



SOUTHERN PORTS
ALBANY BUNBURY ESPERANCE

Modern Slavery Statement

2022-23



Acknowledgement of Country

Southern Ports Authority (SPA) acknowledges the Minang, Wardandi, Wudjara and Whadjuk People as the traditional custodians of the lands and sea on which we operate and their continued connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures; and to Elders both past and present.



Introduction

Modern slavery is a growing global issue that affects people in every country in the world. An estimated fifty million people globally were living in modern slavery in 2021, an increase of ten million people since 2016¹.

Modern slavery refers to various situations of exploitation that disproportionately affect women and girls and includes:

- **forced labour** - including sexual exploitation, domestic servitude, and child labour;
- **human trafficking** - both domestic and international; and
- **slavery** - like practices including forced marriage, debt bondage and child soldiers².

Modern slavery is driven by the goods and services procured through global supply chains which is sometimes accompanied by a human cost required to provide these.

This Modern Slavery Statement is provided by Southern Ports Authority (SPA) and reports on the matters outlined in section 16 of the *Modern Slavery Act 2018* (Cth) (MSA) for the year ended 30 June 2023.

¹ Walk Free (2023) The Global Slavery Index 2023, Minderoo Foundation

² Walk Free (2023) The Global Slavery Index 2023, Minderoo Foundation

1 Details of the reporting entity

Southern Ports Authority ABN 30 044 341 250 (SPA), the reporting entity, is a Western Australian (WA) Government owned port authority. As a Government Trading Enterprise (GTE), SPA performs the duties to facilitate trade in a commercially responsible manner and for the benefits of stakeholders, in accordance with the *Government Trading Enterprises Act 2023* (WA), in conjunction with the *Port Authorities Act 1999* (WA) and their associated regulations, collectively referred to as the GTE Act.

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

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

a) Structure and functions

SPA operates three ports within Western Australia, namely the Ports of Albany, Bunbury, Esperance and an office in West Perth.

SPA's governing body is the Board of Directors who are appointed by and report to the Minister for Ports (Minister) under the GTE Act. At the date of signing the Board consists of seven non-executive Director members who are tasked with performing the functions, determining the policies, and controlling the affairs of SPA. The Board reports to the Minister regularly against SPA's Strategic Plan.

The Board has established three committees including the Audit, Risk and Finance Committee that in part, includes responsibility for the overall risk management strategy and providing directives for implementation to ensure risks are consistently managed throughout SPA. This committee oversees the risks related to modern slavery.

The Board is supported by a Company Secretary, Chief Executive Officer and four other executive leadership team members (Figure 1). Operations are guided by a Chief Operating Officer and a Regional Manager at each port site. SPA directly employed 288 staff as at 30 June 2023 to assist with the function and operations of the business.

