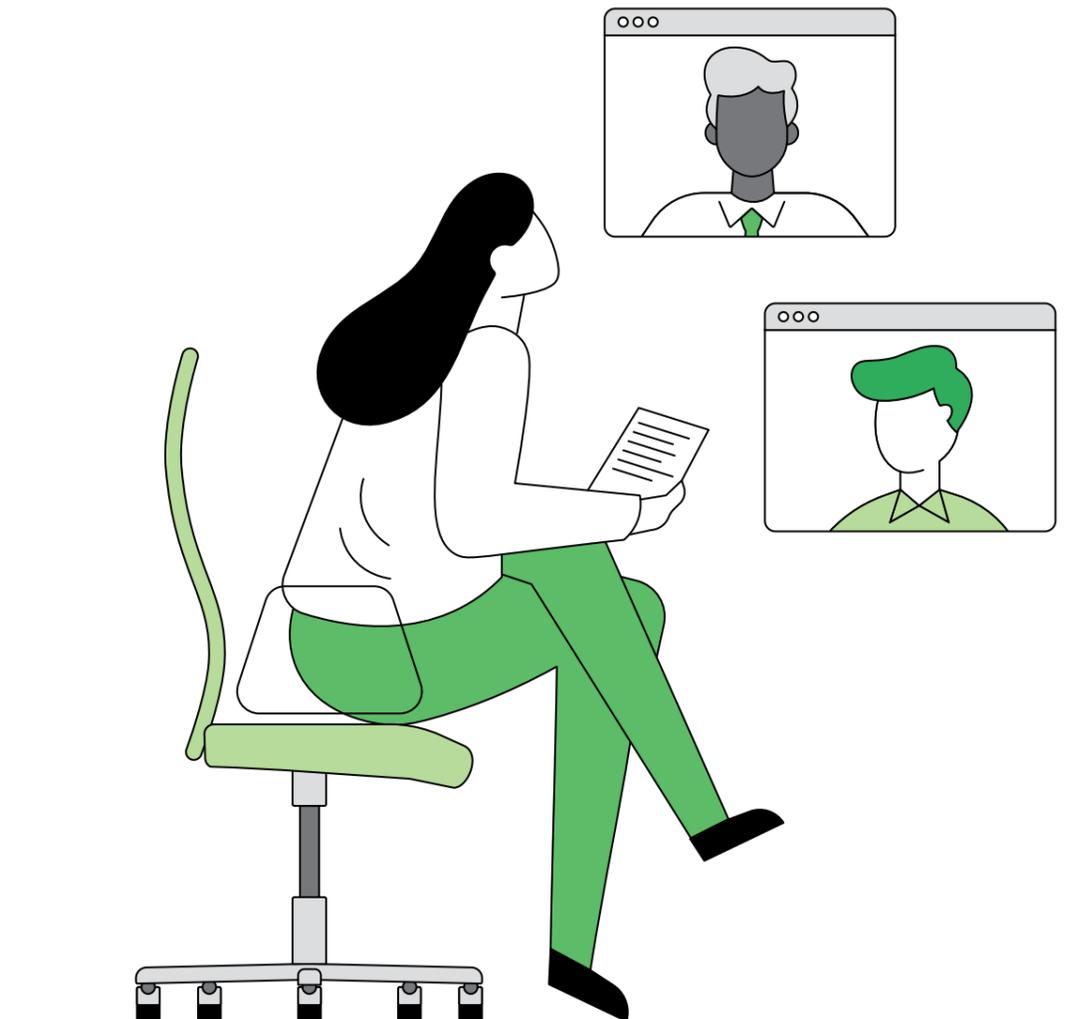
Combined, these providers represent about 23% of the 3883 providers regulated by ASQA; the others being only registered under the *National Vocational Education and Training Regulator (NVETR) Act 2011* (Cth).

ASQA has steadily increased its regulatory focus on performance assessment (audit) of providers that deliver to overseas students each year since 2018 (see table below).

ASQA also conducts an in-depth assessment at market entry for every provider seeking to deliver VET or English language training courses to overseas students.

Table 1: Performance assessments (audits) of ESOS providers as a percentage of all assessments conducted

| Year | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------|------|------|------|------|------|
| Percentage | 19 | 26 | 34 | 37 | 47 |



Finance

The Finance Portfolio (Finance) consists of the Department of Finance, DTA, Australian Electoral Commission, Independent Parliamentary Expenses Authority and Future Fund Management Agency. Each of these central entities play an important role in assisting government to drive outcomes that benefit all Australians across a wide range of strategic and policy areas.

In 2022–23, Finance executed 1,627 contracts and undertook 866 amendments with a combined value of \$1.783 billion.*

- 2,113 were for services while the remaining 380 were for goods
- 1,599 were sourced via a standing offer panel arrangement
- 91.74% were for contracts valued at less than \$1 million
- Only 23 procurements were conducted outside Australia.

The top three supply-chain categories for Finance are:

- ICT
- Property (leasing and construction)
- Management Advisory (consultancy and non-consultancy).

At the end of FY2022–23, Finance had **1,586 active contracts**.*

The top five categories of **active contracts** include:

- Property management and leasing – \$1.014 billion
- Engineering and technology development – \$671.49 million
- ICT and telecommunications – \$375.75 million
- Management Advisory Services – \$277.41 million
- Construction and building services – \$138.82 million.

Modern slavery risks are considered on a procurement-by-procurement basis using guidance provided in the Government Modern Slavery Toolkit.

* data derived from AusTender as at 24 July 2023 and will change as contracts are published within and beyond the 42-day period.

Risks

Key identified areas of modern slavery risk across Finance are:

- **ICT hardware and software products** use an extensive supply chain for parts and components to create an end product. ICT hardware especially is often manufactured in geopolitical regions with high governance concerns, resulting in a high risk of human rights violations. Downstream supplier arrangements may not be known, which increases the risk of modern slavery.
- **Building and construction** projects rely heavily on a global supply chain for a wide range of materials, commodities, logistics, labour and services. Given the limited knowledge of downstream market and supply chain issues, there are risks associated with modern slavery, particularly in relation to unauthorised subcontractors.
- **Cleaning services** are generally arranged via downstream contracts via PSPs. Due to the subcontracting nature of these services, there is a risk that there may be exploitation of migrant workers and human rights violations.

A smaller number of contracts were also procured within other high-risk sectors such as:

- Security (guarding services and security equipment)
- Uniforms and promotional merchandise.

Most procurements in sectors identified above are undertaken by utilising existing WoAG standing offer panel arrangements and standard contracting terms.

Finance uses well-established and regulated suppliers to support its building and construction projects, and buys local, where possible.

Finance procures security guarding and cleaning services under the Property Services Coordinated Procurement panel. Finance has previously worked with CAF to better understand and reduce risks in Government cleaning.

Overall, Finance recognises there is an ongoing commitment required by the Commonwealth to build a deeper understanding of the nature of modern slavery risks in the global supply chain – particularly with respect to downstream arrangements and the use of subcontractors.

Finance conducts supply chain mapping and risk assessment exercises to identify the likelihood and impact of possible modern slavery risks.

This includes:

- **Sector and industry risk** – certain sectors and industries may have higher modern slavery risks because of their characteristics, products and processes.
- **Product and services risk** – certain products and services may have higher modern slavery risks because of the way they are produced, provided or used.
- **Geographic risk** – some countries may have higher risks of modern slavery due to poor governance, weak law, vulnerable population, high conflict, migration flows and poverty.
- **Operational and entity risk** – some entities may have modern slavery risks because of poor operational or governance structures, especially in areas of subcontracting and outsourcing where visibility and control is reduced.

In considering modern slavery risk it is acknowledged that:

- Finance has limited procurement activities in geographic areas that are at high risk of modern slavery.
- Finance has a high instance of ICT and building / construction procurements, engaged through WoAG panel arrangements. Establishing WoAG arrangements includes thorough modern slavery assessments as part of the panel assessment process. All tenderers are required to submit a modern slavery questionnaire with their tender response. This is assessed as part of the evaluation process to determine the level of modern slavery risk/concern. Through regular performance monitoring, updates are sought from suppliers and the WoAG team also ensure that, where applicable, panelists comply with the annual modern slavery statement obligations. Non-compliance with modern slavery can lead to a supplier being removed from a WoAG arrangement.
- Visibility of modern slavery practices in downstream supply chains is somewhat limited and Finance relies on manually collected data to analyse modern slavery risks associated with subcontracting and downstream outsourcing.

As operational needs change and supply chain understanding increases, modern slavery risk will evolve. Finance conducts continuous assessment of modern slavery risk to ensure it remains current and issues are mitigated as they arise.

Response

Training and awareness raising activities

Finance requires its officials to complete training in a range of areas, including but not limited to procurement and contracting, financial obligations, probity, and risk. Modern slavery training forms part of this mandatory training and links to e-modules on modern slavery are available on internal intranets to support staff.

Over the reporting period, the Finance portfolio carried out the following training and awareness-raising activities in relation to modern slavery:

- Continued as a member of the IDCP, remaining committed to identifying and addressing modern slavery risks in procurement activities.
- Carried out capability uplift and education, including but not limited to:
 - Including the modern slavery guidance on internal intranets
 - Providing regular communications to staff to raise awareness of modern slavery requirements
 - Incorporating model clauses and relevant references in all internal procurement documents, checklists and templates
 - Providing staff with practical tips on how to assess modern slavery responses from tenderers and check for modern slavery risk in contract activities.

Procurement and contract management activities

Finance continues to build its internal capability and increase awareness and understanding of modern slavery and modern slavery risks in procurement activities.

Officials are required to consider modern slavery risk and modern slavery compliance in all procurement activities, regardless of value. This includes:

- Use of the modern slavery risk screening tool helps staff to differentiate between low, medium, and high-risk categories relating to modern slavery compliance as part of the procurement

risk assessment process. This assessment is based on key factors such as supplier industry, supplier location, and the specific product or service being procured.

- Procurements which are high-risk or high-value require responses to modern slavery questions at the time of tender submission and inclusion of modern slavery clauses in any subsequent contracts.
- Contracts valued over \$200,000 are required to include modern slavery clauses.

Over the reporting period, the portfolio carried out the following procurement and contract management activities in relation to modern slavery risk:

- Supply chain mapping and risk assessment exercises to identify the likelihood and impact of possible modern slavery risks, including sector and industry risk, product and services risk, geographic risk, and operational and entity risk.
- In relation to supply chain mapping oversight, introduced an agency-wide process for modern slavery incident reporting and establishing a centralised approach to procurement compliance and post-contract evaluation.
- Interrogated findings across the portfolio to determine where risks are being identified and whether impacts are being addressed.
- Incorporating modern slavery risk into standard procurement risk management practices and reporting standards.
- Utilised standard Commonwealth terms and conditions (where appropriate), including modern slavery model clauses in tendering contract documentation.
- Conducted robust contract management compliance reviews and monitoring of major contracts.
- Completed and recorded contract evaluations at the end of each contract lifecycle so that other officials could use this information to support future procurement activities.

Supplier activities

Over the reporting period, the portfolio conducted the following supplier activities in relation to modern slavery risk:

- Requiring officials to request prospective tenderers complete the Supplier Questionnaire for procurement activities that generate a risk rating of medium-risk or above or are valued at \$200,000 or above.
- Encouraging contract managers to proactively engage with their suppliers throughout the contract lifecycle and ask questions relating to modern slavery. This includes requesting regular modern slavery updates from suppliers as part of their contract reporting obligations.

- Managing modern slavery risk through encouraging officials to build strong relationships with suppliers.
- Commencing work on a modern slavery risk assessment plan and modern slavery training for supplier personnel.

Outcomes

As a central agency, Finance endeavours to lead by example, uplift capability and drive improved outcomes for the APS and the Australian community. Finance recognises that commitment to modern slavery identification and assessment is an ongoing and evolving process and is committed to maturing and improving its approach to managing modern slavery risk.

As part of improvement and capability uplift activities, over the reporting period, Finance continuously reviews its internal processes to establish annual goals for assessing future effectiveness and to inform the path forward.

Over the 2023–24 financial year period, Finance will be considering (where appropriate) the implementation of key performance indicators to measure the effectiveness of future actions to identify and address modern slavery practices in any part of its operations and supply chains. This may include but will not be limited to number of:

- Modern slavery risk assessments conducted
- Tenders requesting modern slavery responses and Supplier Questionnaires
- Contracts with modern slavery clauses included
- Suppliers completing the Supplier Questionnaire
- Modern slavery cases identified and remediated.

Based on the results of these processes, Finance will adapt and strengthen internal actions to improve responses to modern slavery. Where relevant, Finance will incorporate its internal learning into whole-of-government capability uplift activities.

