



Australian Government

# Commonwealth Modern Slavery Statement 2021–22



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#### **Dedication**

The *Commonwealth Modern Slavery Statement 2021–22* 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**

The Australian Government acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures, and to Elders past, present and emerging and extend that respect to other Aboriginal and Torres Strait Islander people.

# Commonwealth Modern Slavery Statement 2021–22

# Foreword Prime Minister



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The scourge of modern slavery is staggering in extent.

Across the world, nearly 50 million men, women and children are exploited in conditions of slavery, their humanity sacrificed for someone else's gain.

And that number is growing.

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Goods or services tainted by slavery are part of our every day – the clothes we wear, the food we eat, the houses we live in, the technology we use, and the supply chains that link us to the world. We cannot turn a blind eye.

The Australian Government has a responsibility to lead on this issue. As one of the nation's largest procurers of goods and services, we are committed to strengthening our response to modern slavery and continually improving our ability to identify and address risks in our supply chains and operations.

But we cannot do it alone. A comprehensive response requires collaboration between government, civil society and the business community. Many people and organisations within these communities have already denounced and rejected slavery. The Government's work to establish an Anti-Slavery Commissioner will support our shared endeavour to uphold the values of a civilised society committed to human rights.

The treatment of men, women and children as commodities is a grotesque corruption of the system of human rights, one that must be exposed and eradicated. That is the bare minimum standard we must reach if we are able to truly call ourselves a fair and just global community.

The work is ongoing and we will never relax our vigilance. I commend this Statement as an assertion of the Australian Government's determination to combat modern slavery in all its forms.

**The Hon Anthony Albanese MP**  
Prime Minister of Australia

December 2022

# Foreword Attorney-General



Every person has the right to be free from slavery.  
This is enshrined in domestic and international law.

As Attorney-General, I am honoured to take carriage of this important work leading the Australian Government’s domestic response to modern slavery. Sadly, more people live in conditions of slavery today than ever before, with nearly 50 million people trapped in modern slavery across the globe. No nation is free from these human rights abuses, with victims on our home soil and within the global supply chains of the goods and services we use every day.

The Government is committed to combatting modern slavery and protecting victims from these crimes. We are already working to strengthen Australia’s response, and to ensure our legislative framework actively works to protect and respect the dignity of every individual. A statutory review of the *Modern Slavery Act 2018* is currently underway

to consider its operation and compliance over the first three years since commencement, in close consultation with business, civil society groups and non-government organisations. We have begun work to scope the establishment of a federal Anti-Slavery Commissioner, to support compliance and transparency in supply chains. We will implement our election commitments on modern slavery in full, including boosting penalties for companies which fail to meet the compliance requirements in the Act.

Modern slavery is pervasive. It can be hidden within the technologies we use and the clothing we wear. It can be concealed deep within our supply chains, exploiting the most vulnerable. Improving our understanding of risk is crucial to tackling the scourge of modern slavery. This Commonwealth Statement has focused on increasing our

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“The Government is committed to combating modern slavery and protecting victims from these egregious human rights abuses. We are already working to strengthen Australia’s response, to ensure our framework actively works to protect and respect the dignity of every individual.”

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understanding of our own supply chains. It has moved to a new Portfolio reporting model, to better understand the diverse procurement activity across Government and to highlight the increasing maturity of actions to address modern slavery. It includes collaboration with industry experts to better understand our risk profile and help map the path forward.

There is vast potential for positive change, and the Government is committed to leading the way.

Each year, the Government procures tens of billions of dollars of goods and services. This significant purchasing power carries great responsibility, and substantial leverage to promote better conditions that protect vulnerable workers in our supply chains. This Commonwealth Statement

describes actions over 2021-22 to assess our modern slavery risks and promote greater transparency in our global supply chains.

I am pleased to submit this third Modern Slavery Statement on behalf of the Commonwealth Government of Australia under section 15 of the *Modern Slavery Act 2018*, for the 2021-22 reporting period.

**The Hon Mark Dreyfus KC MP**  
Attorney-General of Australia

December 2022

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# Executive Summary

In this Commonwealth Modern Slavery Statement (Commonwealth Statement), published pursuant to the *Modern Slavery Act 2018* (Cth) (the Act), the Australian Government (the Government) is reporting on its activities to identify, assess and address modern slavery risks in federal government operations and global supply chains in the 2021–22 Australian financial year. The Commonwealth Statement covers the operations and global supply chains of all non-corporate Commonwealth entities (NCCEs), within the meaning of the *Public Governance, Performance and Accountability Act 2013* (see table on page 16 for NCCEs covered).

This is the Government's third Commonwealth Statement, which continues to build on the targeted risk-based approach to identifying and assessing modern slavery risks as outlined in previous Commonwealth Statements. During the reporting period, the Government progressed work under its *Discovery* phase of action, which focused on further increasing visibility and awareness of where modern slavery risks to people lie in areas of Commonwealth supply chains and operations. This Commonwealth Statement details the actions the Government has taken throughout 2021–22 to address these risks, in particular focusing on the identified high-risk areas: the procurement of textiles, construction, ICT hardware; cleaning and security services and Commonwealth investments.

The Government recognises that the size and breadth of Government procurement means that Government supply chains are extensive and diverse, and there are additional risks across the Commonwealth. To better reflect this, the Government has adopted a new reporting framework which features information on each Government Portfolio's modern slavery risks, mitigating actions and measures of effectiveness. This new model has also allowed the Government to better understand the risks and level of maturity

of responses in different Government Portfolios, which will help shape the direction of future work and assist the Government in taking further targeted action.

During this reporting period, the Government continued to focus on collaboration with industry and civil society experts to strengthen its response in its high-risk areas. This Commonwealth Statement details the outcomes of collaboration with Electronics Watch, Sedex and the Cleaning Accountability Framework.

Moving forward, the Government will transition towards its *Implementation* phase of action, where Government will focus on taking targeted actions to implement resources and recommendations made during this reporting period. Combating modern slavery in Government supply chains will require continuous, sustained effort over time. The Government has thousands of suppliers, many of which have complex global supply chains where visibility is low and oversight is difficult, particularly in the lower tiers of the supply chains that are often offshore. This is why the Government has committed to taking clearly defined, targeted action in each reporting period to best utilise its resources and focus on continuous improvement.

## Prioritising continuous improvement — key improvements in the 2021–22 Statement:

The Government is committed to continuously improving its response to modern slavery, and its reporting of this in its Commonwealth Statement. Key improvements in reporting in this 2021–22 Commonwealth Statement include:

- Insights from risk assessments undertaken with industry partners in high-risk areas of Government procurement;
- Additional data on the Government's high spend categories, which assists in understanding the Government's risk profile;
- An outline of the Government's Modern Slavery Response Protocol, which provides an overview of how the Government would respond to an identified case of modern slavery in its supply chains;
- Partnership with the Salvation Army to establish an empowering forum for victim-survivors of criminal labour exploitation to safely utilise their lived experience to create positive change;
- Further detail on Government-wide procurement, related modern slavery risks and mitigating actions, with each Government portfolio providing a page of input in the Commonwealth Statement; and
- Further information on the Government's measures of effectiveness, including the rationale behind the Performance Review Framework and high-level data the Government has used to measure itself against the Framework.

## Introduction to the Commonwealth Statement 2021–22

### New reporting model

The size and breadth of government procurement means that its supply chains are extensive and diverse. To better reflect the modern slavery risks in each Portfolio and actions taken in response over the reporting period, the Government has adopted a new portfolio reporting model in this Commonwealth Statement. A portfolio refers to a Minister's area of responsibility as a member of Cabinet. Within each portfolio there are one or more departments, agencies, government appointed boards, and/or other boards and structures.

In this Statement, each Government portfolio has provided their own page of input covering their specific modern slavery risks, actions to address these risks and measures of effectiveness of these actions. This input has been provided by

each government portfolio and was developed in consultation with the NCCEs that sit within its portfolio (see covered entities on page 16 for an overview of each Government portfolio). This new model allows for greater detail about the diversity and maturity in the Government's response to modern slavery. It also promotes further transparency regarding the Government's procurement activities and reflects the varying levels and types of modern slavery risks across NCCEs.

This Statement will provide a whole-of-government overview of key information relating to mandatory criterion 3 (risks), mandatory criterion 4 (actions), and mandatory criterion 5 (effectiveness). Following this, pages 51 to 81 provide more specific information on the risks, actions and measures of effectiveness within each government portfolio.

## How this statement addresses the mandatory criteria in the *Modern Slavery Act 2018*

Modern Slavery Act Requirement	Section in the Commonwealth Statement the requirement is addressed	Page number
<b>section 16(1)(a)</b> Identify the reporting entity	Section 1: Covered entities, structure, operations and supply chains	15
<b>section 16(1)(b)</b> Describe the structure, operations and supply chains of the reporting entity	Section 1: Covered entities, structure, operations and supply chains	18
<b>section 16(1)(c)</b> 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: Portfolio Input	24; 51
<b>section 16(1)(d)</b> 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: Portfolio Input	24; 51
<b>section 16(1)(e)</b> Describe how the reporting entity assesses the effectiveness of such actions	Section 2: Whole of Government overview; and Section 3: Portfolio Input	44; 51
<b>section 16(1)(f)</b> 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	84
<b>section 16(1)(g)</b> Include any other information that the reporting entity considers relevant	Section 6: Related activities	85

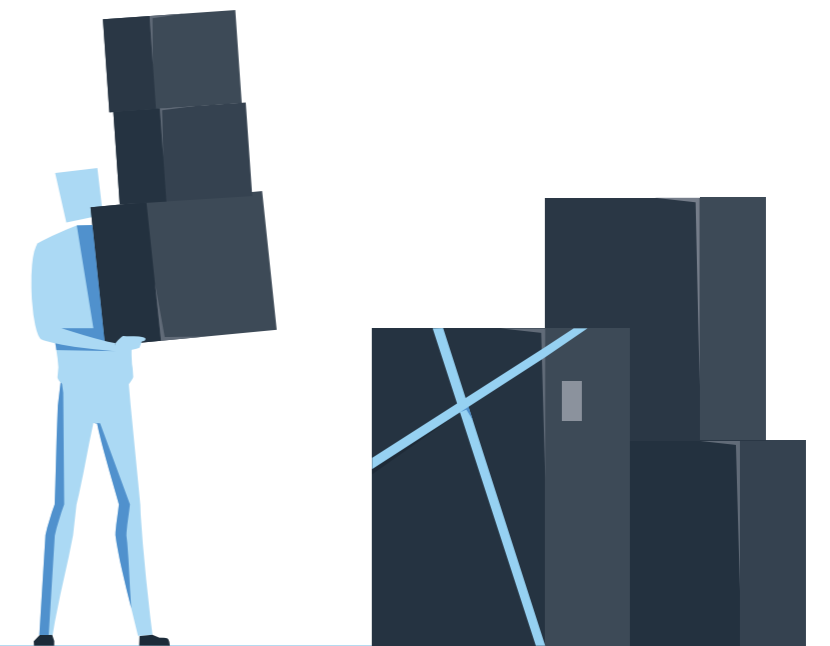
# Covered entities, structure, operations and supply chains



This section addresses section 16(1)(a) and 16(1)(b) of the Modern Slavery Act, 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 statement covers all non-corporate Commonwealth entities (NCCEs). During the reporting period, there were 98 NCCEs covered by this Commonwealth Statement (see table on the following page). The Commonwealth Statement does not cover 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.