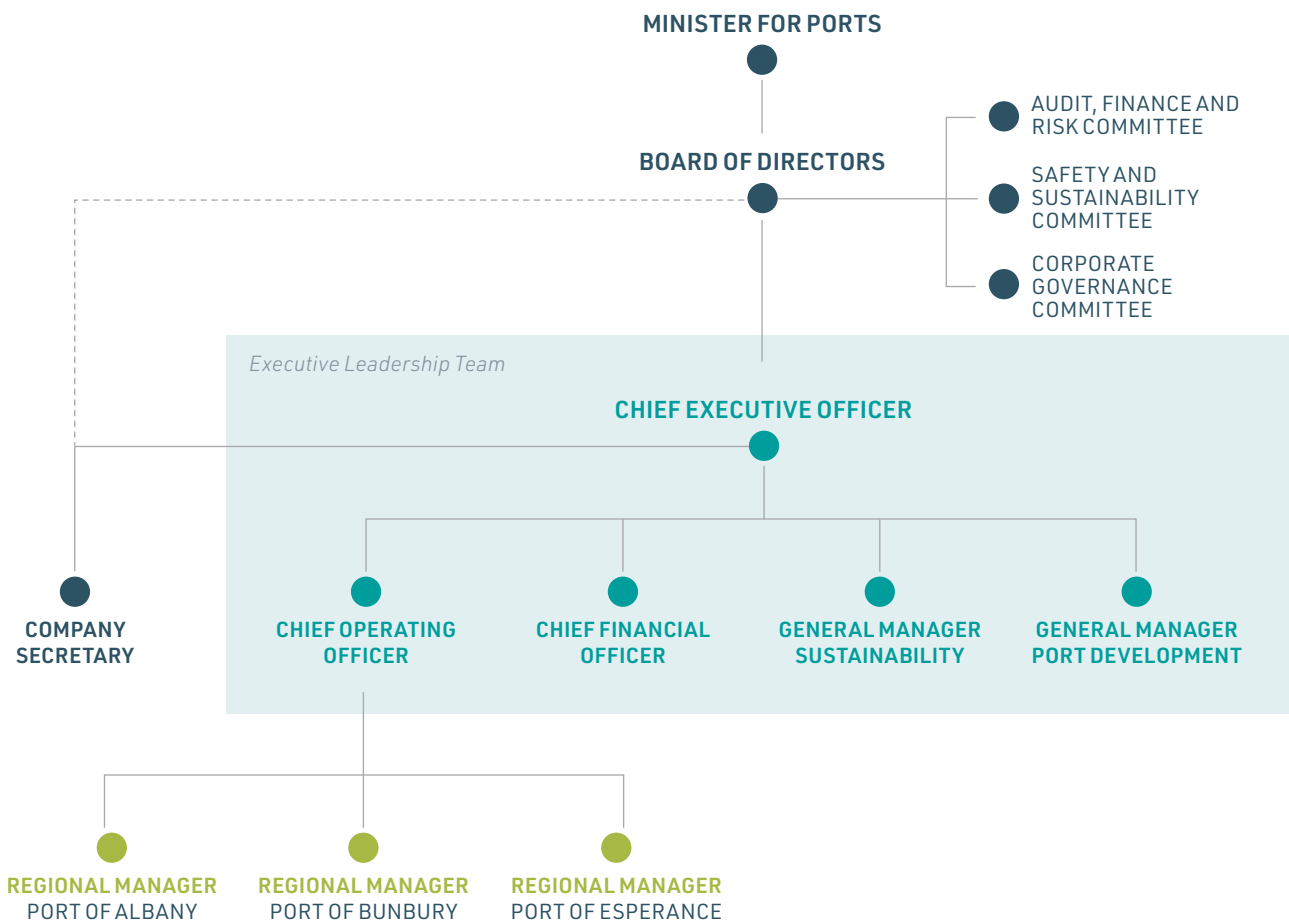


Figure 1: Organisational Structure (as of 30 June 2023)



In accordance with the GTE Act, SPA's purpose is to advance the public benefit through the performance of its functions. The statutory functions of SPA are prescribed in section 30 of the PAA and summarised below:

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

SPA has a duty under the GTE Act to perform its functions in accordance with its Statement of Expectations and Annual Performance Statement, both of which are approved by the Minister and the Treasurer. In particular, SPA is to deliver the key performance indicators and achieve the financial outcomes as outlined in the Annual Performance Statement. SPA is also required to act in accordance with prudent commercial principles and endeavour to make a profit. The Minister and Treasurer must be consulted on all major SPA initiatives, approve certain classes of SPA transactions and can direct SPA in relation to the performance of any of its functions.

b) SPA Operations

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

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

In addition:

- i) SPA manages Port security – with many areas of its Ports regulated by the Maritime Transport and *Offshore Facilities Security Act 2003* (Cth) and subject to controlled access under maritime security plans;
- ii) pursuant to the Port Authorities Regulations 2001 (PAR), SPA is responsible for the licensing of competent service providers (such as stevedores) that wish to operate at its Ports. These service providers are generally directly engaged by SPA's Port users for their trading activity. Equally SPA may perform the ports services in its own name at its sole discretion.

c) SPA Supply Chains

SPA procures various goods and services to support the port functions and operations. SPA's total consolidated revenue from operating for FY23 was \$171.98 million and spend profile was \$145 million.

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

- i) medium and minor construction projects;
- ii) items of Port plant, machinery and cargo handling equipment (and other plant and equipment);
- iii) operational goods and supplies to maintain existing Port assets;
- iv) labour and trades people to build and maintain Port assets;
- v) information and communications technology (ITC), services, infrastructure, hardware and software subscriptions;
- vi) professional consulting and support services related to engineering, inspection, safety, environmental and marine;
- vii) uniforms, footwear and personal protective equipment (PPE);
- viii) external security monitoring services;
- ix) office equipment and office supplies;

- x) office related services, such as cleaning and catering services;
- xi) accommodation, flights and car hire services (generally for SPA staff and officers); and
- xii) utilities in electricity, water and gas.