Over the 2023–24 financial year period, Finance will also focus its attention on increasing awareness and education across its operations and supply chains to find more effective ways to identify downstream modern slavery risks and mitigate those risks with preventative measures. This will include:

- Increasing staff awareness and carrying out targeted capability building for officials who have supply chain responsibilities – particularly in high-risk categories.
- Actively collaborating with other Commonwealth entities on modern slavery to inform better practice and a consistent, common approach across the Government.
- Where possible, proactively engaging with suppliers to foster a collaborative approach to managing supply chain modern slavery risks.

Foreign Affairs and Trade

The Foreign Affairs and Trade portfolio consists of the following NCCEs:

- Australian Secret Intelligence Service (ASIS)
- Australian Centre for International Agricultural Research (ACIAR)
- Australian Trade and Investment Commission (Austrade)
- Department of Foreign Affairs and Trade (DFAT) including administration of the Australian Aid program.

Summary by agency

DFAT works to promote and protect Australia's international interests to support security and prosperity. DFAT provides a global diplomatic and influencing capability, leads the development of Australia's international and strategic policy advice, deepens economic engagement, and delivers international development and humanitarian assistance through the Australian Aid Program*. DFAT delivers timely and responsive consular and passport services and ensures a secure Australian Government presence overseas through the Government's network of embassies, high commissions, permanent missions and consulates.

ASIS enhances the Government's understanding of the overseas environment affecting Australia's vital interests and takes appropriate action, consistent with applicable legislation, to protect identified interests. The nature of the work undertaken by ASIS precludes provision of detailed information relevant to the portfolio input into the Commonwealth Statement.

*The Australian Aid Program provides official development assistance services to overseas countries. Arrangements are predominately carried out overseas with 8-10 commercial Tier 1 suppliers with more than 3000 Tier 2 suppliers who may then subcontract to other Tier 1 commercial suppliers. Other suppliers include NGOs, international multilateral organisations, research institutions and universities.

ACIAR's mandate is to amplify the impact of Australia's capabilities in agricultural science by brokering and funding agricultural research for development partnerships in developing countries. Procurements are predominantly for research services with little-to-no subcontractors used and no downstream supply chains. ACIAR's activities are assessed as low-risk for modern slavery.

Austrade's purpose is to deliver quality trade and investment services to businesses and policy advice to the Government to grow Australia's prosperity. Austrade has a devolved procurement and contract management model with arrangements at locations within Australia and overseas. The nature of the goods and services procured are not considered high-risk for modern slavery, having minimal subcontractors or downstream supply chains.

At 24 July 2023, the portfolio had 4,251 active arrangements in the 2022–23 financial year as follows:

| Agency | Value | Volume |
|----------|--------|--------|
| DFAT | 3.1b | 2,895 |
| Austrade | 403.5m | 1,086 |
| ACIAR | 0.1b | 270 |

Agencies generally have mature relationships with suppliers, including management strategies for subcontractors and downstream suppliers both inside and outside Australia. Agencies continue to work with suppliers to improve practices and enhance these arrangements to identify, manage and minimise risks of modern slavery in procurement and contractual arrangements.

The highest areas of contract value within the portfolio during the reporting period were:

| Category | Value | Volume |
|--|--------|--------|
| DFAT Australian Aid Program | \$2.0b | 531 |
| Construction and Property | \$301m | 625 |
| Security Guarding and Security Services | \$118m | 38 |
| Relocations, Travel Postage and Freight services | \$71m | 15 |
| ICT hardware | \$30m | 165 |

Risks

Key risk areas for the portfolio are identified as follows:

- The *Australian Aid Program* that includes contracts for any categories of goods and services to facilitate overseas development program initiatives, with the highest value contract being approximately \$300 million.
- *Construction and property*, includes the following contracts, with the highest value arrangement being \$48 million for property management services:
 - embassy and compound leases
 - construction projects
 - security equipment
 - property support, maintenance, and repair services
 - dedicated parking space contracts
 - cleaning, support, and maintenance
 - office fit-outs and refurbishments
 - utilities and other running costs.
- *Security guarding and security services*, which includes the following contracts, with the highest contract value being \$87 million for high-threat location security guarding services:
 - embassy/compound security guarding services, including armed security services in high-threat locations
 - civilian armoured vehicle global fleet management services
 - security support contracts.

- *Relocations, travel postage and freight services* which includes the following contracts, with the highest value arrangement being \$68 million for removals and relocations:
 - relocation services, including removals and storage
 - flight services
 - mail and cargo transportation
 - travel agent services
 - mail, warehouse and distribution services.
- *ICT hardware*, which includes the following contracts, with the highest value arrangement being \$2 million:
 - workstation hardware
 - telecommunication hardware
 - communications devices
 - printers
 - office machines
 - other ICT hardware including portable and smart devices, scanners and video conferencing equipment
 - ICT maintenance, installation, and support (including ICT components and consumables).

Procurements in these sectors are undertaken for domestic and overseas consumption.

High-risk/value arrangements with service providers are generally subject to the modern slavery legislation relevant to the country of the business entity. For example, entities that report to the Australian and United Kingdom registers.

Where countries do not have these legislative obligations or published modern slavery statements, the portfolio utilises information and resources for due diligence activities such as the Global Slavery Index, the Responsible Sourcing Toolkit and other resources available in the Government's Modern Slavery Toolkit.

Portfolio agencies have a range of methodologies and internal resources to assist with identifying modern slavery risks. Agencies rely on legal advisors and procurement specialists, templates, and guidance to identify whether a modern slavery risk assessment and modern slavery clauses are required for the procurement activity. Tender and contract templates have modern slavery clauses embedded to impose obligations on prime and subcontractors to identify, minimise and mitigate instances of modern slavery in supply chains.

As part of the procurement process, initial risk screening in approach to market approvals is done and tenders include explicit requirement for suppliers to address modern slavery.

Strong contract governance processes are embedded in contract management templates and guidance. These include ongoing consideration of modern slavery risks in supply chains.

The portfolio has a mature relationship with its strategic service providers in the identified risk categories and management strategies

for subcontractors and downstream suppliers both inside and outside Australia. For example, high-risk and high-value procurements require responses to modern slavery questions at time of tender submission along with Modern Slavery Action Plans. Such plans include supply chain mapping and visibility of supplier management strategies. These plans are monitored through regular supplier management forums that include discussions to ascertain buying channels, grey markets, third party providers and seek assurances that goods provisioned are genuine products that limit any instance of modern slavery supply chains.

Risks identified for contracts generally relate to goods and services sourced or provided overseas with the potential for use of unskilled labour, short-term contracts and the use of foreign or temporary workers. Indirect risks within the vendors' supply chains are organisational risks resulting from poor governance and auditing processes, and geographical risks in regions with inadequate protection for workers. Hidden risks are from deep supply chains of which the prime and subcontractors may have little visibility.

Work is ongoing to increase visibility of supply chain mapping in procurements and embedding modern slavery risk assessments in evaluation considerations.

Response

Training and awareness raising activities

- Portfolio agencies use modern slavery training to inform procurement specialists and personnel undertaking procurements of their obligations for modern slavery considerations during tender and contract management activities.
- Agencies differ in their approach to modern slavery training. Some agencies conduct specific procurement-related training to frequent purchasers which includes content on modern slavery, whilst others host the Government's modern slavery e-Learning modules on their online training platform or provide links to the modules on their website.

- Key procurement staff and frequent purchasers are encouraged to undertake the training, particularly where they are involved in procurements identified as having a high risk of modern slavery or are high-value procurements.
- Agencies and key procurement areas have been encouraged to have all procurement personnel and frequent procurers undertake the modern slavery training as soon as possible or have indicated they already have plans to include modern slavery in planned training activities. DFAT have included the Government's e-Learning modules in the DFAT e-Learning platform to ensure it is easily accessible to all departmental personnel. Evaluation committee members for strategic procurements are encouraged to undertake this training.

- Key personnel in portfolio agencies attend conferences (e.g. the 2023 Modern Slavery Conference) and reference groups (e.g. the Interdepartmental Committee on Modern Slavery and the Senior Procurement Officer Reference Group (SPORG)) to keep abreast of modern slavery obligations and inform improvements in practices within their agency.
- To build consistency between agencies, DFAT chairs a portfolio Procurement Community of Practice, with quarterly meetings conducted as well as management of a dedicated Microsoft Teams channel. The DFAT portfolio's Procurement Community of Practice meetings and Microsoft Teams channel cover key procurement topics, including modern slavery. The Modern Slavery and Human Trafficking Branch in AGD presented on modern slavery at this forum in June 2023.
- Regular modern slavery communications and updates are issued to portfolio agencies and key procurement areas on modern slavery obligations through the DFAT portfolio's Procurement Community of Practice to ensure modern slavery remains a focus in procurement and contract management activities.
- Regular communications are published on key procurement-related topics, including modern slavery obligations, to remind personnel of their obligations related to modern slavery.
- The portfolio engages with the Modern Slavery and Human Trafficking Branch in AGD to lead priority actions for identification and treatment of risks of modern slavery through consistency in model clauses, toolkits, and training materials in support of improved practices.

Procurement and contract management activities

- DFAT have created specific tender and contract templates for use in Australia and overseas that address modern slavery risks and impose workers' rights obligations on suppliers with a requirement to seek in-country legal advice if using a contract that is not the standard template.
- The portfolio uses the modern slavery model clauses in tenders and contracts assessed as having the potential for use of modern slavery in supply chains.

- Modern slavery clauses and associated worker protection clauses are embedded in DFAT corporate and post procurement and contract templates. Coordinated and cooperative standing offer arrangements are heavily used in all agencies and include modern slavery clauses.
- Increased ability to gain supply chain mapping and information provided by tenderers is ongoing.
- High-risk/high-value procurements require suppliers to respond to modern slavery questions and submit modern slavery action plans/risk management plans with tender submissions. These form part of the value for money assessment.
- Agencies and key procurement areas are encouraged to include modern slavery considerations as an agenda item in contract management meetings.
- In addition to the DFAT portfolio's Procurement Community of Practice, DFAT have shared templates and guidance materials with other agencies to assist them in ongoing management of modern slavery in their procurement activities.
- The modern slavery risk assessment is embedded in the process prior to going out to market for Austrade, aid, property/construction, and high-value procurements to inform the procurement methodology and contract to be used.
- The portfolio utilises Government resources to inform tender evaluation, with a comprehensive review of any identified modern slavery risks associated with the sector of work, demographic location (including countries of high-risk) and the proposed contract forming part of the evaluation risk considerations and value for money assessment.
- A case example in relation to high-risk procurements undertaken by the Overseas Property Office and Services Division is set out above in Section 2 at page 44.
- Contract managers are encouraged to include modern slavery as an agenda item for contract management meetings with service providers, with this requirement is included in template contract management plans.
- Procurements assessed as high-risk for modern slavery use the Global Slavery Index, suppliers' public modern slavery statements, where available, and model clauses and templates to better understand risks in the procurement and ensure appropriate modern slavery and worker protection clauses are embedded in tenders and subsequent contracts.

- Agencies use legal advisors and procurement specialists for high-value/risk procurements to ensure modern slavery forms part of the procurement and contract conditions.
- DFAT uses a decision-tree tool known as BuyRight which highlights modern slavery considerations and includes links to the Government's modern slavery resources and online training.
- DFAT have met with Commonwealth leaders in supply chain mapping to improve its understanding of the potential for leveraging better practice in supply chain analysis. As a result, procurement guidance includes optional expert assessment of supply chain risks, including modern slavery.
- Portfolio agencies and procurement areas have indicated different approaches to risk assessments based on agency policy, guidance, and the procurement type. For example:
 - 90% of ACIAR's procurements relate to international agricultural research which are assessed as low-risk.
- There is a reliance on the process to appoint service providers to WoAG panel arrangements, particularly for ICT hardware, having made consideration of modern slavery risk prior to appointment to such arrangements.
- Security guarding arrangements undertake risk assessment of high-value >\$4 million.
- Aid conduct risk assessment for procurements over \$500,000.
- Austrade undertake modern slavery risk assessments as advised by the central procurement/legal team for any relevant proposed procurements from any of the high-risk areas.
- Property and construction procurements undertake modern slavery risk assessments based on the risk profile in the country/region the goods/services will be supplied.
- Post procurements follow procurement policy, guidelines and templates and consider modern slavery accordingly.

International and Domestic Removals and Storage Services Procurement Scenario

DFAT is in the negotiation phase of RFT DFAT – 299 for provision of International and Domestic Removals and Storage Services. This strategic, high-value procurement has been conducted by a central procurement specialist who required all evaluators to undertake the online modern slavery training prior to participation in the process.

The tender requirements include:

- International removals from Australia
- International removals to Australia
- International removals between overseas countries
- Domestic removals (within Australia)
- Storage in Australia
- Storage overseas (as and if required)
- Insurance services.

The procurement risk assessment identified that the procurement entailed a medium-to-high risk of modern slavery. Accordingly, Option B of the Government's modern slavery tender clauses were included in the tender and draft contract. A specific tender response form was included with the tender that was mandatory for all tenderers to complete.