## List of PGPA Act Commonwealth entities and companies (98)

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

## 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*. These entities form a large and complex organisation comprising of 13 different Portfolios, with each Portfolio containing a Government department and a range of other supporting government agencies and bodies. References to the Government throughout this Statement are references to the executive as it operates in respect of the covered NCCEs.

### Administrative Arrangement Orders

This Commonwealth Statement represents the arrangement of Government Portfolios as they stood during the 2021–22 financial year. The Administrative Arrangement Order (AAO) formally allocate executive responsibility among ministers. They set out which matters and legislation are administered by which department or portfolio. On 23 June 2022, the Governor-General made an AAO to commence on 1 July 2022 (outside of this Statement's reporting period). The changes made to Portfolios during this AAO will be reflected in the next reporting period.

As part of this AAO, responsibility for implementation of the *Modern Slavery Act 2018* moved from the Australian Border Force (ABF) to the Attorney-General's Department (AGD).

## Australian Government's operations

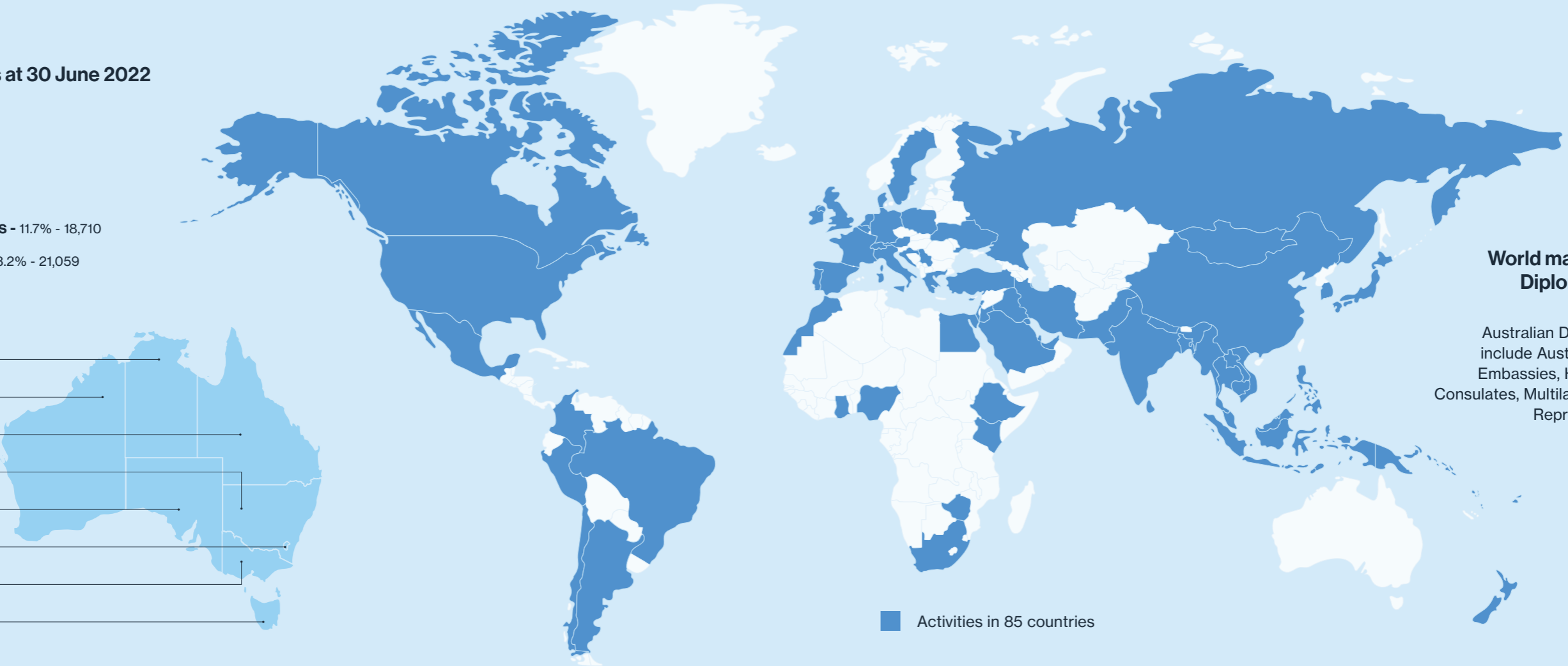
Operations refer to activity undertaken by the entity to pursue its business objectives and strategy in Australia or overseas. The Government's primary role is to implement, uphold and comply with the laws established by the Australian Parliament, make important national decisions, develop policy, and introduce bills. NCCEs implement and operationalize 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:

- operation of an overseas diplomatic network through 122 overseas posts in 85 countries to support the representation of Australian citizens,
  - managing investment of six special purpose public asset funds to strengthen the Australian Government's long-term financial position,
  - procurement of services for use by the Governor-General, Prime Minister, and parliamentarians, and
  - maintenance and construction of infrastructure, both onshore and offshore, such as construction of offshore embassies and defence bases, to domestic office fit-outs.
- employment of 159,469 Australian Public Service (APS) staff,

### APS Employment as at 30 June 2022

- Men - 39.4%
- Women - 60.4%
- Non-ongoing employees - 11.7% - 18,710
- Part-time employees - 13.2% - 21,059
- Overseas - 0.9% - 1,378
- NT - 1.1% - 1,810
- WA - 4.8% - 7,589
- QLD - 12.3% - 19,638
- NSW - 16.9% - 26,963
- SA - 6.5% - 10,423
- ACT - 38.3% - 60,997
- VIC - 16.8% - 26,758
- TAS - 2.5% - 3,913



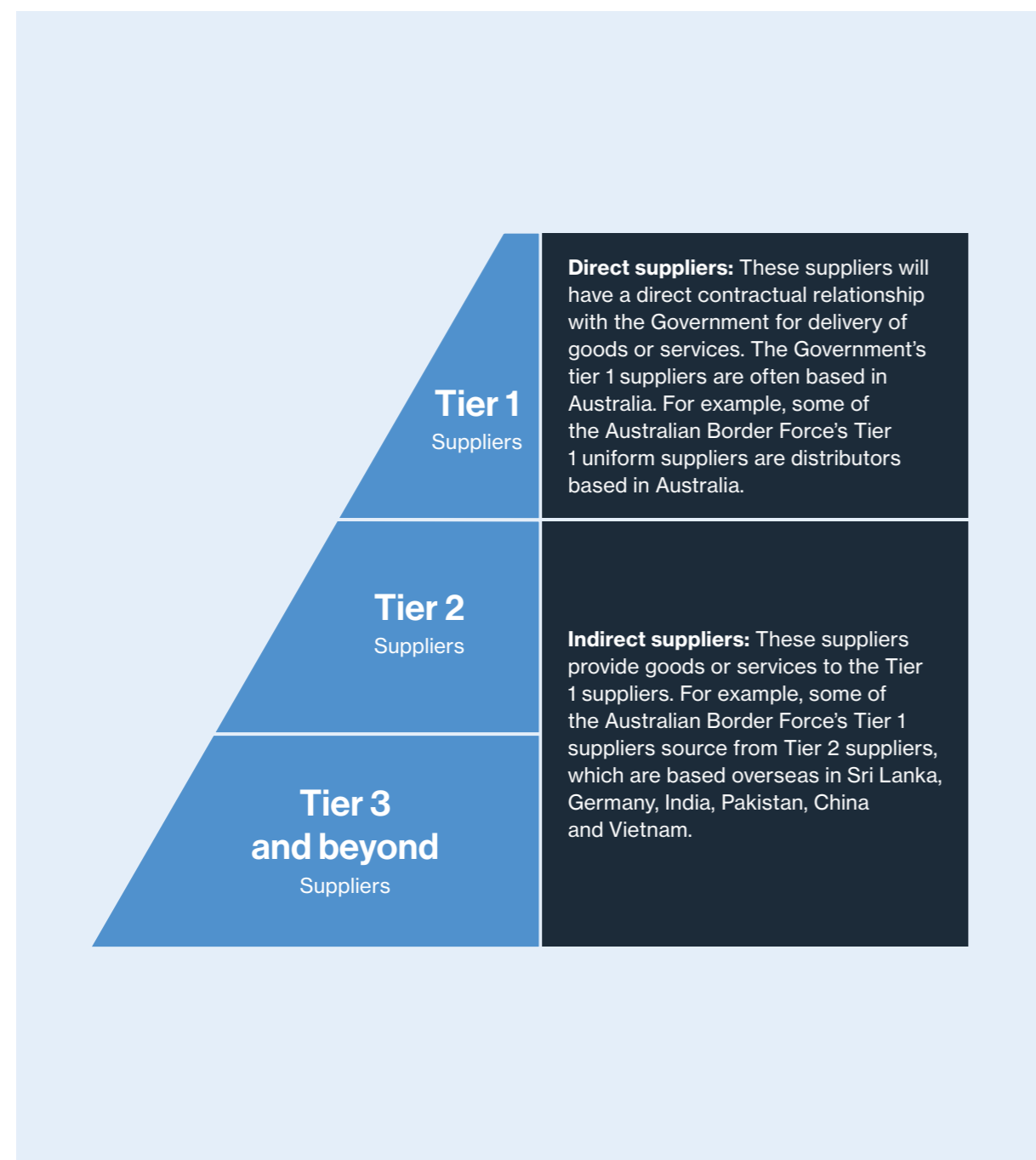
### World map of Australian Diplomatic missions

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 that contribute to an entity's own products and services. This includes products and services sourced in Australia or overseas and extends beyond direct (tier 1) suppliers. The below diagram explains the many tiers which may be involved in a supply chain. Modern slavery risks often arise in the lower tiers of the supply chain, where