For FY23, 98.45% of Tier 1 goods and services were directly procured from Australian owned businesses (Figure 2). Of those Australian owned businesses, 42.37% represented Local Sourcing (as defined in the *Western Australian Buy Local Policy 2022*) from within the prescribed distances for Albany, Bunbury and Esperance for regional contracts. The remaining 1.55% of goods and services were procured from overseas businesses.

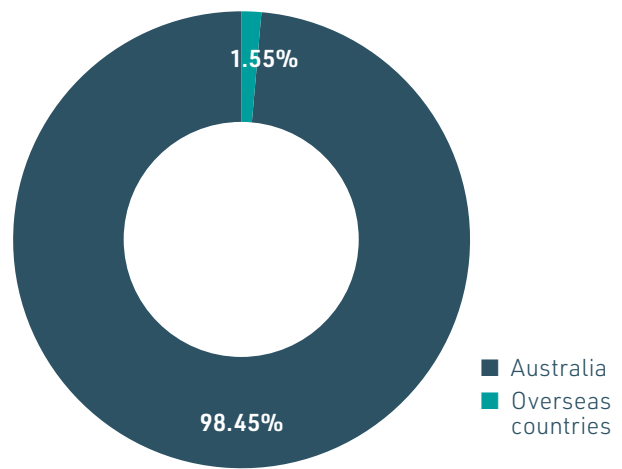


Figure 2: Percentage of Suppliers by Country



Policies and Standards

SPA is committed to maintaining a high standard of ethical conduct in its business. To this end, we have policies, procedures and standards that set out the expectations of SPA employees and Board to act in an ethical and honest manner.

These include but are not limited to:

- Code of Conduct and Ethics
- Corporate Governance Manual
- Integrity Framework
- Health and Safety Policy
- Human Resources Policy
- Procurement and Contracting Standard
- Fraud and Corruption Prevention Control Management Framework and Standard
- Grievance Procedure
- Declaring a Conflict-of-Interest Procedure
- Gift, Benefit and Hospitality Procedure
- Whistleblowing Management Directive

SPA's Contractor Handbook and Port Information Guide for Ship's Masters also provides guidance on ethical conduct for those non-SPA employees. SPA's Board approved policies in this regard can be found at: <https://www.southernports.com.au/policies-procedures>.

SPA's Procurement and Contracting Standard covers the roles and responsibilities, principles and procedures that are required to be followed for procurement of goods and services. As part of these processes the Major Projects Procurement Committee (MPPC) oversees procurement for major projects, goods, and services. The MPPC recommends to the Executive Management endorsement through to the Board to award and procure, for which significant transactions are also approved by the Minister and Treasurer in accordance with the GTE Act. The Procurement and Contracting Standard includes provisions for modern slavery including escalation of any evidence of concern about a supplier to the MPPC.

SPA is guided by the Western Australian government's *Procurement Act 2020*, WA Procurement Rules: Procurement Direction 2021/02 and associated guidance.

As part of the *Procurement Act 2020*, the Western Australian Debarment Regime establishes grounds upon which suppliers may be excluded from doing business with WA government agencies.



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

SPA also strives to meet government policies and participate in associated initiatives including the Aboriginal Procurement Policy, Australia Disability Enterprise Initiative, Buy Local Policy 2022, Western Australian Industry Participation Strategy (WAIPS) and the Building and Construction Industry Training Fund (BCITF) levy.

3 Risks of modern slavery in the operations and supply chains of SPA

SPA has conducted assessments of the risks of modern slavery relevant to its operations and supply chains based on the findings of the 2023 Global Slavery Index (GSI) and the previous GSI (2018).

Country of Origin Risks

In FY23, 1.55% of Tier 1 suppliers were from eleven overseas countries, with only the United Kingdom (UK), and Sweden added since FY22's Modern Slavery Statement.

Based on the GSI 2023 report, SPA's overseas suppliers are low risk as their governments and economies have key mechanisms in place that broadly address modern slavery risks (Table 1). The exception to this is China, which has a more moderate risk of modern slavery in their supply chains.

Most of the overseas supplier purchases were ITC software suppliers, particularly linked to SPA's current digital transformation as part of the enterprise resource program (ERP). Others were related to port loading and mooring equipment and media.