The tenderers' response to modern slavery tender requirements formed part of the Mandatory Minimum Content and Format Requirements, with a dedicated Tender Response Form (TRF) being mandated for completion.

Any tenderer that did not provide information on how modern slavery would be identified, assessed, and addressed would not be eligible to progress through the evaluation process.

(continued next page)

The TRF required detail on:

- Policy/plans in place to identify and address modern slavery risks (including information on any systems for ongoing compliance monitoring)
- How screening of suppliers is undertaken, including those of supply chains
- Any grievance mechanism available
- Personnel managing the operations and supply chains
- Associated training programs in place.

Tenderers were requested to complete and submit the Supplier Questionnaire as part of their response.

The modern slavery response was stated as a non-technical requirement and a non-weighted evaluation criterion that informed the value for money assessment of responses.

The draft contract includes clauses requiring:

- Ongoing monitoring of supply chains
- Submitting and adhering to a Modern Slavery Risk Management Plan
- Training relevant personnel on modern slavery obligations to ensure the service provider can identify and report on modern slavery
- Grievance mechanisms
- Notifying the department of any instances of modern slavery

- Addressing or removing modern slavery practices
- Taking reasonable steps to remediate adverse impacts in accordance with the UNGPs
- Updating the department on progress to remediate these impacts.

The draft contract also includes specific obligations for worker remuneration and protections, protection of travel and identity documents and safe access to grievance mechanisms for reporting on modern slavery practices.

Compliance with DFAT-specific policies and reporting obligations are also built into the draft contract. Clauses relevant to modern slavery include:

- Preventing Sexual Exploitation, Abuse and Harassment Policy
- DFAT's Child Protection Policy with DFAT having the right to review compliance against these policies.

Further, the contract contains specific conditions on the use of subcontracts (including third parties), with the Contractor remaining responsible for all obligations under the contract and a requirement to ensure any such subcontracting arrangements adhere to the modern slavery clauses of the contract.

Supplier activities

- Agencies differ in their use of the Supplier Questionnaire. Use of the Supplier Questionnaire is embedded in DFAT high-value/risk procurement and contract templates, while other agencies use it when deemed necessary by Procurement/Legal teams based on location, value and risk profile of the goods and services being procured.
- Modern slavery clauses and associated worker protection clauses are embedded in DFAT corporate and post procurement and contract templates.

- All agencies use the Commonwealth Contracting Suite for procurement and contracts according to the relevant Commonwealth Contracting Suite thresholds. The Commonwealth Contracting Suite includes modern slavery clauses.
- Coordinated and cooperative standing offer arrangements are heavily used in all agencies and include modern slavery clauses.
- Long-term arrangements predating the *Modern Slavery Act 2018* (Cth) are reviewed and modern slavery considerations negotiated via contract variations wherever possible.

- Suppliers are being asked to submit Modern Slavery Risk Management Plans for high-value/risk contracts, with review and updating of these plans required for the duration of the contract and monitored via regular contract management meetings.
- DFAT ICT hardware managers engage with strategic suppliers via regular vendor management forums to discuss compliance with modern slavery risks (e.g. buying channels, grey market, refurbished hardware, third-party providers) to ensure purchases are of genuine products.
- Agencies and key procurement areas are encouraged to include an agenda item specific to modern slavery in regular contract management meetings to ensure focus is maintained on understanding and improving supply chain analysis and ongoing assessment and treatment of modern slavery in contracts.

Outcomes

Forums such as the Department of Finance Community of Practice, the Government's Modern Slavery Conference and SPORG, supplemented by updated templates, guidance and targeted communications, continue to educate and uplift understanding of modern slavery obligations.

There is increased engagement with suppliers through regular contract management meetings, use of the Supplier Questionnaire and specific requests for information to be provided by suppliers on how they are assessing and managing the risk of modern slavery in supply chains.

Information provided by DFAT's training area shows a steady uptake of e-Learning modern slavery training (noting numbers do not include training undertaken prior to placement on the online platform). It is expected that there will be a high increase in modern slavery training, noting agency and key procurement area indications that modern slavery training will be delivered or undertaken in the next reporting period.

Increased training will ensure key procurement personnel and frequent procurers are informed of, and understand obligations related to, modern slavery in procurement and contract management obligations and the resources available to assist.

Agencies and key procurement areas within the portfolio have increased use of available resources to assist with modern slavery risk assessment, training and ongoing supplier management, and, where possible, will build modern slavery obligations into long-term arrangements that predate the *Modern Slavery Act 2018* (Cth).

All agencies and key contract management areas are being encouraged to consider modern slavery risks in contract management forums and increase the use of the Supplier Questionnaire for high-value/risk contracts. Modern slavery risk management plans will be monitored in contract management meetings and updated, as appropriate, during the contract term.

DFAT's Information Management and Technology Division are undertaking a review of the DTA arrangements in place to ensure appropriate consideration of modern slavery is in place in the contracts entered into under those arrangements.

DFAT will continue to lead modern slavery communication activities through the DFAT portfolio's Procurement Community of Practice and sharing of procedures, guidelines, and templates to keep agencies and key procurement areas focussed on improving modern slavery considerations and practices throughout the portfolio.

There are plans for regular communications to be disseminated to agencies and personnel on modern slavery obligations, including ongoing monitoring activities when managing contracts.

The Australian Aid program have undertaken to include modern slavery as a topic in external newsletters to suppliers, including links to modern slavery resources and information.

Health and Aged Care

The Department of Health and Aged Care, and its broader portfolio of agencies, deliver a wide range of health services and outcomes to the Australian population through diverse and sometimes interconnected programs, funding health, aged care and sport services, infrastructure and projects. In delivering these health outcomes there are inherent risks, including modern slavery in new and existing procurement supply chains.

The Health and Aged Care Portfolio includes 12 NCCEs.

The highest areas of contract value across the Health and Aged Care Portfolio in the reporting period consisted of:

- Blood products
- Vaccines, pharmaceuticals and medical supplies
- Health Services
- Accommodation and property operating expenditure
- Management Advisory services.

Risks

Previously reported key identified areas of modern slavery risk across the Health and Aged Care Portfolio remain. Those are:

- Health and medical supplies including Personal Protective Equipment (PPE) and a range of other medical equipment and consumables – While the volumes of these items purchased within the Health and Aged Care Portfolio in 2022–23 has reduced significantly from the volumes purchased during 2020 and 2021, the items that have been purchased continue to have considerable manufacturing input from high-risk regions.
- Construction – Globally, the construction industry employs a significant amount of low-skilled labour, and often in difficult, poorly-controlled conditions. The Health and Aged Care Portfolio has undertaken several major refurbishment projects in its leased premises across Australia in 2022–23.
- ICT hardware – Components of IT hardware are manufactured in geopolitical regions with known human rights concerns. The main products procured are laptops, servers and network hardware, and personal devices such as tablets, mobile phones, headsets etc.
- Imported Blood Products.
- Rapid Antigen Test kits.

Across the Health and Aged Care Portfolio in 2022–23 there has been a continued effort to promote awareness of modern slavery and the importance of understanding where risks are highest in its procurement activities.

Consultation has been undertaken across the portfolio to seek input on modern slavery risk according to specific spend profiles. Feedback received has been incorporated within the portfolio response. Through the department's shared services model, portfolio agencies have access to the department's Procurement Advisory Services section. Services requested through this arrangement include ongoing awareness and partnering with contract managers in the planning and administration of procurement activities.

A Request for Tender for the establishment of a supply panel for PPE is currently being drafted and is expected to be released in the first quarter of 2023–24. The request documentation and draft Deed will contain measures and provisions for identification and mitigation of modern slavery risk, including within the model clauses, evaluation criteria and a requirement for each tenderer to complete the Supplier Questionnaire.

Modern slavery considerations in the approach to open tender in 2021-22 and responses received helped the National Medical Stockpile develop its maturity in baselining tender requirements for future offshore manufacturing procurements.

The National Blood Authority manage many contracts with commercial suppliers (including for the supply of imported blood products). They have updated contract management materials to include modern slavery clauses in approach to market and contract templates.

In addition, modern slavery will be covered in guidance material and staff training. It also noted that a suite of blood and blood-related contracts had been varied with amendments to introduce Commonwealth modern slavery clauses.

Response

Training and awareness raising activities

- Government e-Learning modules in place.

Procurement and contract management activities

- Addition of modern slavery model clauses and other mitigative measures into the department's procurement templates.
- Modern slavery risk assessments undertaken in all procurements.
- Staff undertaking procurement activities routinely undertake assessments and develop a 'Procurement Risk Profile' which includes assessment of modern slavery as a risk for consideration.

- Modern slavery contract clauses and tender clauses are utilised in the portfolio.
- There is a requirement for all procurement activities valued at \$80,000 and over to be undertaken in consultation with the department's Procurement Advisory Services team. For complex high-risk procurements this includes in the planning stages to ensure necessary considerations such as modern slavery are made and applied to the procurement process.

Supplier activities

- Supplier Questionnaire is utilised in the portfolio.
- The aforementioned PPE procurement activities contain measures and provisions for identification and mitigation of modern slavery risk, including within the model clauses, evaluation criteria and a requirement for each successful tenderer to complete the Supplier Questionnaire.

Outcomes

Comprehensive assessment of modern slavery risk within the tender evaluations for the PPE supply panel will be undertaken during the next reporting period. Additionally, across the portfolio there will be ongoing monitoring of related policy and adoption of best practice as new measures are identified.

The next 12 months of high-risk complex procurements will continue to benefit from the partnering approach in the planning and administration of procurement activities, implemented during the 2022–23 financial year by the department's Procurement Advisory Services team. This partnering approach is also accessible

to portfolio agencies, through the shared services agreement. In addition, there will ongoing promotion and use of the training modules.

As a number of pandemic response elements transition into business as usual or have responsibility transferred to state jurisdictions, a number of recently introduced safeguards (such as the PPE supply panel) will take effect in 2023–24.

The department continues to monitor resourcing levels in the procurement space to ensure adequate and timely support in relation to procurement and supply risk.

Home Affairs

The Department of Home Affairs and its portfolio agencies are responsible for delivering a wide range of services to the Australian people, including emergency management, national security, cyber and critical infrastructure resilience and security, immigration, border security and management, counter-terrorism, and citizenship and social cohesion.

The department contributes to Australia's prosperity and unity through the management and delivery of migration, humanitarian and refugee programs. The department also promotes social cohesion through multicultural programs, settlement services and by managing and conferring citizenship.

The highest areas of contract categories (by value) on contracts active during the reporting period were:

- Management Support Services
- Security Surveillance and Detection
- Education and Training Services
- Computer services
- Components for information technology or broadcasting or telecommunications.

Risks

The Department of Home Affairs, through its procurement and contracting activities, has identified a number of high-risk areas in which modern slavery could have impacts on delivery of goods and services. These industries engaged by the department include:

- Textiles
- ICT
- Recruitment (for permanent, temporary and contractor staff)
- Construction.

The Department of Home Affairs, through its procurement life cycle, includes policies and information for delegates to consider what potential impacts modern slavery may have on the procurement. As part of the procurement risk assessments, officers undertaking a procurement are required to assess the risks that may be associated with their procurement in relation to modern slavery.

For industries at high risk of modern slavery, additional oversight occurs through the inclusion of the Modern Slavery Toolkit in the tender evaluation process. The responses highlight areas where additional risks may be present. Additionally, through the contract management phase, the department can request additional confirmations from the suppliers that their supply chains are appropriately managed to ensure that modern slavery is not occurring.

In the Contract for The Provision of Uniform, Accoutrement and Personal Protective Equipment Supply And Management Services with Home Affairs, the Service Provider is responsible for management of the manufacturing companies that are utilised in the supply chain IAW Schedule 1, clause 3.4.5 & 3.16.5 of the Contract. The Service Provider ensures compliance with ethical supply and manufacturing through their membership/accreditations with SMETA and Ethical Clothing Australia and ensuring their subcontractors are also accredited prior to engaging their services.

Response

Training and awareness raising activities

- Staff training is mandatory for procurement officials.
- The Government's modern slavery e-Learning modules are included in the department's Procurement and Contract Management Learning Curriculum.
- Modern slavery awareness is also promoted through the department's Procurement and Contract Management Community of Practice to support capability building.
- As part of the department's commitment to continuous learning, Procurement officers undertake refresher training on modern slavery by completing the Government's modern slavery e-Learning modules.
- Intranet notices and financial newsletters are also utilised to raise awareness of modern slavery across the department.