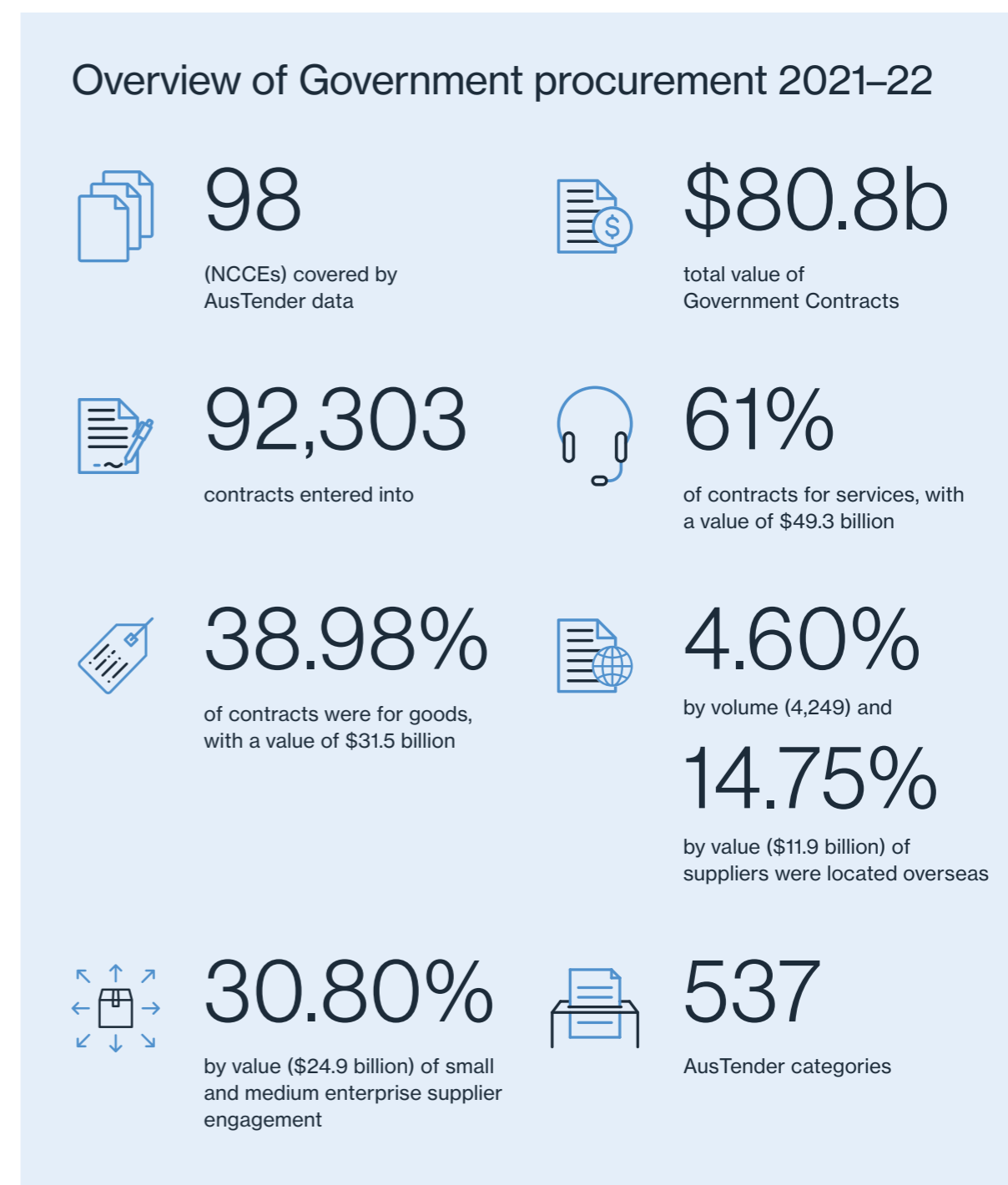
there is reduced visibility. The Government will continue to prioritise increasing its visibility over its supply chain to better understand and respond to its modern slavery risks. The Government has committed to undertaking an audit of federal Government supply chains, which will support this goal. Work on this audit will commence in the next reporting period.



The Government is one of the largest procurers in the Australian market and procures a diverse range of goods and services each year to carry out its functions. The Government purchases from a wide range of suppliers, from small businesses to multinational enterprises, for use in the Australian

market and overseas. In the 2021–22 financial year, the Government entered into 92,303 contracts, with a total value of \$80.8 billion.

The following graphics provide an overview of the Government's procurement activity over 2021–22.



## 2021-22 Procurement Contracts: Top 20 categories for goods and services

Category	Value	Value %	Volume	Volume %
1) Building construction and support and maintenance and repair services Examples of procurement: Property repairs; project management	\$7.76 billion	9.60%	4,043	4.38%
2) Military rotary wing aircraft Examples of procurement: Aeronautical products; military rotary wing aircraft repairs	\$4.78 billion	5.91%	106	0.11%
3) Computer services Examples of procurement: ICT contractor services; software support services	\$3.86 billion	4.78%	5,901	6.39%
4) Lease and rental of property or building Examples of procurement: Overseas leasing; Property operating expenses	\$3.78 billion	4.68%	1,247	1.35%
5) War vehicles Examples of procurement: Vehicle components; vehicle maintenance	\$3.02 billion	3.74%	598	0.65%
6) Employment services Examples of procurement: Labour hire; Contractors	\$2.99 billion	3.70%	451	0.49%
7) Management advisory services Examples of procurement: Supply and demand analysis; independent board members	\$2.95 billion	3.66%	6,911	7.49%
8) Temporary personnel services Examples of procurement: Provision of contingent labour hire services; recruitment of casual staff	\$2.79 billion	3.45%	13,054	14.14%
9) Components for information technology or broadcasting or telecommunications Examples of procurement: Data centre infrastructure; ICT network hardware services	\$2.46 billion	3.04%	1,511	1.64%
10) Military fixed wing aircraft Examples of procurement: aircraft system modification; training simulator	\$2.42 billion	3.00%	88	0.10%

Category	Value	Value %	Volume	Volume %
11) Professional engineering services Examples of procurement: Engineering support services; Marine craft sea trials	\$2.13 billion	2.64%	1,058	1.15%
12) Software Examples of procurement: Provision of software licenses & maintenance support; software renewal	\$2.00 billion	2.48%	2,148	2.33%
13) Management support services Examples of procurement: Provision of ICT and records management services, professional services and project health check	\$1.99 billion	2.46%	452	0.49%
14) Military watercraft Examples of procurement: Watercraft maintenance; Military Equipment Repairs	\$1.71 billion	2.11%	1,595	1.73%
15) Enhanced telecommunications services Examples of procurement: Remote data transmission; telecommunications equipment	\$1.26 billion	1.56%	233	0.25%
16) Education and Training Services Examples of procurement: School mentor program; language services	\$1.14 billion	1.41%	4,001	4.33%
17) Security surveillance and detection Examples of procurement: CCTV maintenance and support; installation of security equipment	\$1.13 billion	1.40%	118	0.13%
18) Reconnaissance or surveillance aircraft Examples of procurement: Supply of equipment; tactical unmanned aerial system	\$0.98 billion	1.21%	27	0.03%
19) Fuels Examples of procurement: Aviation fuel; diesel fuel	\$0.94 billion	1.16%	460	0.50%
20) Aircraft Examples of procurement: Commercial helicopter; aircraft components	\$0.92 billion	1.14%	68	0.07%
<b>Total value of top 20 categories</b>	<b>\$51.01 billion</b>	<b>63.1%</b>		

# Whole-of-Government overview



This information provides a whole-of-government overview of the key, high-risk areas that were prioritised during the 2021–22 reporting period, and the actions that were taken to mitigate these risks. This section meets the following criteria in the Modern Slavery Act:

- Section 16(1)(c) of the Modern Slavery Act 2018 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 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 specific risks faced by each Government Portfolio are outlined in section 3.

## High-risk areas for modern slavery

Over the reporting period, the Government continued its targeted, risk-based approach, focusing on key areas of known modern slavery risk in Commonwealth operations and supply chains: cleaning and security services; investments; textiles procurement; construction and ICT hardware procurement. In considering which risks to target, the Government was primarily concerned with 'risk to people' rather than 'risk to the business'. The risk areas featured in this statement represent known high-risk sectors where workers within the supply chains may be exposed to greater risks of modern slavery.

The Government assessed the high-risk areas in the previous reporting periods as continuing to remain as key risk areas across the Commonwealth. In making this assessment, the Government considered indicators such as geographic risks, product specific risks, organisation risks, and sector and industry risks. It also considered the purchasing profile of the Government, recognising that these high-risk areas represent high areas of purchasing and present opportunities for the Government to utilise its leverage to drive positive change in our supply chains.

This targeted approach is consistent with the United Nations Guiding Principles on Business and Human Rights (UNGPs), the recognised global standard for preventing and addressing

business-related human rights harm. In line with the UNGPs, the Government is prioritising addressing potential or actual modern slavery risks in these areas. By prioritising these five high-risk areas, the Government can focus on implementing the findings of risk assessments undertaken in this reporting period and previous reporting periods, and focus on continuous improvement to drive meaningful change.

The Government acknowledges that there are additional modern slavery risk areas across all Government procurement. Some additional high-risk areas will be identified in portfolio input into this statement (on pages 51 to 81). For example, the COVID-19 pandemic increased modern slavery risks involved in the procurement of disease prevention control equipment such as personal protective equipment. More information on the measures around procurement in this area are detailed in input provided by the Health Portfolio (page 64). In future reporting periods, the Government will consider other areas with high volumes of purchasing and consider the risk profile associated with these. The Government has committed to undertaking an audit of federal Government supply chains which will assist in understanding areas of high-risk and how these might correlate to areas of high spend.

## United Nations Guiding Principles on Business and Human Rights

The United Nations Guiding Principles on Business and Human Rights (UNGPs) are the recognised global standard for preventing and addressing business-related human rights harm. Australia supports the UNGPs, which were unanimously endorsed by the UN Human Rights Council in 2011.

### Prioritising risks

In line with the UNGPs, the Government acknowledges the importance of businesses prioritising action to address potential modern slavery risks that have the most severe potential impact on people. To model this approach to business, the Government has chosen 5 high-risk areas with the greatest risk of harm to people to focus its efforts on during this reporting period.



Cleaning & Security



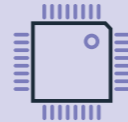
Investments



Textiles



Construction



ICT Hardware

### Responding to risks: the continuum of involvement

The Government also acknowledges that, in line with the UNGPs, expectations for how business responds to modern slavery risks will differ depending on whether a business has caused, contributed or is directly linked to the risk. To help model this approach for business, during the reporting period, the Government commenced revising its Modern Slavery Response Protocol to outline this continuum of involvement as a way for NCCEs to understand how risks may present in its operations and supply chains and how it will impact the response the Government would take.

#### CAUSE



Where an entity's actions (or omissions) directly result in an adverse human rights impact, such as modern slavery.

#### CONTRIBUTE



Where an entity's actions (or omissions) contribute to an adverse human rights impact, such as modern slavery.

#### DIRECTLY LINKED TO



Where an entity's products, services or operations are directly linked to an adverse human rights impact such as modern slavery through its business relationships.