The 2023 GSI scores each country's total vulnerability and government response to modern slavery based on a five criteria assessment by the Walk Free Foundation. The five criteria are based around a country's governance, lack of basic needs, inequality, disenfranchised groups, and effects of conflict.

Country	Suppliers Engaged %	Total Government Response to Modern Slavery (%)	Total Vulnerability Score to Modern Slavery (%)
Australia	98.45	67	7
Canada	0.0816	60	11
China	0.1633	40	46
Denmark	0.0816	62	6
Ireland	0.0816	63	9
Netherlands	0.1633	67	6
New Zealand	0.1633	54	8
Norway	0.0816	63	1
Singapore	0.1633	47	24
Sweden	0.0812	63	7
United Kingdom (UK)	0.1633	68	14
United States of America (USA)	0.1633	67	25

Table 1: Global Slavery Index 2023 Data by Country

Industry and Sector Risks

Certain industries are more prone to potential sources of modern slavery risk. An assessment of the risks of certain industries, based on the data from the GSI 2023, 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; and
- b) in relation to imported products, particular risk in relation to:
 - i) the manufacture of laptops, computer equipment and mobile phones;
 - ii) clothing and apparel;
 - iii) certain imported food products (fish, cocoa and sugar cane); and
 - iv) solar panels.

SPA only engages local suppliers for construction work, cleaning, hospitality and food services at its sites or when staff are travelling. SPA remains committed to sourcing such services from reputable suppliers and, to date, has not identified any concerns around potential forced labour or exploitation in relation to any of its local suppliers.



Product and Services Risks

As to the imported products noted on the previous page:

- a) The ITC sector has a higher risk of modern slavery. SPA computers, laptops, mobile telephones and tablets used by staff are manufactured by well-known global suppliers. Additionally, "ad hoc" purchases of IT peripherals from less well-known manufacturers, are generally acquired via well-known Australian retailers, some of which are also subject to the MSA.

SPA has conducted a preliminary assessment of the key ITC equipment suppliers and all of them have undertaken risk assessments and implemented strategies to minimise modern slavery in their supply chains. These include relevant adoption of human rights and labour policies, supplier codes of conduct and third-party audit of suppliers. We are not aware of any modern slavery concerns in relation to the supply chains of the various global companies supplying ITC goods (or any of the other goods and services it procures).

The clothing and apparel industry has a higher modern slavery risk. SPA's uniforms, footwear and PPE supplied to SPA employees, are often manufactured by Tier 2 suppliers but are from branded suppliers commonly utilised in the Australian market.

A limited assessment of key suppliers has shown several have adopted ethical responsibility, ethical sourcing and human rights policies and codes of conduct. The policies and practices mostly involve only working with approved factories with no child or forced labour, limiting unauthorised sub-contracting, minimising excessive work hours, regular work with paid living wages, safe and hygienic workplace conditions, no discrimination and no harsh or inhumane treatment.

Imports of fish, cocoa, sugar cane and solar panels are not currently part of SPA's supply chain.

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

Employment and Contractor Engagement Risks

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



4 Actions taken by SPA to assess and address modern slavery risks and assess the effectiveness of such actions

During 2022-23, SPA undertook the following additional steps:

- a) continued refinement of detailed modern slavery questions and configuration of new vendor management software to risk access SPA suppliers;
- b) review of the 2023 Global Slavery Index and incorporation of the updated risks in the development of the vendor management software;
- c) continued use of an internal procurement assessment tool to determine modern slavery risks until vendor management software is implemented;
- d) assessment of the moderate to high-risk scenarios by country for overseas suppliers and by industry for ITC hardware and clothing and PPE suppliers;
- e) internal discussions about modern slavery requirements with the legal, sustainability and procurement teams to determine future actions;
- f) reviewed SPA's corporate governance framework including risk management, compliance systems and various policies, procedures and processes;
- g) engagement and review with the Executive Leadership Team to discuss status of modern slavery compliance and consider potential reforms to MSA;
- h) updating our five-year business strategy in mid-2022, building on the 2021 strategy that included sustainability as one of the three key pillars to recognise the changing global landscape;
- i) launch of an organisation wide Sustainability Plan in May 2023 with four themes including Regional Prosperity with recommendations to implement a centralised supplier database and report on supplier sustainability metrics including modern slavery;
- j) training in Cybersecurity Foundational Awareness for both existing and new employees, with 83% completion rate and regular external anti-phishing email testing to increase staff recognition of these risks and limit access to funding for those linked to overseas cyber slavery;

- k) training in Integrity Awareness in November 2022 across all sites for employees. The course covered SPA's Code of Conduct and Ethics; and
- l) participating in Ports industry groups such as Ports WA and Ports Australia and sharing learning and experiences with modern slavery issues.