Procurement and contract management activities

- Consideration of modern slavery risks are embedded in the department's procurement planning and approach to market templates (including contract template).
- The department's Contract Management Manual includes comprehensive guidance on monitoring and managing modern slavery risks in the contractor's supply chain, including reporting obligations, during the contract life cycle. The contract management template also includes guidance on monitoring and managing modern slavery risks.
- In the Performance Management Framework for the ABF and AFP current joint service agreement for the provision of Uniform, Accoutrement and Personal Protective Equipment Supply and Management Services, a 'sourcing' KPI has been established with performance targets and thresholds applied to ensure procurement in accordance with the relevant Commonwealth legislation and policies, including but not limited to Ethical Clothing Australia principles and the *Modern Slavery Act 2018* (Cth).

- Modern slavery risk assessments are undertaken in large procurements.
- All procurement plan templates, regardless of value, prompt procuring officers to consider actions that may be necessary to assess and address modern slavery risks, and provide direction to the Modern Slavery Toolkit.
- The department's templates and guidance contain information to make procuring officers and contract managers aware of the obligations to consider, assess, monitor and mitigate risks through the procurement planning, approach, evaluation and contract phases.
- Modern slavery contract clauses and tender clauses are utilised in the portfolio.
- ADA is the ABF and AFP's procured contract as the Uniform Service provider. ADA recognises the inherent modern slavery risks within the textile industry and as such factor in a number of considerations when selecting certain production locations i.e. high-risk countries, geographic locations, higher risk business models and vulnerable groups. The ADA is discussed further in Section 2, on page 38.
- The ABF continues to support the Australian textiles industry in its ongoing commitment to invest in their onshore production, machinery, tools and people through the Australian Industry Participation plan and the NAP.
- The department has committed to the ongoing assurance activities for compliance with the Modern Slavery Policy and has developed and implemented an assurance activity to target procurements that are conducted in identified high-risk sectors. The assurance activity reviews the phases of the procurement to ensure that modern slavery risks are considered and addressed throughout the process. The assurance also identifies any gaps in the guidance and procedure to measure effectiveness. Any improvements required are addressed through the department's continuous improvement activities. Effectiveness is measured through:
 - Feedback/statements and regular reporting from suppliers on compliance
 - Transparency on suppliers' supply chains
 - Reports on suppliers' measures that have been implemented
 - Information from governing bodies on modern slavery.

Supplier activities

- The department and agencies engage with suppliers and seek supplier input through the completion of the Supplier Questionnaire. Contract managers work with suppliers to assess and if required, mitigate modern slavery risks.
- The department, throughout the contract management phase of a procurement, can request additional reporting from the suppliers that their supply chains are appropriately managed to ensure that modern slavery is not occurring.

Outcomes

The department includes risk mitigation strategies to address modern slavery in all procurement planning. This includes training available to staff on modern slavery, understanding risks associated with industries considered to be at high risk of modern slavery, inclusion in contracts clauses to assist in combating modern slavery, as well as engagement with suppliers to understand modern slavery and where supply chains could include modern slavery.

The department is confident that ADA as the Joint Uniform contract provider undertakes adequate actions to address modern slavery risks, ADA are accredited by Ethical Clothing Australia standards and has a modern slavery statement in place.

The portfolio will assess the effectiveness of the actions taken to address modern slavery risks in the following ways:

- Ensure documented policies and procedures that establish controls and framework for managing broader human rights and the risk of modern slavery within the department's supply chains are met and satisfy both relevant governance and compliance obligations.

- Ensure suppliers continue to monitor and meet vigilant compliance and audits conducted as set by the textile, clothing and footwear industry and other relevant ethical and trading bodies and ensuring clear communication and appropriate behaviours for relevant business practices.
- Development and implementation of modern slavery training for suppliers and ensure all staff employed within relevant suppliers are made aware of the types of exploitation that may occur.
- Commit to the ongoing assurance activities for compliance with the Modern Slavery Policy and will continue to assess and monitor the inclusion of modern slavery considerations in procurement activity.

Industry, Science and Resources

The operations of the Industry, Science and Resources Portfolio include supply chains in relation to key manufacturing and services sectors. The portfolio has a branch dedicated to supply chain resilience which identifies vulnerabilities and potential actions to improve government policy to industry.

The Department of Industry, Science and Resources (DISR) has two NCCEs under its portfolio, Geoscience Australia and IP Australia.

Portfolio procurement activity is decentralised within each portfolio agency, and each portfolio agency has a centralised procurement advisory team.

The highest areas of contract value within the portfolio in the reporting period were:

- Aerospace systems, components and equipment
- Temporary personnel
- ICT
- Earth Science services
- Management advisory services.

Risks

In addition to the known high-risk areas such as ICT hardware, cleaning services and construction, the portfolio has identified additional areas of potential high-risk. This is largely due to the focus areas of responsibility of the portfolio and include the following, where appropriate due diligence is undertaken:

- Aerospace
- Science and related componentry
- Contracts with subcontracting provisions
- Remote contracts.

The portfolio predominantly procures from existing panel arrangements (Standing Offer Notices) established by other agencies. DISR uses the modern slavery resources that are available, including the Government's online Modern Slavery Statements Register. This allows for identification of current preferred suppliers in a panel procurement process to be identified as a risk or not.

The management of risk within the portfolio is in accordance with the *Public Governance, Performance and Accountability Act 2013* (Cth) and the Commonwealth Risk Management Framework and is consistent with AS/NZS ISO 31000:2009 Risk management – Principles and guidelines.

These risks are being managed under the entity's reporting and risk management framework that includes the regular monitoring and review of controls and identified mitigating actions.

Mitigating actions are taken on a per-activity basis in line with guidance available from Department of Finance.

Procuring officers consider suppliers in terms of their modern slavery protocols as part of value for money assessments, including undertaking a search for the relevant suppliers' statement on the Modern Slavery Statements Register.

This is also demonstrated under ICT arrangements (i.e. telecommunications, multi-function devices, laptops, etc) where Original Equipment Manufacturer vendors and most re-sellers engaged under the portfolio have published statements on the Modern Slavery Statements Register.

Through this approach, the portfolio has assurance that suppliers are actively working to identify and address modern slavery risks and maintain responsible and transparent supply chains.

Response

Training and awareness raising activities

- As updates to policy or guidance are released, intranet content is updated in conjunction with news articles and communication.
- DISR is developing procurement and contract management training packages in support of its procurement and contract management operating model. Modern slavery considerations will be incorporated in this package.
- The procurement advisory team are working with the Office of Supply Chain Resilience within DISR to build awareness and share insights into modern slavery.
- The portfolio delivers procurement training and awareness sessions throughout the year. Modern slavery is raised as a topic during these sessions.
- DISR intranet guidance directs officials to the Modern Slavery Toolkit to access the modules and clauses for contract inclusion.
- The portfolio provides individual advice and training to staff upon request.
- Communication articles covering topics such as modern slavery are circulated to staff to raise awareness.
- Intranet guidance is available, including:
 - **Ethical Principles** - that the Agency must not benefit from suppliers undertaking unethical practices, including modern slavery.
 - **Procurement Framework** – page outlines the legislation, direction to the Modern Slavery Toolkit and a hyperlink to the previous Commonwealth Statement for 2021–22.

Procurement and contract management activities

- Reference to the *Modern Slavery Act 2018* (Cth) is included in the DISR procurement policy.
- The requirement to manage risks identified and those that emerge is part of standard guidance and expectation.
- The procurement advisory and legal teams support business areas in relation to contract management issues on a needs basis.

- Clause Bank clauses relating to modern slavery are inserted into contracts as applicable.
- DISR is developing procurement and contract management training packages in support of its procurement and contract management operating model. Modern slavery considerations will be incorporated in this package.
- Modern slavery risk assessments are undertaken in high-risk category procurements.
- Risk management, which includes regular monitoring and review of controls and identified mitigating actions, is incorporated as standard business practice as part of contract management oversight by individual contract managers.
- IP Australia has a risk assessment to be completed in all approval minutes requiring business areas to consider the risk of modern slavery in their procurement process.
- Modern slavery contract clauses are utilised in the portfolio, including those set out under Commonwealth Contracting Suite and some panel procurement documentation.

Supplier activities

- Before entering into contracts, procurement officials review suppliers' approach to modern slavery and look for things such as: alignment to Australian Standards, engagement with Australian Registered Businesses, any obligations with formal terms and conditions, and maintaining long-term supply chain relationships. These measures align with risk assessments undertaken before engaging with suppliers.
- The department conducted a building and construction services procurement in line with its procurement guidelines for a high-risk category. The supplier was owned and operated in Australia and the services were carried out in Australia. The supplier was accompanied by an independent, accredited, licenced drilling inspector for the entirety of the work as part of the management. This oversight provided an additional layer of assurance of sound work practices, in addition to impartial assistance, provided by a site caretaker.

Outcomes

There is an increase in awareness across the portfolio of how to apply necessary assessment of modern slavery risk in the procurement planning through to contract management phases. The portfolio will look to have the Government's e-Learning modules integrated into the suite of modules accessible in the portfolio agencies' learning environments.

While all DISR officials are currently directed to the Modern Slavery Toolkit, Geoscience will also integrate this into their intranet. These resources have been circulated to Procurement Officials at IP Australia.

The Supplier Questionnaire will be incorporated into the suite of procurement-related documents and templates across the portfolio.

Continued promotion of modern slavery considerations and risks throughout the procurement life cycle will be undertaken across the portfolio to further equip procuring officials, contract managers and delegates or decision makers.

The portfolio will also take up the offer of workshops to be delivered to procurement officials by the Modern Slavery and Human Trafficking Branch in AGD.

Infrastructure, Transport, Regional Development, Communications and the Arts

The portfolio provides policy advice and delivers programs, projects and services in the infrastructure, transport, communications and arts sectors, supporting Australia's regions, cities and territories.

NCCEs in the Infrastructure, Transport, Regional Development, Communications and the Arts portfolio include the Department of Infrastructure, Transport, Regional Development, Communications and the Arts, the Australian Communications and Media Authority, the Australian Transport Safety Bureau, the National Archives of Australia (NAA) and the National Capital Authority (NCA).

In the reporting period, the top five categories (by value) of contracts reported by the portfolio were:

- Management advisory services
- Transport operations
- Computer services
- Components for information technology or broadcasting or telecommunications
- Personnel recruitment.

Risks

ICT procurement has been identified as a high-risk area for modern slavery generally, and is the key risk sector for the portfolio.

A risk analysis of procurements undertaken across the portfolio was undertaken to identify key risks, with particular regard to sectors and industry risk, product and service risk and geographic risk. Use of the Modern Slavery Risk Toolkit is also advocated as part of standard risk assessments applicable to all procurements.

ICT procurement is predominantly undertaken using existing panel arrangements established by other agencies.

Response

Training and awareness raising activities

- The department's internal procurement training program includes the application of modern slavery risk management processes, aimed at those with purchasing authority.
- The department has a multi-module internal procurement training program which includes a 'Procurement 101' module and a 'Procurement for delegates' module. The internal training program reflects all procurement framework requirements, including modern slavery, and is regularly reviewed to ensure they are up to date and reflect best practice. The internal training program is not compulsory but is well attended and received by staff. The department periodically publishes intranet news stories to remind staff of modern slavery requirements.
- Links to the *Modern Slavery Act 2018* (Cth) and to external and internal guidance are available on agency intranets.

Procurement and contract management activities

- Implementation of a risk-based approach to modern slavery, consisting of an inherent risk review by officials for all procurement activities, followed, as required, by consideration of supplier responses to the modern slavery risk assessment (individual supplier assessment) as part of the value for money consideration processes.
- Using standard Commonwealth terms and conditions available from the Modern Slavery Toolkit, including modern slavery model contract clauses and modern slavery tender clauses and guidance in tendering documentation and contracts.

- Consistent with framework requirements, the department's internal procurement guidance requires modern slavery risks to be considered in all procurements valued over \$200,000 and any procurement in a high-risk sector (construction, transportation, mining, textiles, hospitality and cleaning services).
- Use of the Modern Slavery Risk Toolkit is advocated as part of standard risk assessments applicable to all procurements.
- The department operates with a devolved procurement model whereby business areas undertake their own procurement supported by a small central procurement advice team.
- Modern slavery contract clauses and tender clauses are used in the portfolio. In one case, the NAA identified risks of modern slavery in a large-scale laptop procurement. The centralised procurement area advised the business area of the importance of this issue and how to successfully word tender response and contract clauses in respect of modern slavery considerations.

Supplier activities

- The Supplier Questionnaire is used in the portfolio. The NCA has incorporated the questions from the Supplier Questionnaire into the NCA's Approach to Market template for construction services.
- Leveraging WoAG purchasing agreements, including stationery, major office machines, travel and fleet leasing to drive positive change in downstream supply chains.