## Whole-of-Government overview: Risks and Responses in the Government's Operations and Supply Chains

# Cleaning and security services

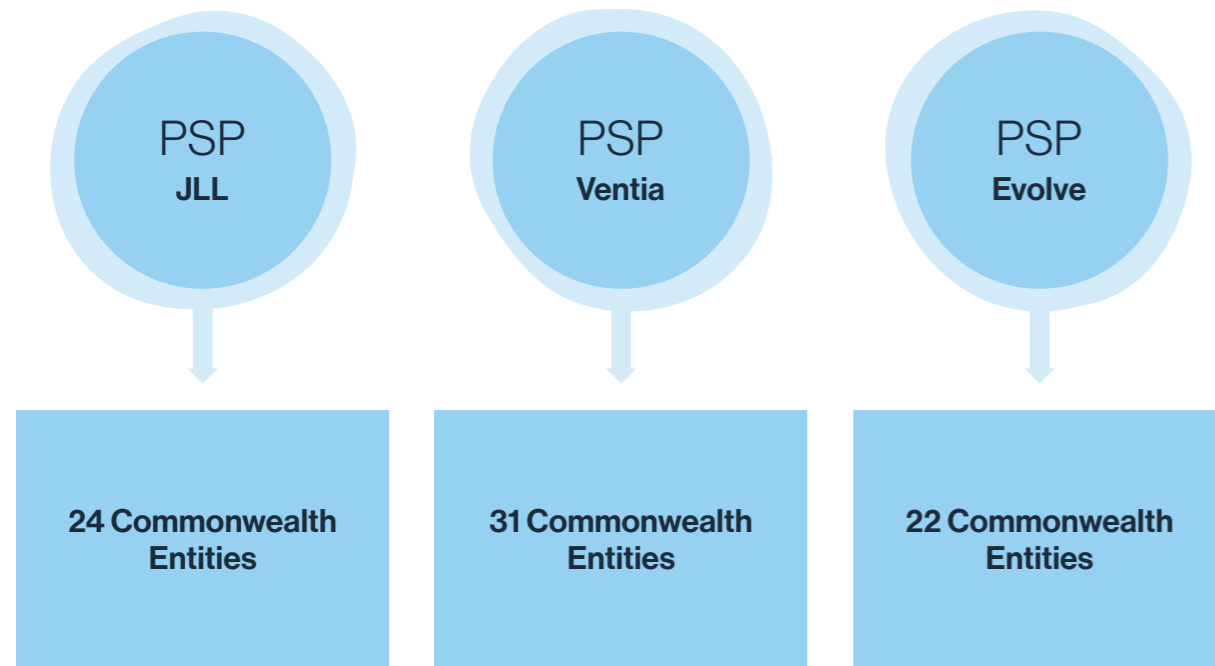
### Risks

The Government purchases large volumes of cleaning and security services for facilities across the country. Over the reporting period, the Government awarded contracts for cleaning services to a value of \$5.3 million and security services to a value of \$135.4 million.

The Government engages facilities management services, including cleaning and some security

services through three Property Service Providers (PSPs) (Jones Lang LaSalle, Ventia Property and Evolve FM) under the Whole-of-Government Property Services Coordinated Procurement Arrangements (Arrangements). These PSPs are responsible for the procurement, management and monitoring of downstream contracts including cleaning and some security services on behalf of most NCCEs.





Above figures current as at 30 June 2022.

Cleaning and security services represent a potential high-risk area for the Government. Risk factors associated with cleaning and security services that the Government may be exposed to include:

- Use of unskilled, contract labour with a focus on low-cost service delivery
- Workers, particularly migrant workers, who may be in exploitative situations because they are

not fully aware, or comfortable with claiming their legal rights and entitlements

- The use of unauthorised cleaning or security subcontractors who are subject to exploitative labour practices
- Underpayment, which may lead to modern slavery, of workers by their contractors

## Response

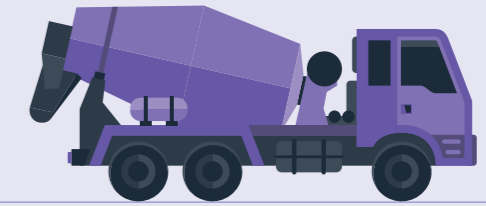
During the reporting period, the Government worked with the Cleaning Accountability Framework (CAF) to better understand and address risks in cleaning services procured by the Commonwealth. CAF's mission is to improve labour practices in the cleaning industry and CAF works with cleaners, tenants, contractors, property owners, facility managers and investors to this end.

At the request of the Government, CAF delivered a risk assessment of Commonwealth cleaning services. CAF provided an overview of potential modern slavery risks in the cleaning industry, along with a review of the Commonwealth's cleaning supply chain.

The Government is currently reviewing the draft risk assessment and associated documents and working with CAF to better identify and understand the risks.

The draft risk assessment has provided valuable insights to the Government, which will help shape risk mitigation strategies into the future. Some recommendations from CAF include focusing on worker engagement and review of supplier processes.

# Construction



## Risks

The Government undertakes a range of onshore and offshore construction projects, including the construction of domestic office fit-outs, overseas diplomatic missions or residences and overseas defence facilities. Over the reporting period, the Government awarded contracts for a total value of \$8.2 billion.

Construction represents a high-risk area for the Government. Risk factors associated with the construction industry that the Government may be exposed to include:

- High rates of subcontracting, creating complexities in the supply chain and limiting visibility over labour practices
- Workers, particularly migrant workers, who may be exploited through modern slavery because they are not fully aware, or comfortable with claiming their legal rights and entitlements
- Limited visibility over the supply chains of raw materials used in construction projects

## Response

During the reporting period, the Government worked with Sedex to undertake a risk assessment on the supply chains of shared Government construction suppliers. Members of the Government's thematic working group on construction undertook a high-level mapping exercise to identify their agency's top construction suppliers by spend. Risks for construction labour in Australia were deemed mostly low and medium risk, due to the strong enforcement of laws in the country. However, the Government acknowledges that risks may still persist due to the use of subcontracting and how this may limit visibility. The Government also acknowledges that the construction sector is deemed high-risk globally.

Several Government Portfolios undertake procurement for overseas construction. For example, the Defence Portfolio delivers infrastructure projects in Pacific and Southeast Asian nations. To mitigate modern slavery risks in these projects, Defence has developed a

procurement and contracting suite that addresses modern slavery. The governance framework ensures: payments to suppliers are monitored through targeted financial reviews; site audits are regularly completed; and corporate systems are examined. Further, supply chain analysis reviews are conducted and fit-for-purpose training, which is responsive to changing work landscapes, is provided to project personnel. For domestic projects, Defence's Capital Facilities and Infrastructure suite of contracts have been updated to include modern slavery provisions. Training on the updated suite of contracts is delivered to staff and contracted project managers.

The Foreign Affairs and Trade Portfolio includes the Overseas Property Office (OPO), which manages overseas construction for new build construction and overseas fit-outs. More information on the OPO and its risk mitigation strategies are detailed in the case study below.

The Government acknowledges it has further work to do to map construction suppliers and better understand the extent of its risk, in order to take further mitigative action. Noting the large amount of construction that is undertaken

across the Government and the extensive supply chains involved, in future reporting periods the Government will explore how it can best manage and monitor risks in this sector.



### Case study

## Overseas property office and services division (OPO) construction and property management – foreign affairs and trade portfolio

Key areas of risk the Overseas Property Office and Services (OPO) Division in the Department of Foreign Affairs and Trade manages are overseas construction (both new build construction and office fit-outs), and 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 such as cleaning, gardening and maintenance services on DFAT’s global property estate.

OPO considerations for modern slavery risks are based on risks associated with the sector of work, demographic location (including countries of high risk) and the proposed contract, and reference to and compliance with the Modern Slavery Act for our major procurements and contracts.

These contracts can directly contribute to modern slavery risks in supply chains through high rates of subcontracting, which reduces transparency of downstream suppliers, manufacturers and workers. There is also often limited visibility around where and how raw materials procured for construction projects have been sourced.

The risk of modern slavery is relatively higher in the Government’s offshore construction supply chains. For offshore contracts, a high proportion of labour for government construction projects may come from low-skilled migrant workers who are more

vulnerable to exploitation.

As at June 2022, there were 120 owned properties (including compounds) in the Government’s overseas estate with a combined value of approximately \$3 billion. OPO manages these properties.

OPO has worked with the Departments legal area to create special conditions for use with property procurements that include the required modern slavery clauses for projects such as:

- Furniture for the new Washington Embassy
- Design and construction services for the Abuja new chancery
- Design and construction services for the Funafuti new chancery and residential compound
- Project management services for the new Honiara chancery; and
- Design and construction services for Majuro, Papeete and Koror.

OPO has a contracted Global Property Services Provider (GPSP). The GPSP has mature relationships with, and management of, subcontractors and downstream suppliers outside Australia for the overseas owned property estate. The GPSP also have their own company policies and procedures in place to manage modern slavery risks.

# Investments

The Future Fund Board of Guardians (Board), supported by the Future Fund Management Agency (Agency), independently manages the investment of six special purpose public asset funds on behalf of the Australian Government. These funds are: The Future Fund, the Medical Research Future Fund, the Aboriginal and Torres Strait Islander Land and Sea Future Fund, the Future Drought Fund, the Emergency Response Fund and the DisabilityCare Australia Fund.

These public asset funds collectively total over \$242 billion. The Future Fund is the largest of these funds and was valued at \$194 billion on 30 June 2022. Established in 2006 to strengthen the Australian Government’s long-term financial position, the Future Fund’s purpose it to invest for the benefit of future generations of Australians.



## Risks

The supply chain of an investment fund includes office operations, corporate procurement activities and the investment portfolio. Under the Future Fund Act 2006, 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. A list of these investment managers is provided on the Future Fund’s [website](#).

The Board’s modern slavery risk assessment has identified that:

- 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.

- Investment portfolio related modern slavery risks are likely to be elevated across emerging markets in Africa, Eastern Europe and Asia. A breakdown of investments by geography is available in the Future Fund’s 2021–22 Annual Report.
- Investment in sectors including mining, agriculture, textiles and apparel, construction, industrial manufacturing, and technology components may also have elevated modern slavery risks.



## Response

### Office operations and corporate procurement:

The Commonwealth Procurement Rules and Whole of Australian Government Arrangements apply to the Agency's non-investment related procurement activities. During FY22 the Agency implemented a centralised procurement model to further strengthen and streamline operational capabilities. The Government's modern slavery model contract clauses were also incorporated into relevant Commonwealth contracting suite and professional services arrangements.

### 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 are identified and managed across the investment portfolio. This includes during due diligence activities, external investment manager monitoring, engagement activities with investee entities and portfolio monitoring activities.

