

Modern Slavery Statement

This Modern Slavery Statement is provided by Southern Ports Authority ABN 30 044 341 250 and reports on the matters outlined in the *Modern Slavery Act 2018 (Cth) (MSA)* for the year ended 30 June 2020.

1. DETAILS OF THE REPORTING ENTITY

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

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

2. THE STRUCTURE & FUNCTIONS, OPERATIONS & SUPPLY CHAINS OF SP

a) Structure & Functions

SP operates three ports within Western Australia, namely the Ports of Bunbury, Albany and Esperance. It also has a small corporate office in West Perth. Its total consolidated revenue for FY 2020 was \$149.4 million. It had 206 staff as at 30 June 2020.

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

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

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

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

b) The Operations of SP

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

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

In addition:

- vi) SP provides pilotage services for vessels berthing at each of its Ports;

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

c) The Supply Chains of SP

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

- i) occasionally, major items of Port equipment, such as new cranes or ship loaders;
- ii) operational supplies (e.g. parts and spares) to maintain existing Port assets;
- iii) labour and construction services (to build and maintain roads, berths and other shared Port infrastructure);
- iv) IT infrastructure services;
- v) uniforms (corporate office wear and protective personal equipment workwear);
- vi) external security monitoring services;
- vii) office equipment, including mobile phones, computer equipment and office supplies;
- viii) office related services, such as cleaning and catering services.

SP is encouraged by the WA Department of Finance to utilise suppliers from an approved CUA panel of suppliers that have been “vetted” by the Department and considered suitable for use by all WA Government entities. SP accordingly uses a number of CUA panel suppliers in its operations.

SP are advised by the Department of Finance that CUA textile suppliers, in particular, are now subject to specified contractual protections relating to modern slavery risk. The Department is also shortly seeking to put in place a debarment regime that set out grounds upon which suppliers may be excluded from doing business with WA government agencies – this will include various grounds of debarment relating to modern slavery practices.

For FY 2020, most goods and services - approximately 72% - were procured from WA based providers, with approximately 42% of all goods and services supplied by local suppliers (as defined in the *Buy Local Policy 2020*) from the Albany, Bunbury and Esperance regions.

Goods directly purchased by SP from overseas in FY 2020 were from the following countries: Canada, China (a single supplier), Netherlands, New Zealand, United States, Singapore and Sweden.

3. THE RISKS OF MODERN SLAVERY PRACTICES IN THE OPERATIONS AND SUPPLY CHAINS OF SP

SP first conducted a risk assessment in relation to modern slavery risks in its operations and supply chains in 2019. In doing so, SP considered the findings of the *Global Slavery Index (2018)*¹ to

¹ www.globallslaveryindex.org/resources

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identify potential sources of modern slavery risk particularly relevant to its operations and supply chains and noted:

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

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

As to the imported products noted above:

- a) *SP generally sources its computer hardware equipment from a CUA panel supplier approved by the WA Department of Finance. The equipment is generally from well-known computer brands;*
- b) *Mobile telephones for staff are manufactured by global brands;*
- c) *Clothing and apparel supplied to SP employees – office wear and personal protective equipment workwear – are from branded suppliers commonly utilised in the Australian market;*
- d) *Fish, cocoa and sugar cane are not part of SP' supply chain (nor shipped to or from our Ports).*

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

In relation to SP' own employees and contractors, SP is committed to complying with all Australian workplace and safety laws to the highest legal standards. SP engages its personnel under appropriate contracts of employment, applicable awards and/or registered enterprise agreements. SP' Board approved policies in this regard can be found at:

<https://www.southernports.com.au/policies-procedures>.

4. ACTIONS TAKEN BY SP TO ASSESS AND ADDRESS MODERN SLAVERY RISKS AND ASSESS THE EFFECTIVENESS OF SUCH ACTIONS

As noted above, SP first conducted a risk assessment of its modern slavery risks in 2019. Since then, as part of an ongoing process of continuous improvement on this matter:

- a) SP has trained relevant staff at each of our Ports on modern slavery risk and in particular, the potential for forced labour exploitation in the (Australian) industries identified above. Staff have been trained to report any potential concerns observed in this regard to Senior Management;
- b) SP has commenced the process of formalising modern slavery due diligence processes and contractual protections to endeavour to ensure that modern slavery is not present in any of the

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operations and supply chains of its suppliers and indirect suppliers. In this regard, SP intends - over coming reporting periods:

- i. building in appropriate modern slavery questionnaires and modern slavery contractual provisions (in line with the recently released Border Force resources) into its Procurement processes;
- ii. monitoring media sources for evidence of adverse practices in relation to products sourced directly or indirectly from overseas;
- iii. formalising a SP supplier policy that confirms a “zero tolerance” position for SP suppliers of goods and services found to be engaging in modern slavery practices (or permitting it within their supplier chains);
- iv. liaising with the WA Department of Finance on modern slavery risk in the context of the CUA panel and assisting it on process development.

5. ANY ADDITIONAL INFORMATION THAT SP CONSIDERS RELEVANT TO THIS STATEMENT

Seafarer welfare

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

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

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

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

- Monitoring by SP pilots (based on conversations and observations of ship crews when a vessel is being piloted into our Ports) and reporting of concerns to AMSA;
- Support for the Mission to Seafarers, an international organisation devoted to supporting the welfare of men and women working at sea (www.missiontoseafarers.org);
- Support of the Stella Maris Seafarer Centres;
- Port Welfare Committees;
- Shore pass pathways;
- Funding free portable WiFi units for crew; and
- Facilitating access for inspectors from ITF Seafarers in our Ports. ITF Seafarers (www.itfseafarers.org) are an international body representing the interests of seafarers that is affiliated with Unions worldwide.

SP remains committed to doing what it can to positively impact seafarer welfare, particularly in the current COVID-19 regulatory environment. More generally, SP confirms that COVID-19 has not materially impacted SP’ ability to assess and address its modern slavery risks for FY 2021.

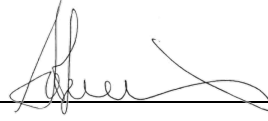
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6. DETAILS OF APPROVAL BY SP'S GOVERNING BODY (BOARD)

The content of this Modern Slavery Statement was reviewed and approved by the Board of SP on 29 March 2021. The CEO and Chair of SP are authorised to sign this statement on SP' behalf.



CHAIR



CHIEF EXECUTIVE OFFICER