Outcomes

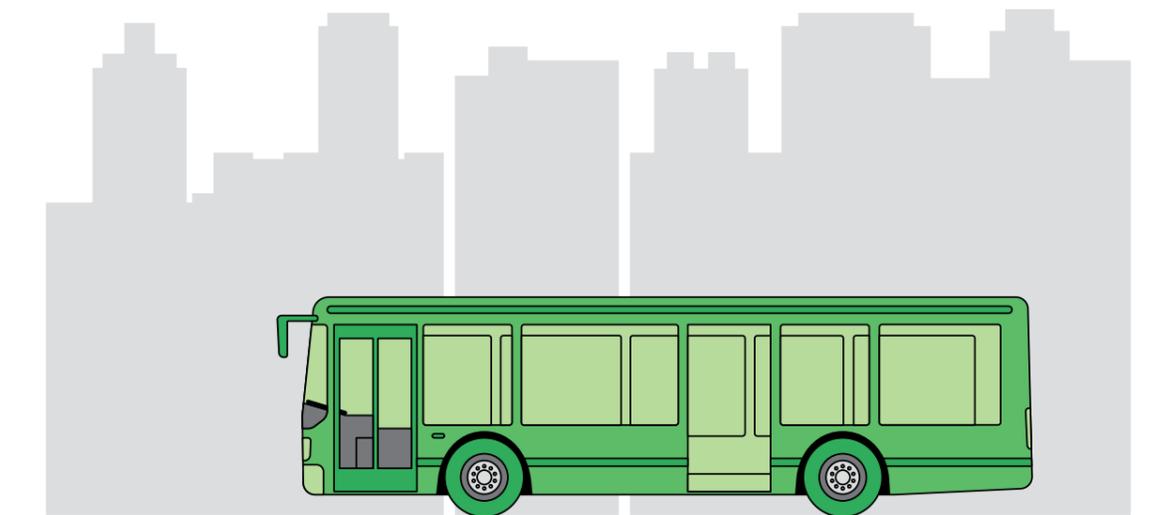
The portfolio is committed to maturing and improving its approach to managing modern slavery risks.

The department engages in effective risk oversight and management and maintains appropriate systems of internal control. The Risk Management Policy and Framework provides guidance on the approach to managing and engaging with risks and outlines the key responsibilities for managing risk.

Staff awareness of modern slavery risks in procurement processes is improving, through the department's internal training program, internal communications and procurement guidance.

Actions planned by the department include continued training for staff to promote awareness of modern slavery risks via the internal procurement training program and internal intranet news stories promoting the e-Learning modules and the Modern Slavery Statements Register.

Actions planned by the NAA include the development and delivery of a modern slavery awareness program for staff alongside training in modern slavery in procurement.



Prime Minister and Cabinet

The Prime Minister and Cabinet portfolio (the portfolio) comprises of 7 NCCEs, 10 Corporate Commonwealth Entities, and 3 Commonwealth Companies.

The portfolio NCCEs include:

- Department of the Prime Minister and Cabinet (PM&C)
- Australian National Audit Office (ANAO)
- Australian Public Service Commission (APSC)
- National Indigenous Australians Agency (NIAA)
- Office of National Intelligence (ONI)
- Office of the Official Secretary to the Governor-General (OOSGG)
- Workplace Gender Equality Agency (WGEA).

The portfolio NCCEs procured 51% of all new procurement contracts from standing offer panel arrangements. The portfolio procured 62% of contracts for ICT and telecommunications through the WoAG panel arrangements owned by DTA.

The portfolio supports a WoAG approach to addressing modern slavery risks through the WoAG standing offer panel arrangements managed by DTA and the Department of Finance.

Across the portfolio NCCEs' procurement operations, there has been a continued effort to promote awareness of modern slavery risks among procurers and, in some cases, among primary suppliers. PM&C is aiming to expand this effort to promote awareness of understanding modern slavery risks within Tier 1 and Tier 2 supply chains.

The portfolio's top five categories by value for new procurement contracts in 2022–23 were:

- Components for information technology or broadcasting or telecommunications (17%)
- Temporary personnel services (15%)
- Education and training services (8%)
- Management advisory services (5%)
- Power sources (5%).

Risks

ICT and telecommunications is identified as a high-risk modern slavery industry sector. The portfolio procured 32% of total contracts by value on ICT and telecommunications goods and services.

ICT hardware has been identified by the portfolio as presenting the highest risk of modern slavery in the supply chain. The portfolio procures ICT hardware through the BuyICT – Hardware Marketplace. The Hardware Marketplace includes obligations for suppliers (sellers) under the common terms and conditions to identify, assess and address modern slavery practices in their operations and supply chains.

The portfolio procured a much lower proportion (by value) of contracts in other high-risk modern slavery industry sectors including:

- Property management services including cleaning services (2%)
- Building construction and support and maintenance and repair services (1.6%)
- Security guard services (1%)
- Furniture (0.3%)
- Stationery and office supplies (0.07%)
- Promotional merchandise (0.02%).

A number of initiatives have been implemented across the portfolio NCCEs to identify modern slavery risks in procurement processes. Examples include:

- PM&C considers modern slavery risk for high-value procurements and/or procurements in high-risk categories and is integrating the consideration of modern slavery risk into its general procurement risk assessment tool.
- Since November 2022, the ANAO have incorporated modern slavery in the approach to market document as an unweighted evaluation criterion for high-value procurements to assess the extent to which the tenderer has put in place processes to prevent or mitigate the risk of modern slavery occurring in its operations or supply chains.

- The NIAA has incorporated the consideration of modern slavery risks into their mandatory risk assessment template for all procurements greater than \$10,000.
- The APSC requires suppliers to complete a statutory declaration that there is no evidence of modern slavery in the delivery of the goods or services.
- Portfolio NCCEs reported a total of approximately 12 modern slavery specific risk assessments undertaken during the reporting period.

Response

Training and awareness raising activities

The portfolio continues to focus on increasing awareness of modern slavery risks among procuring officials and suppliers. Examples include:

- Assisting business areas to develop an understanding of how to assess modern slavery risks for procurements in high-risk industry sectors.
- The Government's modern slavery e-Learning modules are promoted across all the portfolio's NCCEs. Some NCCEs have made them available on their Learning Management Systems and are encouraging staff to access the e-Learning

modules when conducting procurements within high-risk industry sectors.

- Some portfolio NCCEs are incorporating modern slavery into their general procurement training.
- PM&C launched a dedicated Intranet page for all staff on modern slavery in procurement, linking to the Government modern slavery e-Learning and Toolkit.
- PM&C organised a workshop for its portfolio NCCEs in June 2023 with the Modern Slavery and Human Trafficking Branch within AGD to better understand the modern slavery reporting requirements and supply chain mapping.
- Information sessions and communications are provided to agency staff on an ad-hoc basis to raise awareness of modern slavery risks in procurement.

Information Session on Modern Slavery in Procurement

PM&C hosted a successful information session on Modern Slavery in Procurement in February 2023 for all interested departmental staff.

The session was aimed at developing a better understanding of what modern slavery is and what action is required when undertaking procurement activities within high-risk industry sectors.

The session covered the topics of:

- What is modern slavery?
- What does it mean for PM&C?
- What does it mean for Procurement Officers?
- What is PM&C doing?
- PM&C's Commitments
- Case studies – The good and the bad

- Tools and Resources
- Awareness of the Modern Slavery Statements Register

- Awareness of the e-Learning modules available for modern slavery.

The session was well-attended by staff procuring in high-risk industry sectors including ICT; property and facilities management; building, construction and maintenance; as well as staff from the department's governance and risk team. Excellent feedback was received on how the session enabled staff to understand what modern slavery is and what actions can be taken to identify and address modern slavery risks in procurement.

Procurement and contract management activities

Examples of mitigating actions taken by portfolio NCCEs to address modern slavery risks include:

- Incorporating consideration of modern slavery risks into procurement risk assessments, where applicable. Some portfolio NCCEs have integrated modern slavery risks into their general procurement risk assessment process for all procurements valued over \$10,000.
- For procurements deemed as low-value and low-risk for modern slavery, modern slavery risk assessments are not undertaken.
- Searching the Modern Slavery Statements Register to check whether suppliers in high-risk industry sectors have registered modern slavery statements.
- Reviewing tender evaluation processes for high-value procurements to include the consideration of modern slavery in tender evaluation criteria, where appropriate.
- Some portfolio NCCEs have utilised the modern slavery contract clauses on a case-by-case basis.

- The majority of procurements in high-risk areas are undertaken through existing WoAG standing offer panel arrangements and the Commonwealth Contracting Suite in accordance with the standard contract clauses.

To improve procurement and contract management processes in relation to modern slavery risks, some portfolio NCCEs are:

- Raising awareness and promoting the Modern Slavery Toolkit and e-Learning modules among procurement staff and staff procuring goods and services in high-risk industry sectors.
- Embedding modern slavery in general procurement training for staff.
- Raising awareness of modern slavery among suppliers in high-risk industry sectors.
- Participating in the Modern Slavery Interdepartmental Committee meetings.
- Trialling use of the modern slavery risk screening tool.
- Proactively monitoring the open source information to identify modern slavery risks.

As the portfolio lead agency, PM&C has undertaken the following actions:

- Collaborated with the Modern Slavery and Human Trafficking Branch, AGD, to workshop how to adapt the risk screening tool according to the scope and scale of the procurement.
- Established a PM&C Modern Slavery Working Group with an objective to raise awareness of modern slavery risks within PM&C.
- Attendance at the Government's Modern Slavery Conference in Melbourne in June 2023.

Supplier activities

Examples of supplier activities undertaken by portfolio NCCEs to address modern slavery risks include:

- Since November 2022, ANAO have incorporated modern slavery in the approach to market document for high-value procurements as an unweighted evaluation criterion to evaluate:

'The extent to which the Tenderer demonstrates the suitability of the processes it has put in place to prevent or mitigate the risk of modern slavery occurring in its operations or supply chains for the purposes of delivering the Services.'

The ANAO has included the following optional clause when establishing a Standing Offer Arrangement as set out in the Department of Finance's Commonwealth Contracting Suite Deed of Standing Offer template:

'Is this procurement potentially greater than \$200,000 and been assessed as having a high-risk of modern slavery in the supplier's operations or in their supply chain?'

No – No further action required

Yes – The supplier needs to complete and submit the Modern Slavery and Trafficking Supplier Questionnaire attached to the RFQ.'

- During a recent industry briefing for an Open Request for Tender, PM&C raised awareness of compliance with the *Modern Slavery Act 2018* (Cth) with the registered participants.
- The Supplier Questionnaire is used by some portfolio NCCEs. PM&C is workshopping how best to utilise the Supplier Questionnaire for procurements in high-risk industry sectors.

Outcomes

The portfolio has achieved a number of outcomes, noting not all initiatives have been adopted collectively by all NCCEs in the portfolio and different NCCEs are at different stages of adoption.

Examples of outcomes achieved by portfolio NCCEs during the reporting period include:

- Increased awareness of the modern slavery e-Learning modules and Toolkit.
- Increased awareness of modern slavery risks and mitigation and competency among procurement staff and procuring officials.
- Increased assessment of modern slavery risks, particularly for high-value procurements and procurements in high-risk industry sectors.
- Inclusion of modern slavery risks in general procurement risk assessments.

- Inclusion of modern slavery content in general procurement training and targeted information sessions to raise awareness and competency among procuring staff.
- Inclusion of the evaluation of modern slavery risks as part of the evaluation criteria for some high-value procurements.
- Increased awareness of modern slavery risks and mitigation among primary suppliers.
- Increased use of modern slavery contract and tender model clauses.
- The establishment of a Modern Slavery Working Group in PM&C with the goal of increased collaboration and knowledge sharing across the portfolio NCCEs.
- Increased use of the Modern Slavery Statements Register.

Planned actions across the portfolio NCCEs for 2023–24 include:

- PM&C will continue to review existing processes and practices to identify gaps and areas where modern slavery risks need to be considered, including investigating whether it is appropriate to include the short form modern slavery clause in all contracts as a minimum obligation on all suppliers.
- PM&C aims to expand its Modern Slavery Working Group in 2023–24 by inviting representatives from the other PM&C portfolio NCCEs to collaborate, share ideas and invite guest speakers to continue to raise awareness and competency in identifying modern slavery risks across the portfolio.
- By the end of the 2023–24 period, PM&C endeavours to have a better understanding of supply chain mapping, and how modern slavery tools such as the risk screening tool, Supplier Questionnaire, and contract and tender clauses can be more effectively embedded into existing procurement processes.
- The ANAO has no new planned actions at this stage for the next reporting period. The ANAO will continue to assess risk relating to modern slavery in high-value, high-risk procurement. Ongoing training and implementation of risk assessment, risk management and model clauses in contracts will be maintained to provide effective identification, management, and engagement to modern slavery risks in procurements undertaken by the ANAO.
- The OOSGG will continue with their existing assessments and monitor any significant contract or procurement changes that may impact procurement and contract management activities.
- The NIAA is focusing on the training provided to staff across the Agency. NIAA will continue increasing the awareness of the Modern Slavery Toolkit to ensure they are well placed to deal with any risks as they arise in the future.
- The WGEA is focusing on increased awareness to ensure modern slavery contract clauses and modern slavery tender clauses are appropriately utilised in the agency.
- The APSC aims to monitor changes in awareness and competency of staff to manage modern slavery risks in the procurement process.
- ONI will continue to promote awareness of modern slavery resources within the agency and utilise model contract clauses related to modern slavery to manage risks.