During FY22 several actions were undertaken across the investment portfolio, including:

- Modern slavery risk assessments were undertaken for new investment opportunities, during certain due diligence activities and through monitoring of selected investment managers.
- Strategic engagement on modern slavery was undertaken with several emerging market debt and listed equities investment managers, Australian infrastructure assets and a number of ASX-listed companies.
- An interactive digital tool was developed to visualise modern slavery country risk.
- New datasets were sourced to assist with monitoring of modern slavery risks.

### 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 activity. Annual disclosures are also made through the Commonwealth Statement and in the Board and Agency's public annual report.



# Textiles procurement



## Risk

The Government procures large volumes of textiles, such as clothing, fabrics and footwear, which are used in products, such as uniforms, which support of government officials in frontline work and other government functions. Over the reporting period, the Government awarded textile contracts totalling \$135.7 million.

The textiles industry is globally recognised as a high-risk sector for modern slavery. Risk factors associated with textiles procurement that the Government may be exposed to include:

- Unreasonable work expectations and increased demand on workers due to supply chain shortages
- Raw materials used in textiles which may be harvested overseas using modern slavery, including forced labour practices
- Unsafe working conditions
- Limited visibility of textile supply chains
- Exploitation of women working in garment manufacturing

## Response

During the reporting period, the Government worked with Sedex to undertake a targeted risk assessment of key textile suppliers across NCCEs. The purpose of the assessment was to provide Government with a greater awareness of risk and inform targeted supplier engagement. Members of the Government's thematic working group on textiles undertook a high-level mapping exercise to identify their agency's top textiles suppliers by spend.

The suppliers who were assessed by Sedex are mostly agents and distributors based in Australia, which skew the results of the inherent risk to a lower risk than the actual factory or manufacturing sites and locations. To consider risk more accurately, Sedex looked at two parts of the textiles sector: wholesale of textiles located in Australia (tier 1), and manufacturing of textiles located outside of Australia (tier 2 and below). Wholesale of textiles in Australia was deemed to be low-risk noting it is considered under the banner of professional services, where most employees are skilled office workers. However, manufacturing represents a higher risk.

The specific suppliers that were assessed by Sedex ranged from low to high risk, with high risk ratings attributable to weaker training and improvement policies. Recommendations from the report to further mitigate risks included working directly with suppliers and requiring suppliers to provide training in certain areas to their employees; encouraging linking of suppliers further down the supply chain to the Sedex platform; and reviewing existing supplier policies and standards to ensure key risk areas identified are included in these policies.

Textiles procurements are undertaken in large volumes within the Home Affairs and Defence Portfolios. During the reporting period, the Home Affairs Portfolio finalised a major procurement for uniforms for the Australian Border Force and the Australian Federal Police. Information on the modern slavery considerations within this procurement are captured within the following case study. Information on Defence's textile procurement is detailed in the case study on the following page. More information is available within Home Affairs and Defence's Portfolio features in section 3.

## OECD pilot project

During the reporting period, Department of Home Affairs participated in a pilot project conducted by the Organisation for Economic Co-operation and Development (OECD) on integrating OECD due diligence into public procurement in the garment sector. The pilot focused on ethical procurement practices in the garment and textile industry, and included representation of twenty-six institutions from twelve OECD countries.

Over the course of five workshops, the pilot brought together OECD countries to exchange practices that are implemented in public procurement practices and identify what risk-based due diligence are undertaken throughout this procurement process and

after the award of a contract. As part of the pilot, the Department conducted a session on the Modern Slavery Act 2018, detailing how this legislation assists in promoting ethical procurement practices.

Following this engagement with the OECD, Department of Home Affairs and ABF shared learnings from the OECD's pilot with the Intergovernmental Network on Modern Slavery in Public Procurement, which has membership from each state and territory government. Through sharing good practice examples, the Government encourages increased transparency and continuous improvement in responses, in line with the objectives of the Modern Slavery Act.

## Case study

### Defence textiles procurement

The key risk to the procurement of Australian Defence Force (ADF) clothing lies in the dominance of identified high-risk manufacturing locations in Asia; predominately China in the global Textile, Clothing and Footwear (TCF) industry. The Australian TCF 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 to perform their role effectively and safely.

The TCF supply chain is complex and often requires inputs from several countries; from the production of raw fibres and materials – cotton, wool, polys – to the weaving, knitting, dyeing and printing of fabric and lastly, the final cut, sew and trim of garments. Visibility of the deeper supply chain continues to present risk of exposure to labour exploitation, including TCF-associated industries like packaging, transportation, and waste disposal.

While labour laws in other countries may not always align with workplace standards in Australia or other developed countries, at all times the consideration of workplace standards to ensure they are aligned with Australian legislative requirements and expectations remains paramount.

Defence continues to communicate closely with contracted suppliers of ADF clothing regarding the importance of ethical procurement practices and monitors for unacceptable labour conditions in the supply chain.

Actions in FY2021–22 included:

- On-shoring the manufacture of some clothing products, where feasible and in compliance with the Commonwealth Procurement Rules.
- Conducting a Modern Slavery risk assessment for new product supply chains or when a new sub-contractor enters the Defence clothing supply chain.

- Encouraging current suppliers to enter into formal agreements with sub-contractors that include Modern Slavery risk reduction requirements.
- Reviewing and monitoring current suppliers' Modern Slavery Statements.
- Updating of current suppliers' Australian Industry Capability plans
- Maintaining staff training and awareness in relation to Modern Slavery issues and processes.
- Including provisions for Modern Slavery compliance in contracts, including the current Future Clothing System request for tender.
- Undertaking site visits to off-shore manufacturers, which will recommence in FY2022–23, to see first-hand the sub-contractor production facilities and worker conditions. These visits also include verification of social accountability accreditation of companies (eg. SA9000, WARP).

Defence holds its clothing, footwear and accessories suppliers accountable for compliance with applicable labour laws and regulations through conditions of contract. Instrumental to identifying risk areas has been ongoing education and discussion among procurement officers and suppliers to promote awareness throughout the procurement process.

Not all ADF clothing suppliers are required to complete a Modern Slavery statement, however Defence encourages ongoing development of ethical business practices. A recent engagement with suppliers regarding global supply chains has been valuable in analysing areas of supply risk and appropriate mitigation strategies.

More information on modern slavery considerations in Defence Portfolio procurement is available on page 56.

## Case study

### Joint uniform procurement – ABF and AFP

Previous Commonwealth Modern Slavery Statements that covered the 2019-2020 and 2020-21 financial years discussed the commencement of the tender process for a single uniform service provider for both the ABF and AFP. Consideration of modern slavery risk was integrated into this large-scale procurement through the modern slavery contract clauses, which place obligations on suppliers to take reasonable steps to identify, assess and address risks of modern slavery practices in the operations and supply chains used in the provision of the goods and/or services.

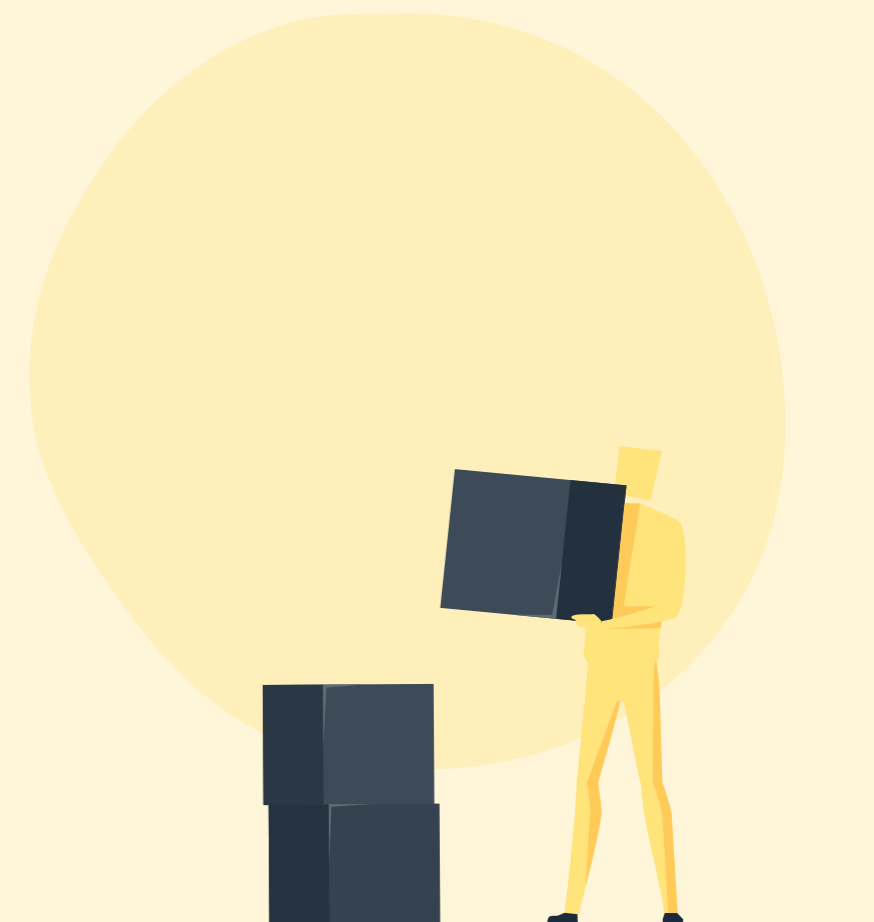
On 8 March 2022, a new contract was executed with Australian Defence Apparel (ADA) for the supply and management of uniforms and personal protective equipment for the ABF and AFP. ADA is a reporting entity under the Modern Slavery Act 2018 and manufactures garments through both local and offshore supply chains.

More than half of ADA's manufactured goods suppliers are located in Australia. Australian suppliers are audited as part of Ethical Clothing Australia's accreditation, which reviews worker's conditions and pay. International suppliers are reviewed through ethical audits and site visits conducted by ADA operations personnel. ADA's Ethical Sourcing Policy and Supplier Code of Conduct communicate expectations to suppliers that cover: child labour; freedom of association and collective bargaining; forced labour; health and safety; working hours; wages and benefits; discrimination, harassment, abuse and inhumane treatment; prevention of bribery and anti-corruption; and business ethics.

As this contract was executed late in the 2021-22 reporting period, future reporting periods will further discuss risk identification and mitigation in procurement of uniforms with this new supplier.

See further information on risk management in textiles procurement on Home Affairs Portfolio's page of input on page 66.

# ICT procurement



## Risk

The Government is a significant purchaser of ICT hardware, which includes electronics goods such as desktop computers, laptops, phones, networks and servers. This procurement supports the Government to undertake its key functions and operations, and is a key procurement area across most NCCEs. Over the reporting period, the Government awarded contracts for ICT hardware procurement at a total value of \$2.6 billion.