Past actions in addressing modern slavery (as noted in Modern Slavery Statements for FY20 to FY22) it was noted that SPA had:

- a) trained relevant staff at each of our Ports on modern slavery risk and in particular, the potential for forced labour exploitation in the (Australian) industries identified above. Staff were trained to report any potential concerns observed in this regard to Senior Management;
- b) formalised modern slavery due diligence processes and contractual protections, seeking to ensure that modern slavery is not present in the operations and supply chains of its suppliers and indirect suppliers. This included building in appropriate modern slavery questionnaires and modern slavery contractual provisions (in line with the existing Commonwealth procurement framework) into its Procurement processes, and utilising a procurement assessment tool with questions relating to potential modern slavery risks;
- c) established a media monitoring tool to seek to alert it to any adverse practices of suppliers that may relate to SPA's operations;
- d) established processes to exclude suppliers of SPA goods and services found or suspected to be engaging in modern slavery practices (or permitting it within their supply chains);
- e) liaised with the WA Department of Finance on modern slavery risk in the context of the CUA panel;
- f) prepared a gap analysis, materiality assessment and Sustainability Plan and framework based on United Nations Sustainability Development Goals. This included consideration of modern slavery during its development; planned cross-functional work to co-ordinate SPA's overall modern slavery prevention activity and monitor developments in this area;
- g) implemented a payment protection software program to vet suppliers and minimise the risk of payment errors, fraud and cybercrime which can be a precursor to cyber slavery; and
- h) enabled anti-virus and spam protection software to limit cybersecurity risks and cyber slavery.

5 Any additional information that SPA considers relevant to this statement

Seafarer Welfare

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

Maritime crew conditions are regulated by international conventions including the Maritime Labour Convention (2006). These conventions are enforced by the Flag State (home country of the vessel) and the Port State (the country in which the ship berths). Australia has ratified the international conventions relating to international crew conditions, and those conventions are also adopted under Commonwealth legislation.

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

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

- Monitoring by SPA pilots and trained International Transport Federation (ITF) volunteers to support ship's crew based on conversations and observations and reporting of concerns to AMSA;
- Hosting and contributing to quarterly Port Welfare Committees (PWC) at Albany, Bunbury and Esperance Ports;

- Collaboration with the organisations devoted to supporting seafarer welfare including AMSA, ITF, Mission to Seafarers, (www.missiontoseafarers.org); Stella Maris Seafarer Centres (<https://stellamarisaustralia.org>), Australian Seafarers Welfare Council (ASWC), numerous shipping agents, Australian Border Force, and local police;
- Funding of \$266,000 during FY23 was donated to the charitable organisations of Mission to Seafarers and Stella Maris to support seafarer welfare at our three ports including purchase of two 12-seater commuter buses, for Bunbury and Esperance in November 2022 and June 2023, respectively;
- Attending the joint PWC and ASWC Forum online in October 2022. The two delegates from the Albany and Bunbury PWCs contributed to discussions about an AMSA initiated sustainable funding proposal to support charitable seafarer organisations like those operating in our ports;
- Shore pass pathways for all crew to take shore leave whilst in port, in accordance with the MLC and AMSA's Marine Notice 08-2022 on Access to Shore Leave for Seafarers;
- Funding free portable Wi-Fi units and connections for ship's crew;
- Facilitating access for inspectors from ITF Seafarers in our Ports. ITF Seafarers (www.itfseafarers.org) is an international body representing the interests of seafarers that is affiliated with unions worldwide; and
- Encouraging SPA clients and shipping agents' directly engaging vessels and crews to attend PWC meetings.

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

6 Details of approval by SPA's governing body and responsible members

The content of this Modern Slavery Statement was reviewed and approved by the Board of SPA on 16 November 2023. The CEO and Chair of SPA are both decision-making members authorised to sign this statement on SPA's behalf.



Ian Shepherd
CHAIR



Keith Wilks
CHIEF EXECUTIVE OFFICER



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