Social Services

The Social Services Portfolio consists of the following NCCEs: the Department of Social Services (DSS), Services Australia, the NDIS Quality and Safeguards Commission, the Domestic, Family and Sexual Violence Commission and the Australian Institute of Family Studies. The portfolio is responsible for achieving the Government's social policy outcomes and delivering social security priorities through policy advice, program administration and research.

Across the portfolio, the highest categories, by contract value, relate to the following United Nations Standards and Product Services Codes, during the reporting period were:

- ICT and Computer services
- Telephony Services
- Property leases and rentals
- Temporary personnel services
- Personnel recruitment.

Risks

The portfolio's supply chains involve a diverse range of products and services, provided by a wide variety of suppliers through contractual agreements. The higher-risk areas of modern slavery relate to ICT, property and facilities management, construction and textile procurements.

The portfolio operates in a devolved procurement model, where business areas are responsible for

contracts that they are managing. This includes the assessment and reporting of potential modern slavery risks.

Modern slavery risks are considered on a case-by-case procurement basis using the Government's Modern Slavery Toolkit. Additional contractual clauses and reporting requirements may be included in higher risk procurements and as required.

Response

Training and awareness raising activities

- Government modern slavery e-Learning modules are utilised in the portfolio. DSS circulates communications to all procurement officials to ensure they remain aware of potential modern slavery risks, drawing their attention to the training that is made available to all staff.
- The portfolio is currently working to apply a consistent approach in mandating training that all central procurement officials will be required to undertake. Each respective agency either has, or is in the process of currently formalising, inclusion of the Government's Modern Slavery Toolkit into their own respective e-Learning platforms.
- DSS holds an expectation that all officers involved in central procurement will complete the Government's modern slavery e-Learning modules annually, and embed their learnings into relevant procurements at all stages, from contract development to finalisation.
- Services Australia is building its Modern Slavery capability and awareness, including through embedded guidance for procuring officials in policy and templates, and regular communications to employees involved in procurement activities to support the identification of potential risks and directing them to further guidance in AGD's training modules.

- DSS is in the process of developing a communications package, utilising a range of internal platforms, drawing attention to potential risks around modern slavery when engaging in a procurement. This package will be shared across the broader portfolio to support consistency in its communications. In addition to the communication package, DSS recognises 30 July, the United Nations World Day against Trafficking in Persons, by sending out communications material that draws attention to the breadth of modern slavery.
- The portfolio had various members attend the Government's 2023 Modern Slavery Conference both in-person and virtually. Attendance at the conference amplified the significance of the issue in potential supply chains, further strengthening consideration and identification of action items for the portfolio in the next reporting period. Doing so further amplifies the importance that the portfolio is putting behind addressing modern slavery risks in its procurements, both now and into the future.

Portfolio Cross Agency Working Group

During the 2022–23 financial year, the portfolio embedded regular meetings with its NCCs through the creation of a Portfolio Cross Agency Working Group. Following discussions with the respective Corporate Commonwealth Entities, the portfolio has extended these meetings to invite their participation in discussions relating to modern slavery risk identification and mitigation when undertaking procurements. Doing so has supported the breaking down of silos and enhanced cross-portfolio consultation and knowledge sharing.

Procurement and contract management activities

- Procuring officials who enter into a contract in one of the identified high-risk areas are required to undertake an assessment, which includes the modern slavery risk screening tool, to determine whether there is a medium or high risk to the services. Procuring officials are encouraged to include a risk assessment into the lower-risk procurements.
- Procurement/contract managers are encouraged to complete the modern slavery risk screening tool and seek guidance from their respective procurement advice teams as required.
- Services Australia has developed modern slavery business rules to assist procurement officials to consistently use modern slavery contract clauses, and promote the use of modern slavery risk assessments by procuring business areas, as required.
- Work is being undertaken across portfolio agencies to draft individual policies and procedures for procurement and contract managers to consider and apply. Within these, consideration of modern slavery risk is being incorporated.
- Modern slavery contract clauses and tender clauses are utilised in the portfolio.
- Work has commenced to review and update a range of procurement policies, procedures and templates across the portfolio.

Supplier activities

- Review of the use of the Supplier Questionnaire is under consideration, with a drive towards ensuring a consistent approach by all agencies under the portfolio, with inclusion of the Supplier Questionnaire to be implemented into relevant procurements moving forward, regardless of the value.
- Across much of the portfolio, modern slavery risks are identified and communicated at the request for quote stage, with consideration to the appropriateness of additional measures being applied in both current and developing policies and procedures. This includes, but is not limited to, mandating additional reporting requirements from suppliers, or the requirement for provision of evidence by suppliers that appropriate considerations have been applied.

- The portfolio is considering its communication lines with both suppliers and any of their respective subcontractual arrangements. Doing so supports transparency of supply chains and amplifies their obligations towards addressing modern slavery risks in all procurement activities. This message will be identified through the life of the contract, from request for quote stage through to conclusion of the contract.
- Services Australia's supplier of corporate uniforms provided central procurement teams with an ethical sourcing briefing to provide an overview of the suppliers':
 - Social and environmental risk identification and mitigation policies and practices
 - Staff roles, location, and training
 - Supply chain mapping
 - Grievance mechanisms.
- Biannual ethical sourcing updates have been incorporated into the governance meeting schedule.

Working with suppliers to identify risk in ICT supply chains

In 2022–23, Services Australia's central procurement teams identified 16 strategic ICT hardware suppliers, and requested they complete a voluntary Supplier Questionnaire to support Services Australia's understanding of modern slavery risks.

To evaluate the maturity of the strategic ICT hardware suppliers' response to modern slavery, Services Australia reviewed Supplier Questionnaire responses and modern slavery statements.

While there was significant variation in the detail provided by suppliers, the central procurement teams have collated information on ICT hardware suppliers' modern slavery initiatives and provided this information to relevant contract managers to support Services Australia's focus on ongoing supplier engagement on modern slavery.

Outcomes

Further consideration is currently underway on procurements that fall within the portfolio's high-risk categories of service. This will be seen through the review and development of new policies, procedures and templates.

In addition, Services Australia will consider the value of identifying other strategic suppliers in high-risk industries for modern slavery, and request they complete the Supplier Questionnaire to better evaluate Services Australia's modern slavery risks.

The portfolio continues to monitor contracts and their categories of service to ensure the higher-value areas maintain an acute awareness of potential or actual risks to modern slavery and where applicable, communicate the requirement for further consideration, as required.

The portfolio continues to embed additional provisions and considerations into procurements that have an increased risk of modern slavery. The portfolio is currently reviewing policy and contractual documentation, and how we can better understand potential modern slavery risks in these arrangements. Although the portfolio is currently considering the high-risk procurement activities, we are determined to broaden this to be included across all relevant procurement activities.

DSS have embedded the Government's modern slavery e-Learning modules into its internal training tools, and it is encouraged that all procurement officials and contract managers complete the training annually.

More broadly, the portfolio is currently considering and working towards embedding further reporting capabilities into respective agency systems, increasing its ability to not only identify, but also report on, confirmed cases of modern slavery in procurement activities. Consideration of how these cases will be identified, collated and communicated more broadly across the portfolio are ongoing.

The portfolio is committed to reviewing policies and procedures in place, increasing transparency of its supply chains and embedding the modern slavery risk assessment tool into procurement activities.

The Social Services Portfolio will continue to collaborate through regular Cross Agency Working Group discussions on modern slavery risks and work towards embedding additional clauses to mitigate future risks.

Treasury

The Treasury Portfolio undertakes a range of activities aimed at achieving strong sustainable economic growth for the good of Australians. This entails providing advice to portfolio Ministers as well as the effective implementation and administration of policies that fall within the portfolio Ministers' responsibilities.

The Treasury Portfolio is primarily services-based, as are its procurements. The majority of services are procured and delivered within Australia.

The highest areas of contract value within the Treasury Portfolio in the reporting period are presented in the table to the right.

| Category | Total |
|--|-----------------|
| Lease and rental of property or building | \$4,788,870,240 |
| Computer servers | \$2,524,441,290 |
| Computer services | \$1,287,755,178 |
| Temporary personnel services | \$950,635,777 |
| Relocation services | \$737,257,539 |

Risks

High-risk areas in the Treasury Portfolio align with the Government's identified general risk areas.

Modern slavery risk assessments are undertaken for each significant procurement. A more in-depth assessment is undertaken where an initial risk assessment, including consideration of the industry sector, indicates a higher risk.

Response

Training and awareness raising activities

Agencies in the Treasury Portfolio:

- Central procurement staff are required to complete the Government modern slavery e-Learning modules provided on an annual basis.
- Staff training is mandatory in some entities within the portfolio.
- Incoming procurement staff receive training on relevant legislation. Staff also receive ongoing professional development.

- Where relevant and possible, agencies in the portfolio will promote this training to all staff, in particular those involved in procurement activity.
- Are in the process of integrating modern slavery considerations into existing training materials and guidance, including a brief overview of what constitutes modern slavery and the steps involved to integrate modern slavery considerations into procurement processes.

Procurement and contract management activities

Agencies in the Treasury Portfolio:

- Monitor modern slavery issues and their potential impact(s).
- Conduct regular audits and reviews on major contracts.
- Integrated modern slavery clauses into procurement processes, including approach to market and contract documents, as required and based on the level of risk. This includes use of the Supplier Questionnaire for relevant contracts.
- Advised evaluation teams on how to assess supplier information on how they manage modern slavery risk. Specifically, for high-risk procurements, i.e. cleaning and security services and ICT hardware, evaluation teams are instructed to read the suppliers' modern slavery statements to ensure that they provide sufficient assurance that prospective suppliers are managing risk of modern slavery in their supply chains.
- Include modern slavery, as applicable, within standard risk assessment materials. Decisions on whether to complete a full risk assessment are undertaken on a case-by-case basis.
- Entities across the portfolio use a range of contract templates. This includes the Commonwealth Contracting Suite, Panel Work Orders, supplier terms and conditions (as appropriate), and some entity specific bespoke templates for more complex activities.
- Treasury has included a checkbox in its Financial Management Information System asking procuring officials to confirm that they have considered modern slavery risks as part of their procurement activity.
- The Australian Securities and Investments Commission (ASIC) has included the modern slavery clauses in appropriate panel arrangement orders such as DTA's Digital Marketplace. The ASIC risk assessment template includes consideration of modern slavery.
- The Commonwealth Grants Commission monitor modern slavery issues and their potential

impact(s) and inclusion of relevant clauses in contracts, as appropriate. The Commonwealth Grants Commission has increased engagement with suppliers on modern slavery risks and conducts regular audits and reviews on major contracts.

- IGT use contract and tender templates.
- ACCC internal procurement process guidance and templates include the requirement to consider and assess modern slavery risks in procurements valued at or above \$200,000 or conducted in higher risk-areas. In the ACCC, a modern slavery risk assessment is required for procurements in high-risk areas, and is reviewed by the central procurement team, as part of procurement process.
- The ABS incorporates an assessment of risk for modern slavery for consideration by business areas throughout the procurement process, i.e. in its procurement plans, Request For Tender documentation spending proposals, and subsequent variations including contracts with review of all documents undertaken by the procurement section.
- Australian Prudential Regulation Authority contract and tendering templates have been updated with clauses referring to the modern slavery policy.

Supplier activities

- The Supplier Questionnaire is used in some entities within the portfolio.
- ASIC will be including the modern slavery questionnaire in the Early Case Assessment and Evidence Management procurement approach to market and will be assessing the risks in the evaluation.

Identifying supplier action to assess modern slavery risks in supply chains

During the reporting period, the ATO finalised the new Outsource Service Delivery Panel. As part of the conditions of tender, respondents were required to outline how they will identify, assess and address risks of modern slavery practices in the operations and supply chains that will be used in any provision of services under the Deed of Standing Offer.

No potential supplier was excluded from the panel due to non-compliance with the modern slavery conditions of tender. Clauses within the panel deed mandate that suppliers take reasonable steps to assess their supply chains for modern slavery risks, and allow for agencies to request information or records from the supplier or its subcontractors.