This high volume of procurement of ICT Hardware also increases the risk that Government may be exposed to modern slavery in its supply chain.

Global ICT hardware supply chains are long and complex, and present many risk factors which include:

- Forced overtime and non-compliance with working hours regulations
- Occupational health and safety hazards such as the use of toxic chemicals
- The use of child labour
- Extremely low wages and deception about wages
- Restrictions on the freedom of movement

## Response

During the reporting period, the Government worked with [Electronics Watch](#) to better understand and address modern slavery risks associated with the procurement of ICT Hardware. Electronics Watch is an independent monitoring organisation which guides public procurement demand for decent working conditions in the supply chains of electronics goods.

At the request of the Government, Electronics Watch delivered a modern slavery risk assessment, focusing on the main shared ICT hardware suppliers across the Australian Government. The risk assessment was informed by data that the Government's ICT Hardware working group provided on their agency's top ICT Hardware suppliers (by spend). Electronics Watch delivered the findings of the report to the ICT working group.

The risk assessment provided valuable insights into risks in the supply chains of the Government's ICT hardware and recommendations for areas of improvement and remediation.

The risk assessment provided an analysis of supply chains linked to the Australian Government, based on country of manufacture and supply chain tier. Due to Australia's location in the vicinity of import global locations of final assembly for electronics, it is most likely that these products are assembled in the East and South-East Asian region and contain electronics components manufactured in Asia. Based on the assessment by Electronics Watch, many countries within this region carry medium, high or very-high risks, due to risks such as forced overtime, debt bondage, restrictions on freedom of movement and dangerous working conditions.

The risk assessment also considered many key suppliers to Government, based on the level of transparency these suppliers provide. Many major suppliers to Government do not publish supplier lists, reducing transparency by limiting details of where these electronics goods are manufactured and assembled, therefore limiting visibility of risks.

Key recommendations outlined in the report included increasing supply chain transparency, developing internal strategy and capacity, investing in capabilities to monitor forced labour risks, and driving meaningful remediation. It is noted that supply chain transparency is a long-term process, often driven by buyers. The Government recognises its significant leverage, and intends to continue its focus in this area into the future to drive positive change in this area.

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. During the reporting period, ABF began working with DTA on a program of work to increase awareness of modern slavery in ICT hardware procurement. Over the reporting period, ABF and DTA:

- Published communication material targeted at government procurement officers, with more communication material being developed,
- Published communication material targeted at ICT suppliers selling to Government highlighting the Government's expectations around modern slavery, with more communication material being developed,
- Begun exploring options for further embedding information on modern slavery into the ICT procurement process, and
- Commenced planning a series of supplier awareness sessions with ICT hardware sellers, scheduled to take place in the 2022–23 reporting period.



## Whole-of-Government overview: Overarching actions

In addition to actions taken across high-risk areas of procurement, 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.

Strategic areas of focus	Actions
<p><b>Training and Awareness activities</b></p> <p>Equipping officials with the tools to identify, assess and address modern slavery risks.</p>	<ul style="list-style-type: none"> <li>✓ Launched two additional online modern slavery training modules for government procurement officials. These modules focused on <i>Identifying and Assessing Modern Slavery Risk and Managing Modern Slavery Risks</i>. Over the reporting period, NCCEs began integrating training modules into learning platforms for use by procurement officers.</li> <li>✓ Incorporated modern slavery considerations into training material for Senior Executive Service (SES) employees. SES employees are often the government delegate for approval of large procurements.</li> <li>✓ Convened a whole-of-government workshop on addressing modern slavery risks to officials from 20 government agencies. The workshop focused on capacity building amongst NCCEs, with topics of discussion including good-practice responses, reporting on risks, and areas of future focus. NCCEs provided positive feedback on the workshop, including that it was a great opportunity to work with colleagues from other agencies.</li> <li>✓ Delivered briefings to government agencies and networks on integrating modern slavery considerations into procurement processes.</li> </ul>
<p><b>Procurement activities</b></p> <p>Promoting the importance of modern slavery risk mitigation in key stages of the procurement process.</p>	<ul style="list-style-type: none"> <li>✓ Launched modern slavery tender clauses and accompanying guidance to be used in approach to market documents in procurements. The clauses outline the Government's obligations under the Modern Slavery Act and require the tenderer to identify, assess and address risks of modern slavery in the provision of goods and/or services.</li> <li>✓ Worked with the Cleaning Accountability Framework to better understand risks in the Government's procurement processes for cleaning services. More information on page 28.</li> </ul>
<p><b>Supplier activities</b></p> <p>Working with suppliers to understand risks and utilise the Government's leverage to drive good-practice.</p>	<ul style="list-style-type: none"> <li>✓ Worked with Electronics Watch to assess risks in key ICT hardware suppliers to Government. More information on page 38.</li> <li>✓ Worked with Sedex to assess risks in key textiles and construction suppliers to Government. More information page 29 and 34.</li> <li>✓ Commenced a program of work with the Digital Transformation Agency to raise awareness with ICT hardware suppliers, with supplier sessions to be scheduled for the 2022–23 reporting period. More information on page 38.</li> </ul>

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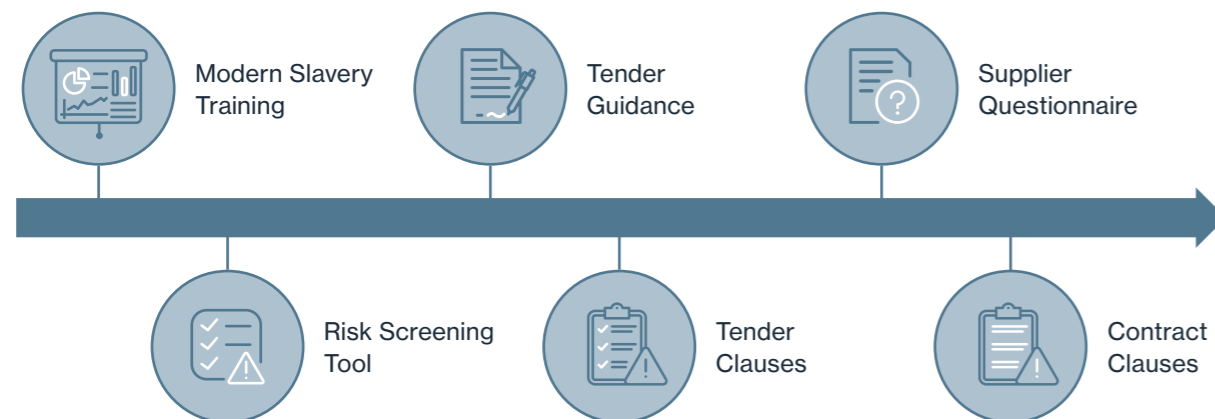
Strategic areas of focus	Actions
<p><b>Response activities</b></p> <p>Equipping agencies with the skills and knowledge on how to effectively manage and respond to modern slavery risks in supply chains and operations.</p>	<ul style="list-style-type: none"> <li>✓ Commenced review of the Government's Modern Slavery Response Protocol, including a workshop with the Australian Federal Police and Commonwealth Director of Public Prosecutions to discuss responses. More information on page 41.</li> <li>✓ Distributed a survey to NCCEs to conduct a stocktake of current responses, uptake of resources and identify areas of improvement for future reporting periods. This information allowed the Government to assess its actions against the Performance Review Framework, discussed on page 44.</li> </ul>

## Procurement tools

During the reporting period, the Government continued to promote uptake of the Toolkit of Resources for Government procurement officers on addressing modern slavery in Government supply chains. The Toolkit has been downloaded from the Government's Online Modern Slavery Register over 10,000 times. The Government also launched modern slavery tender clauses and accompanying guidance, which were shared internally with members of the Interdepartmental Committee on Modern Slavery in Public Procurement (IDCPP). The tender clauses signal the Government's commitment to drive change

to address modern slavery risks with potential suppliers, early in the tender process. The tender clauses will be published on the Government's online register for modern slavery statements in the next reporting period and included in a future version of the Toolkit.

In addition to the below tools and resources, the Modern Slavery and Human Trafficking Branch in ABF continued to provide support and targeted guidance to NCCEs around how to integrate modern slavery risk considerations into procurement policies and processes.



## Responding to modern slavery

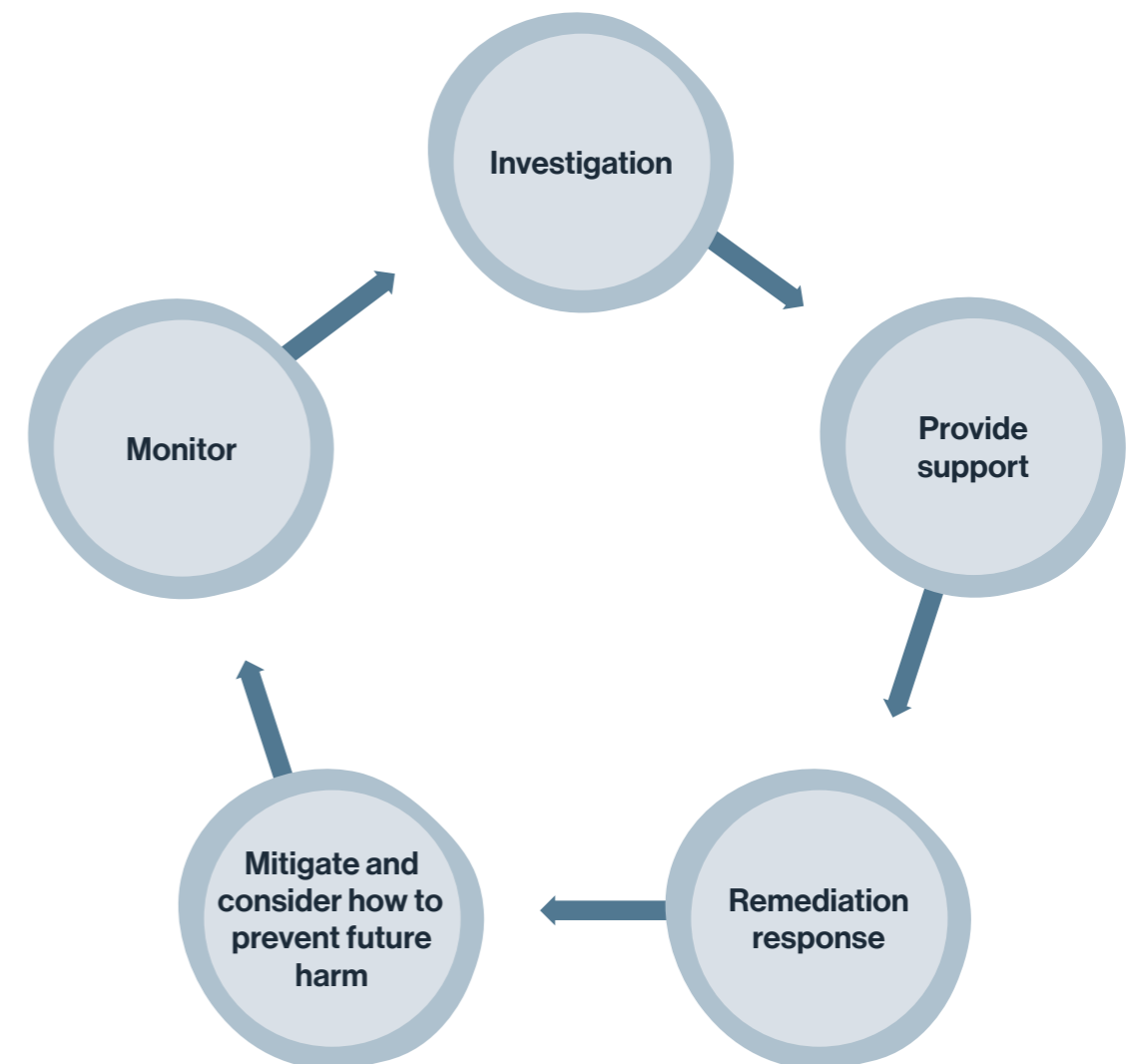
During the reporting period, the Government commenced review of its Modern Slavery Response Protocol, which outlines how NCCEs will respond to instances of modern slavery relating to the Australian Government's operations and procurement activities. ABF convened a workshop with the Department of Home Affairs, AFP and the Commonwealth Director of Public Prosecutions to discuss responses using hypothetical cases where modern slavery was identified, which is assisting the Government in its review of the Protocol.