Outcomes

During the reporting period, agencies in the Treasury Portfolio:

- Monitored completion of e-Learning by procurement team members and ensured those staff engaged in procurement are aware of modern slavery risks. This was achieved via increased and improved internal guidance and an increased focus on education and training.
- Continued improvement with regard to procurement policies and procedures to ensure more advanced risk mitigation and a greater awareness of modern slavery risks and requirements.
- Included modern slavery model clauses in relevant contracts and approach to market documentation. This is measured by checking (as applicable) for inclusion of modern slavery considerations in procurement planning and associated documentation.
- Engaged with relevant suppliers on modern slavery risks, including active contract management, to ensure, as much reasonably practicable, all contracted suppliers comply with any laws, statutes, regulations, by-laws, or subordinate legislation.

- The ABS through its procurement section, raises increased awareness with business areas, draws on additional resources such as the Responsible Business Alliance regarding ICT procurements, reviews any Social Responsibility Statement referenced by a Supplier with all considerations commensurate with the scale, nature of requirements and complexity of each individual procurement.

During the next reporting period, the Treasury Portfolio, led by the ATO, will establish a working group to share approaches to assessing and addressing modern slavery risks. Further, entities will consider incorporating elements of the Government's modern slavery e-Learning modules in annual mandatory training for all agency staff (with key agency personnel involved in procurement completing all e-Learning modules). Agencies will continue to enhance procurement reference material and promote awareness of modern slavery requirements, including risk identification.

Parliamentary Departments

Parliamentary Departments, comprised of the Department of Parliamentary Services (DPS), Department of the House of Representatives, Department of the Senate and Parliamentary Budget Office (PBO) provide professional support, advice and facilities to each House of Parliament, to parliamentary committees and to Senators and Members of the House of Representatives. While not a portfolio, it consists of four parliamentary departments with distinct but overlapping roles.

Procurement activities within the Parliamentary Departments are decentralised, and each Parliamentary Department has its own procurement advisory processes. This includes consideration of modern slavery risks for all significant procurement processes, particularly those arrangements that fall under the Commonwealth's five high-risk areas. The vast majority of procurement activities are conducted by DPS.

Risks

The following procurement activities have been identified as risk areas for modern slavery:

- General building construction
- Cleaning and janitorial services
- Building construction and support and maintenance and repair services.

These procurement arrangements are managed by DPS. The other Parliamentary Departments do not have any procurement activity in these high-risk areas.

As part of the Vendor Due Diligence Processes, DPS:

- Works to assess and address risks of modern slavery in its procurement and contract supply chains.
- Identifies high-rated risk industries and works with suppliers to assess and address the risks of modern slavery in their operations to assess and address any risk via clauses, and reportable actions if and when required.
- As an ongoing assurance, works with supply chains via contract management activities to identify, manage, monitor and redress any adverse impacts on human rights/modern slavery if identified and/or reported.

Response

Department of Parliamentary Services

Training and awareness raising activities

- Government e-Learning modules training is in place. Whilst currently not mandatory, DPS is working to include this as mandatory procurement and contract management training in its 2023/24 Online Learning Management Suite.
- In the interim, the department has commenced quarterly training sessions.

Procurement and contract management activities

- Modern slavery risk assessments are undertaken in all procurements.
- Risk identification occurs through risk and control assessments, monitoring and analysis for any adverse findings or media reports and grievance reporting.
- Management and monitoring activities include ongoing risk and issue management of contracts and suppliers/vendors, compliance monitoring and reporting, online monitoring and alerts, supplier notifications and grievance reporting.
- Modern slavery contract clauses and tender clauses are also utilised.

Supplier activities

- DPS is currently assessing and reviewing use of the Supplier Questionnaire as part of Vendor Due Diligence and supplier checks.

Parliamentary Budget Office

- PBO centrally coordinates its procurement activities through the Corporate Strategy Branch. Officials who undertake procurements within the Corporate Strategy Branch are encouraged to complete the e-Learning Government training made available in the Learning Management System, LearnHUB, and virtual workshops through the APS Academy. In-person training is made available to all PBO Directors and Financial Delegates to ensure roles and obligations are understood when conducting/approving procurements.
- The PBO is currently developing a Procurement Resource Hub which will be made available to all staff within the PBO to further uplift procurement capability and raise awareness of procedures, roles and responsibilities.

Case example

DPS

When managing risks and ensuring value for money in the procurement of goods and services, and contracting with vendors, DPS undertakes robust checks to provide assurance that contracted vendors meet relevant requirements of the department. These requirements include, but are not limited to:

- security (the key requirement)
- reputational
- legal
- financial
- operational.

As part of the procurement process, DPS must:

- identify and document security risks to people, information, and assets (DPS resources)

- consider the strategies in place to mitigate those risks.

The process contributes to the ongoing assessment of DPS partners, vendors, and subcontractors when evaluating whether a contract service provider is complying with certain contract conditions (i.e. to regularly inspect premises that store Australian Government information or assets, or to monitor an ongoing accreditation program).

The timely and accurate reporting of any incident or media finding, through any stage of a contracted partnership, will allow the department to investigate and, if necessary, to adjust security procedures and contract conditions to mitigate security risks.

Outcomes

Department of Parliamentary Services

Whilst the department has completed the first stage of strengthening and integrating its Risk Management and Vendor Due Diligence Processes, in 2023–24 it will look to bind these processes through the implementation of the departmental Vendor Risk Management Framework.

The Vendor Risk Management Framework will document and group all relevant policies, procedures and guidelines/instructions into one framework to measure and map Vendor/Third Party Risk Management and therefore strengthen capabilities to proactively monitor and manage environmental, social and sustainability outcomes and metadata for the department.

Action planned for the next reporting period will also include implementing the Government's e-Learning modules on modern slavery in procurement as part of annual and on-boarding procurement activities, updating and strengthening the Vendor Due Diligence Process and building a

Sub Contractor Register to strengthen capability to know or Sub Contractors and apportion and understand risk better.

Parliamentary Budget Office

The PBO has committed to uplifting its procurement capability through the creation of its Procurement Resource Hub. This hub will include the PBO's (revised) Procurement Framework and guidance documents which link to the relevant procurement-connected policies and other policies and guidance as outlined in the Commonwealth Procurement Rules. This includes using standardised templates, the Commonwealth Contracting Suite and WoAG and Existing Standing Offer arrangements (panels) to ensure risk is mitigated when engaging with Vendors and ethical procurement practices are followed (i.e. not benefitting from supplier practices that may be dishonest, unethical or unsafe, which may include tax avoidance, fraud, corruption, exploitation, unmanaged conflicts of interest and modern slavery practices).

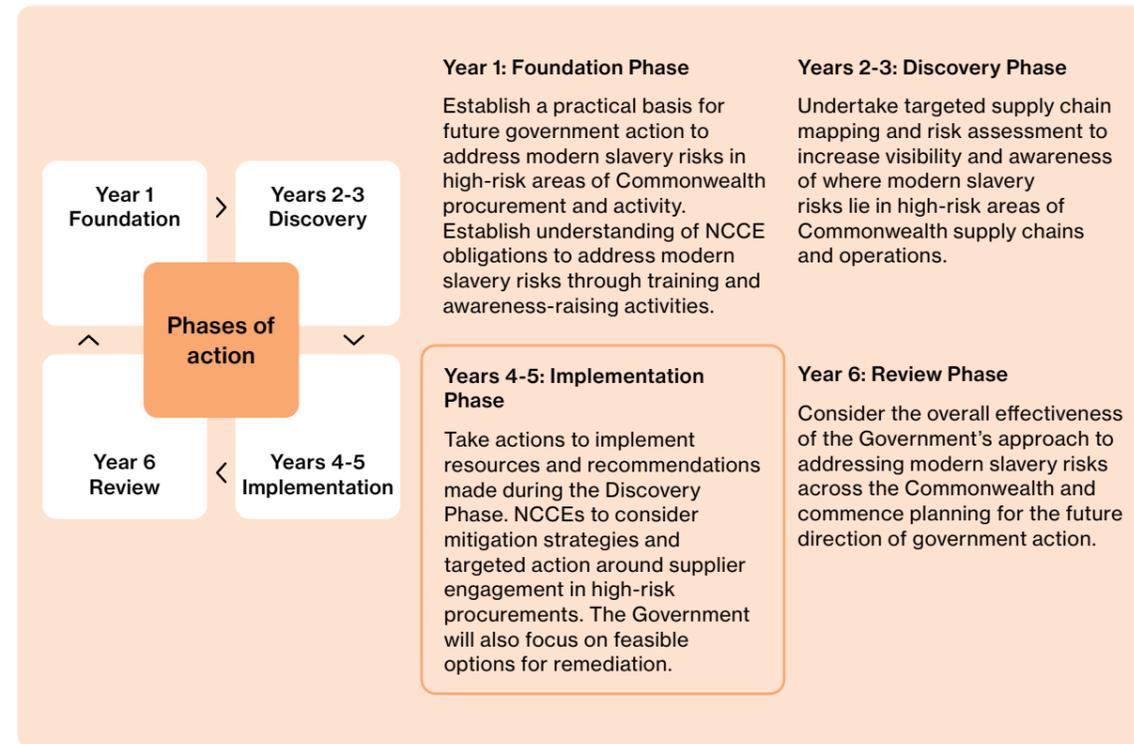
Section 4

Looking forward



During this reporting period, the Government commenced work under the *implementation* phase, as outlined in the diagram below.

This phase of work focuses on taking actions to implement the resources and recommendations made during the previous discovery phase. The Government's planned six-year program of work aligns with its goal to continuously improve its response to modern slavery.



During the next reporting period, the Government will focus on:

- Developing guidance for procurement staff on supplier engagement, to promote open conversations with suppliers about modern slavery risk.
- Continuing to map the lower tiers of Commonwealth supply chains for modern slavery risks and developing responses in conjunction with relevant stakeholders.
- Progressing the Government's commitment to undertake an audit of the Government's procurement procedures and supply chains, to increase visibility over Government supply chains and understand how to better integrate modern slavery into procurement systems.
- Finalising updates to the Response Protocol, including considerations around remediation, the results from ongoing supply chain mapping, and promoting this framework across NCCEs.

Section 5

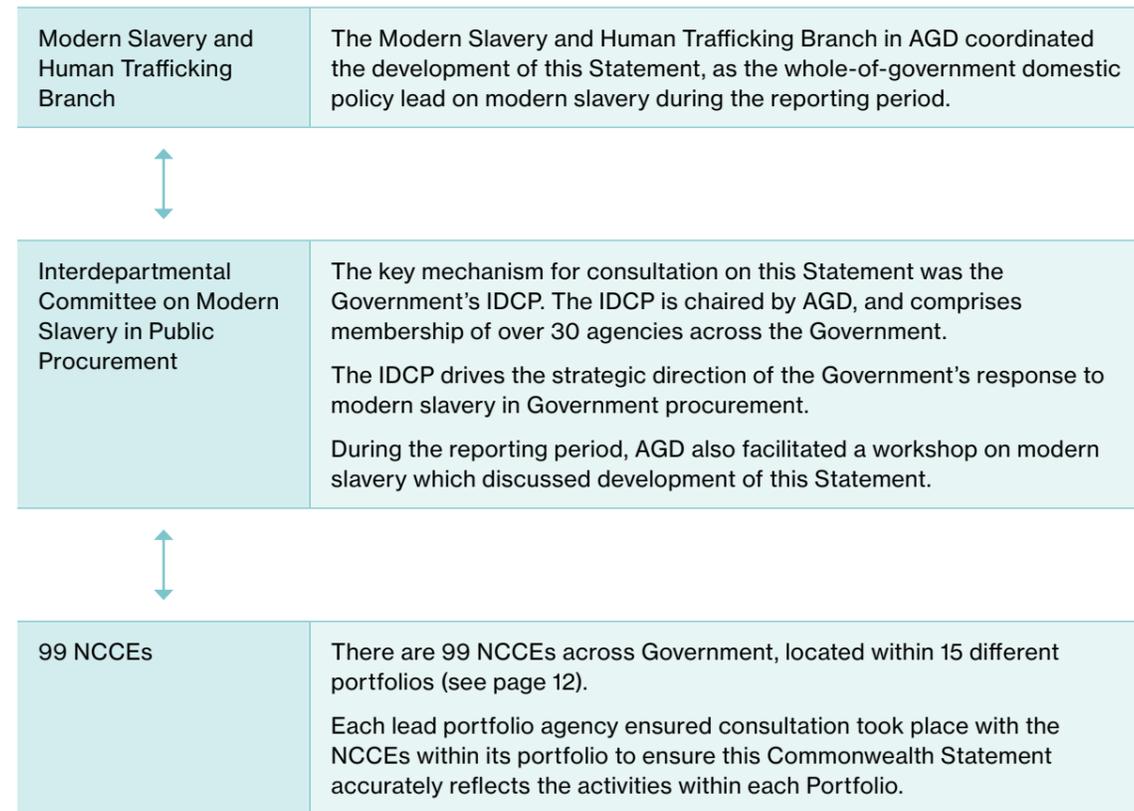
Consultation



Section 16(1)(f) of the *Modern Slavery Act 2018* (Cth) requires entities to describe the process of consultation with any entities that the reporting entity owns or controls. This section outlines how the Government prepared this Commonwealth Statement in consultation with NCCEs.