The Government acknowledges that every case of modern slavery is different, and it is important that the Government's response to allegations of modern slavery prioritises and is tailored to the needs of the victims involved. As Government entities, NCCEs must act in accordance with the

Government's human rights obligations under international law.

The Government's current response framework is outlined below. The Government will publish an overview of the response protocol on the Modern Slavery Register Resources page, once finalised.

To ensure Government's planned response to remediation follows best-practice, the Government has partnered with civil society organisations to undertake projects that promote victim-survivor voices and encourage collaboration with the business and civil society community. These projects are outlined in the case studies on the following page.



**Case study**

## Lived Experience Engagement Program (LEEP)

As part of the Government’s National Action Plan to Combat Modern Slavery 2020-25 Grant Program (Grant Program), the Government has funded The Salvation Army to develop an evidence-based, survivor-endorsed written model for ethical and effective government engagement with survivors of criminal labour exploitation. As outlined in the National Action Plan, the Government recognises that partnership is vital to our response to modern slavery in Australia, and victims and survivors play a key role in this. This project will support action item 31 of the National Action Plan, which outlines that Government will develop a Victim and Survivor Engagement and Empowerment Strategy.

The LEEP pilot project will include establishment of an empowering forum for

survivors of criminal labour exploitation to safely utilise their lived experience to create positive change. This forum will provide constructive consultation to Government on how to most effectively prevent, identify and disrupt criminal labour exploitation in Australia. Through direct consultation and engagement with survivors, the pilot program will ensure strategies and policies are built upon survivor lived experience and adequately address the complexities of modern slavery. The Government will use the learnings from this pilot forum to shape its response to remediation, to ensure the Government is taking a best-practice approach in how it responds to and supports victims, including those identified within the Government’s own supply chains.

**Case study**

## Modern Slavery Impact Initiative

As part of the Government’s Grant Program, the Government has provided funding to the UN Global Compact Network of Australia (UNGCNA) to establish and deliver a Modern Slavery Impact Initiative (MSII). The purpose of the MSII is to establish a collaborative and multi-stakeholder forum to support business in identifying and responding to the risk of modern slavery, enable greater alignment with UN Guiding Principles on Business and Human Rights (UNGPs), and build partnerships with key stakeholders within the modern slavery and human rights risk management process. This includes business, civil society, worker organisations, government and academia.

In practice, the MSII will enhance the capacity of Australian businesses to address modern slavery through the development of training material and guidance publications, multi-stakeholder collaboration, peer-learning and ongoing engagement.

Government will utilise learnings from the project to shape its own response to modern slavery, including on engaging with its suppliers and designing remediation processes. The MSII will support delivery of the National Action Plan, in particular the national strategic priorities to *Prevent and Partner*.

## Principles to guide Government action to combat human trafficking in global supply chains

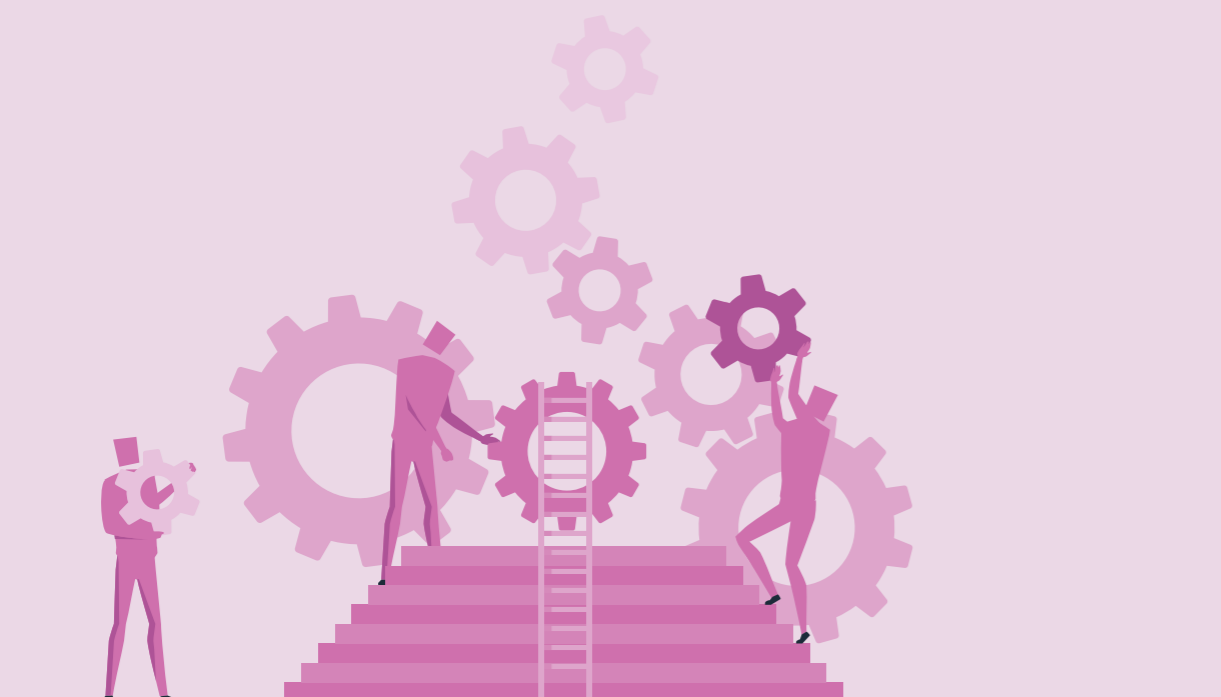
The *Principles to guide Government action to combat human trafficking in global supply chains* (the Principles) were developed in 2017 by the Governments of Australia, Canada, New Zealand, United Kingdom and the United States. The principles are intended to align with the UNGPs,

and provide a framework from which countries can build a strategy to take effective action within public and private sector supply chains. The four key principles for Governments are:

Principle 1	Principle 2	Principle 3	Principle 4
Take steps to prevent and address human trafficking in government procurement practices	Encourage the private sector to prevent and address human trafficking in its supply chains	Advance responsible recruitment policies and practices	Strive for harmonisation

The Government is undertaking work to support implementation of these four principles, including through implementation of the *National Action Plan to Combat Modern Slavery 2020–25* (read more on page 85) and the Modern Slavery Act. Specifically, the Government’s work to address modern slavery risks in Commonwealth supply chains and operations, as outlined in this Commonwealth Statement, support principle 1.

## Whole-of-Government Overview: Effectiveness



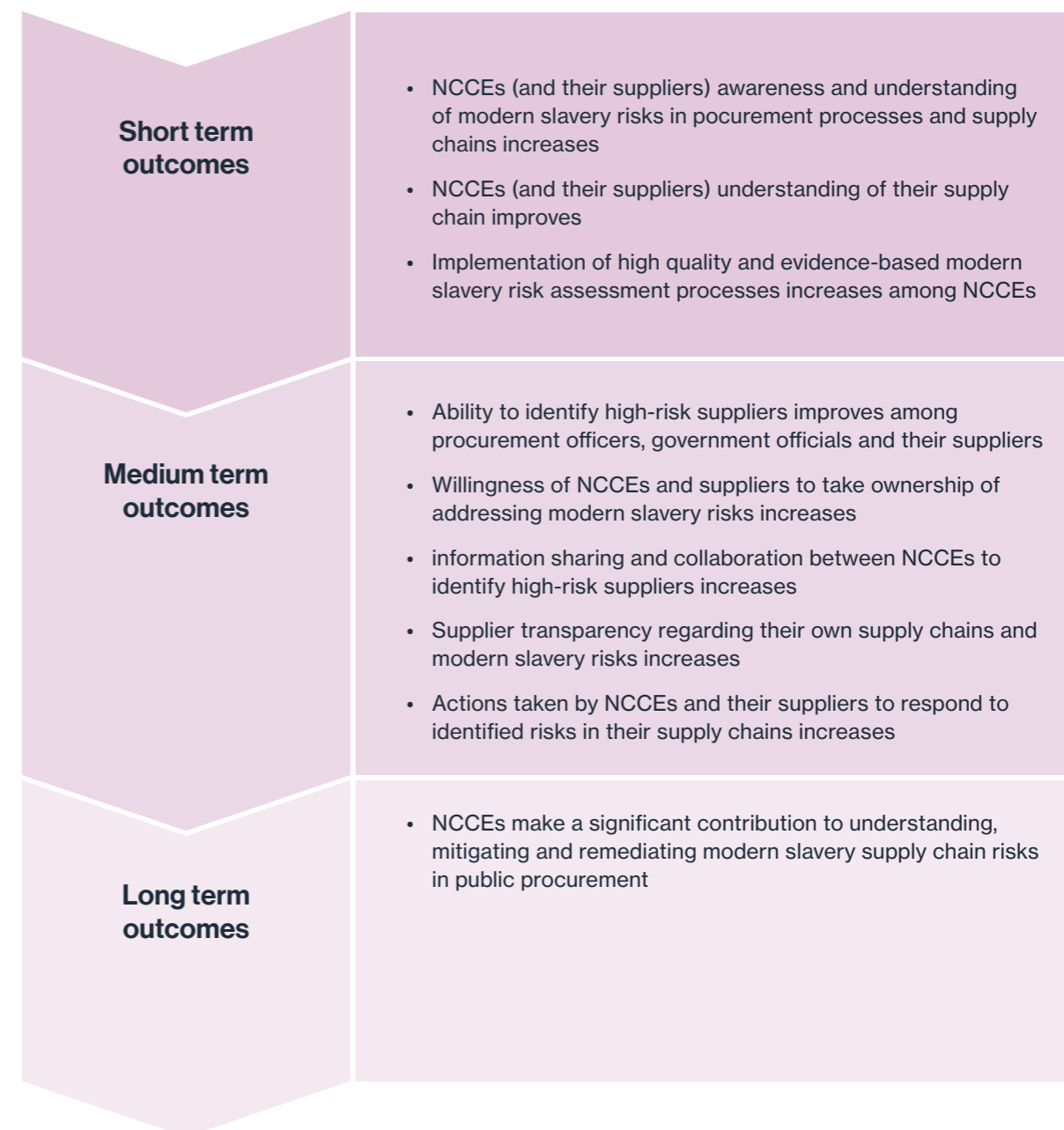
Section 16(1)(e) of the *Modern Slavery Act 2018* requires reporting entities to describe how the reporting entity assess the effectiveness of the actions being taken to assess and address modern slavery risks.