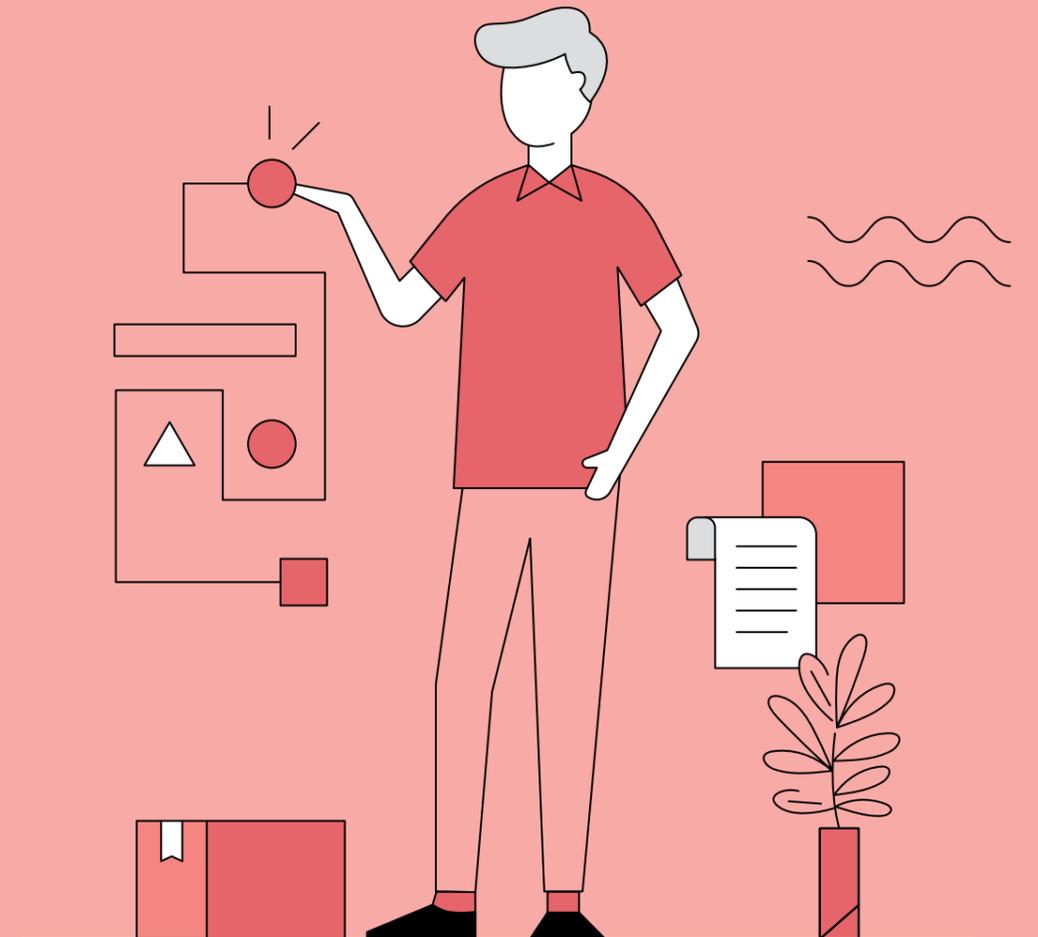
Mandatory Criterion 6: Consultation

The 2022–23 Commonwealth Statement was developed in consultation with 99 NCCEs, which are outlined on page 12.



Section 6

Related activities



Section 16(1)(g) of the *Modern Slavery Act 2018* (Cth) allows for reporting entities to include any other information that the reporting entity thinks is relevant. This section outlines other actions the Australian Government is taking to combat modern slavery, both domestically and overseas.

Mandatory Criterion 7: Related activities

The Government's work to address modern slavery risks in Commonwealth supply chains and operations sits within a broader strategy of work to combat modern slavery. This work is underpinned by the NAP, which sets out a work program of 46 action items that address 5 strategic priorities: Prevent; Disrupt, Investigate and Prosecute; Support and Protect; Partner; and Research.

Key work undertaken during 2022–23

Key work undertaken by the Government during the reporting period to address modern slavery in Australia and internationally includes:

- Strengthening the Support for Trafficked People Program, with funding of \$24.3 million over the next four years announced, including for piloting of an additional referral pathway for the Program.
- Allocating \$8 million over four years at Budget 2023–24 to enable the establishment of Australia's first federal Anti-Slavery Commissioner.
- Tabling in Parliament of a report from the statutory review of the *Modern Slavery Act 2018* (Cth), led by Professor John McMillan, AO, which considered the first three years of the Act's operation. The review was informed by extensive public consultation, involving 38 consultation meetings with 285 organisations and another 65 meetings with government officers in Australia and abroad. Consultation participants included representatives from government, business and peak bodies, civil society, unions and academia. The review also consulted with members of the SAC, established by the Salvation Army as part of the NAP Grants Program (discussed in greater detail on page 48). The Government is committed to responding to the statutory review after careful consideration of the review's 30 recommendations.
- Awarding up to \$2.73 million over the next two years to thirteen recipients of the Modern Slavery Grants Round 2 under the NAP. These grants will be used to deliver community and research projects to raise awareness of modern slavery, improve responses for survivors, and bolster community outreach.
- Ratification of the International Labour Organization *Minimum Age Convention, 1973* (No. 138).
- Providing and progressing a funding partnership with the International Labour Organization's Pacific Office in Suva for the 'Promoting International Labour Organization Standards in Pacific Island Countries project,' designed to raise awareness of and build capacity for countries in the region to ratify, implement and report on international labour standards, including those on forced and child labour.
- Conducting a targeted review of modern slavery offences in Divisions 270 and 271 of the *Criminal Code Act 1995* (Cth) to ensure Australia's legislative framework continues to support effective disruption, investigation and prosecution outcomes. Findings from the review will inform future legal and policy considerations to strengthen Australia's response to all forms of modern slavery.
- Launching the Australian Institute of Criminology's Human Trafficking and Modern Slavery Research Network.

- Convening a conference on a trauma-informed approach to supporting victims of modern slavery through the criminal justice journey.
- Scoping the role and functions of the Anti-Slavery Commissioner in light of the recommendations from the review of the *Modern Slavery Act 2018* (Cth), including exploring the need for legislation to establish the Commissioner.
- Progressing development of Australia's first modern slavery Victim and Survivor Engagement and Empowerment Strategy.
- Progressing the review of guidelines for working with trafficked people.
- Progressing expressions of interest for the Modern Slavery Expert Advisory Group.
- Delivering a national social media campaign to raise awareness of how traffickers can use online platforms to deceive and recruit victims, indicators, and how to seek help, reaching nearly 10 million users.
- Hosting a 3-day national Modern Slavery Conference with the theme 'Taking Action Together,' with close to 500 in-person and virtual delegates and over 90 domestic and international speakers. The conference engaged partners across all sectors to support Australia's efforts to tackle modern slavery, with survivors playing a key role as speakers, panellists, facilitators and delegates.
- Hosting a Pacific regional conference on human trafficking, bringing together over 40 officials from 8 Pacific countries with Australian and international experts to support sharing good practice and understanding of human trafficking in the region.
- Working with key partner countries in the region to strengthen law and justice frameworks and responses to combat human trafficking and other forms of modern slavery.
- Co-chairing (with Indonesia) of the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime, and the Bali Process Government and Business Forum. The Bali Process is the key regional forum for policy engagement, information sharing and practical cooperation on people smuggling, human trafficking and modern slavery.
- Hosting the Eighth Bali Process Ministerial Conference and Third Government and Business Forum. At the conclusion of the Ministerial Conference, 19 ministers and over 200 representatives from over 40 members endorsed the 2023 Adelaide Strategy for Cooperation. Government members and business leaders also committed to act jointly to strengthen policy and legal frameworks, address the urgent need to understand the scale of modern slavery in the region, and advance efforts over the long-term to eradicate this transnational crime.
- Providing targeted guidance and support to businesses to meet their reporting obligations under the *Modern Slavery Act 2018* (Cth) through a dedicated government unit.
- Progressing 25 active prosecutions during 1 July 2022 to 30 June 2023 of human trafficking and slavery-related offences before the courts.
- Chairing the Intergovernmental Network on Modern Slavery in Public Procurement, with membership across Australian Commonwealth, State and Territory governments.
- Chairing the first meeting of the Forced Marriage Sub-committee of the Standing Council of Attorneys-General (SCAG) Family Violence Working Group, following SCAG's December 2022 agreement to tackle the issue of forced marriage through a coordinated national response, including by developing a model to enhance civil protections and remedies for individuals in, or at risk of, forced marriage.
- Progressing the development of a Modern Slavery Victim and Survivor Engagement and Empowerment Strategy.
- Providing awareness-raising resources and training to frontline officials, including state and territory police, border protection officials, consular staff, visa processing officers, workplace inspectors, and frontline service staff on indicators of human trafficking and slavery through the Look a Little Deeper program.
- Presenting specialist training to frontline responders involved in the investigation and referral of human trafficking and slavery offences, including state and territory police, border protection officers, and workplace inspectors, through delivery of the National Human Trafficking Investigations Course.

Acronyms and abbreviations

| | |
|-------------------------------|---|
| ABF | Australian Border Force |
| ACIAR | Australian Centre for International Agricultural Research |
| ADA | Australian Defence Apparel |
| ADF | Australian Defence Force |
| AFP | Australian Federal Police |
| AGD | Attorney-General's Department |
| ANAO | Australian National Audit Office |
| APS | Australian Public Service |
| APSC | Australian Public Service Commission |
| ARC | Australian Research Council |
| ASIC | Australian Securities and Investments Commission |
| ASIS | Australian Secret Intelligence Service |
| ASQA | Australian Skills Quality Authority |
| ASX | Australian Stock Exchange |
| AUSTRAC | Australian Transaction Reports and Analysis Centre |
| Austrade | Australian Trade and Investment Commission |
| Board | Board of Guardians |
| BOM | Bureau of Meteorology |
| CAF | Cleaning Accountability Framework |
| CER | Clean Energy Regulator |
| Commonwealth Statement | Commonwealth Modern Slavery Statement |
| DCCEEW | Department of Climate Change, Energy, the Environment and Water |
| DEWR | Department of Employment and Workplace Relations |
| DFAT | Department of Foreign Affairs and Trade |
| DISR | Department of Industry, Science and Resources |
| DPS | Department of Parliamentary Services |
| DSS | Department of Social Services |
| DTA | Digital Transformation Agency |
| DVA | Department of Veterans' Affairs |
| ELICOS | English Language Intensive Courses for Overseas Students |
| ESG | Environmental, Social and Governance |
| EWR | Employment and Workplace Relations |

| | |
|---------------------------------------|---|
| IDCP | Interdepartmental Committee on Modern Slavery in Public Procurement |
| JITT | Just-In-Time-Training |
| JLL | Jones Lang LaSalle |
| LEEP | Lived Experience Engagement Program |
| Modern Slavery Toolkit | Toolkit of Resources for Government procurement officers on addressing modern slavery in Government supply chains |
| NAA | National Archives of Australia |
| NAP | National Action Plan |
| NCA | National Capital Authority |
| NCCEs | Non-Corporate Commonwealth Entities |
| NGOs | Non-Government Organisations |
| NIAA | National Indigenous Australians Agency |
| NQWIA | North Queensland Water Infrastructure Authority |
| ONI | Office of National Intelligence |
| OOSGG | Office of the Official Secretary to the Governor-General |
| OPO | Overseas Property Office and Services |
| OSINT | Open Source Intelligence |
| PBO | Parliamentary Budget Office |
| PDCMS | Procurement and Downstream Contract Management Strategy |
| PM&C | Department of the Prime Minister and Cabinet |
| PPE | Personal Protective Equipment |
| Property Services Arrangements | Whole-of-Government Property Services Coordinated Procurement Arrangements |
| PSPs | Property Service Providers |
| Reporting period | 2022-23 Australian Financial Year |
| Response protocol | Modern Slavery Response Protocol |
| RFT | Request for Tender |
| SAC | Survivor Advisory Council |
| SCAG | Standing Council of Attorneys-General |
| Seacare Authority | Seafarers Safety, Rehabilitation and Compensation Authority |
| SME | Small or Medium Enterprise |
| SNAP | Supply Network Analysis Program |
| SPORG | Senior Procurement Officer Reference Group |
| TEQSA | Tertiary Education Quality and Standards Agency |
| TRF | Tender Response Form |
| UNGPs | United Nations Guiding Principles on Business and Human Rights |
| VET | Vocational Education and Training |
| WGEA | Workplace Gender Equality Agency |
| WoAG | Whole of Australian Government |