This information 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 measures of effectiveness within each Government Portfolio are outlined in section 3 of this Commonwealth Statement.

The Australian Government recognises that assessing the effectiveness of actions to assess and address modern slavery risks in global operations and supply chains is a vital step to improving responses to modern slavery. During the reporting period, the Government worked to finalise a Performance Review Framework (Framework) to assess the effectiveness of actions taken by NCCEs. Development of the Framework was led by the Australian Institute of Criminology, in consultation with members of the IDCPP.

## Foundation of the Framework

The foundation of the Framework are the planned short, medium and long-term outcomes that the Government's actions are designed work towards. These outcomes are outlined below.



## Performance Review Framework Overview

The table below sets out the Framework in further detail, including planned actions, outcomes and key performance indicators.

The Government acknowledges that responses to modern slavery risk are an iterative and evolving process, and as such, anticipates that the Framework may undergo revision as needed to continually reflect the Government’s actions and progress.

Area	Action	Outcomes	Key Performance indicators
<b>Training and awareness activities</b>	Engage in awareness-raising activities on modern slavery risks.	Awareness of modern slavery risks increases among NCCEs.	Number of awareness-raising activities undertaken.
	Deliver training on identifying and assessing modern slavery risks in public sector procurement.	Understanding of modern slavery risks among government officials improves.	Number of government officials who participate in awareness-raising activities.
	Review and/or adapt training materials and resources.		Number and proportion of government officials who report/ demonstrate improved understanding of modern slavery risks.  Nature and characteristics of training materials, including type of training, mode of delivery and whether review was undertaken.

Area	Action	Outcomes	Key Performance indicators
<b>Procurement and contract management processes</b>	Government agencies collaborate to identify common suppliers and possible risk across government.	NCCEs have a better understanding of their supply chains.  NCCEs feel supported to identify risks in their supply chains.	Number and proportion of agencies who engage in interagency information sharing about common suppliers and possible supply chain risks.
	Procurement processes are revised to include specific modern slavery risk assessment processes.	Procurement staff report that their understanding and ability to identify high-risk suppliers has improved.	Number and proportion of agencies that utilise the Modern Slavery Toolkit for Government Procurement Officers.
	Contract management processes are revised to include specific modern slavery risk assessment processes.		Number and proportion of agencies that report having specific modern slavery risk assessment processes.
	Risk management controls are applied to actively manage identified modern slavery risks in new procurements.		Number and proportion of agencies that report having revised their procurement processes to include specific modern slavery risk assessment processes.  Number and proportion of agencies that report having revised their contract management processes to include specific modern slavery risk assessment processes.



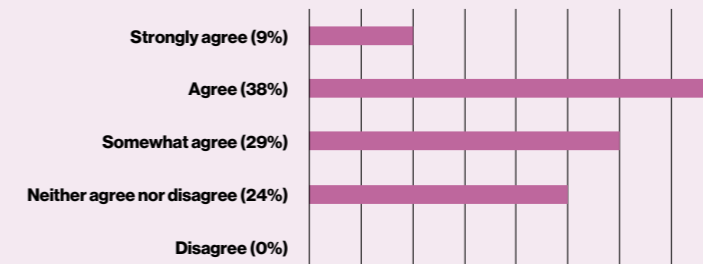
Area	Action	Outcomes	Key Performance indicators
<b>Supplier activities</b>	Engage with suppliers on modern slavery risks	Suppliers' transparency regarding their own supply chains and modern slavery risk increases.	<p>Number and proportion of suppliers that complete the Modern Slavery Supplier Questionnaire.</p> <p>Number and proportion of procurement contracts that contain modern slavery clauses.</p>
<b>Response activities</b>	Respond to modern slavery risk in government procurement activities.	NCCEs take steps to actively respond to identified modern slavery practices risks in their procurement activities.	<p>Number and proportion of risk assessments conducted using the Risk Screening Tool.</p> <p>Number and proportion of risk assessments that resulted in a rating of Low, Medium or High.</p>
	Promote use of the Government's modern slavery response protocol.		<p>Number and proportion of contracts for which action plans are put in place to mitigate identified risks.</p> <p>Number and proportion of agencies that utilise the Modern Slavery Response Protocol.</p>

## Measuring effectiveness

During the reporting period, the Government administered a survey to NCCEs with the intention of establishing a baseline set of data which will be used to measure whole-of-government progress against the Framework. The survey also intended to determine areas of improvement to focus on in future reporting periods. The survey questions were based on performance indicators outlined in the Framework, to determine uptake and effectiveness of resources, confidence to identify risks, and maturity in responses. The Government will continue to consider how to improve its data sources, to enable fulsome reporting against the Framework and improved whole-of-government tracking of effectiveness.

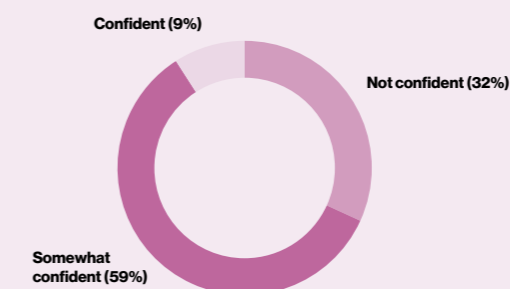
Survey results were received from 25 agencies, representing the majority of agencies on the Government's Interdepartmental Committee on Modern Slavery in Public Procurement. Though this provides good representation from across Government, in future reporting periods, the Government will consider how it can include data from a broader set of Government agencies. A snapshot of responses to the survey are included on the following pages.

### The modern slavery toolkit assists procurement officials to better understand and respond to modern slavery risks in procurement



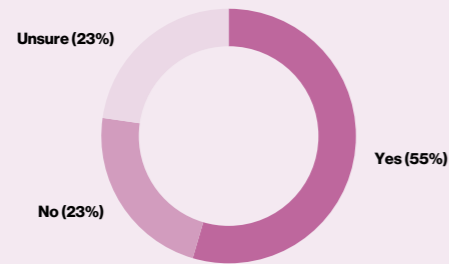
Results indicate that in the most cases, the current resources available to NCCEs assist in improving understanding and responses to modern slavery risks. Further work can be done to improve this in future reporting periods.

### Are staff in your agency confident to identify and raise modern slavery risks or issues with suppliers?



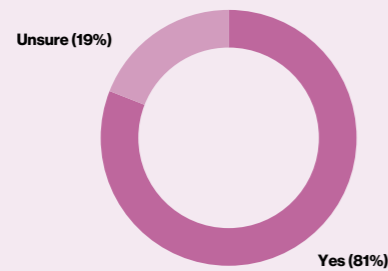
Results indicate that staff in most NCCEs that responded feel somewhat confident to identify and raise modern slavery risks with suppliers. In future reporting periods, the Government will focus efforts on improving confidence to engage with suppliers in order to best utilise the Government's significant leverage to improve supply chain practices.

Since the introduction of the Modern Slavery Act, have any revisions been made to processes in your agency to improve abilities to identify modern slavery risks?



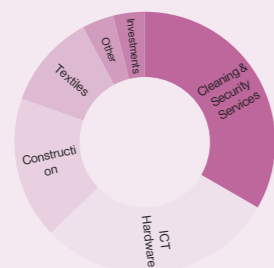
Results indicate that for the majority of NCCEs, responses to modern slavery are being revised to improve abilities to identify modern slavery risks.

Does your agency utilise modern slavery contract clauses in its procurement?



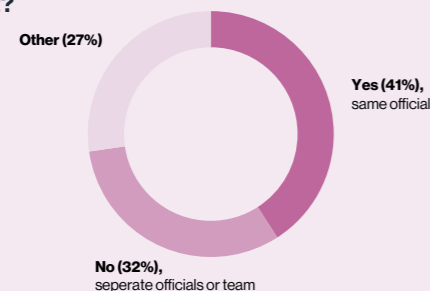
Results indicate a good uptake of the modern slavery contract clauses, with use amongst majority of NCCEs. However, results also indicate the need for further communication around modern slavery risks within NCCEs and the use of resources.

Which high-risk areas of focus are most relevant to your agency?



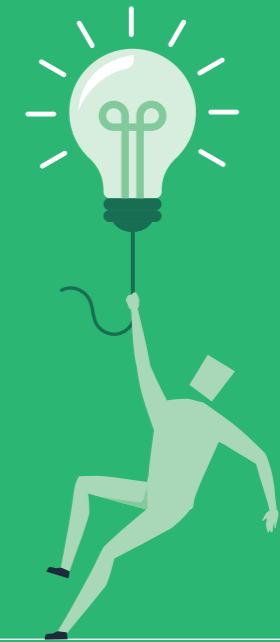
Results indicate that the highest risk sectors across NCCEs are ICT Hardware and Cleaning and Security Services. This data provides Government with evidence-based recommendations on where to continue focusing efforts in future reporting periods.

In your agency, is the procurement undertaken by the same official who will be responsible for the ongoing contract management?



Results show that in many NCCEs, there is a separation of duties between procurement and contract management officials. This signals that further work will be needed to improve capacity amongst contract management officials.

# Insights from Government Portfolios



This section provides detail on the modern slavery risks, actions to address these, and measures of effectiveness within each Government Portfolio. These insights from each Government Portfolio aim to allow for greater detail on the types of procurement being undertaken across the Government, as well as more information about the diversity and maturity in the Government's response.

Each Portfolio's input has been developed in consultation with the NCCEs that sit within that Portfolio. See page 16 for the list of NCCEs which sit within each Portfolio.

Whole of Australian Government (WoAG) arrangements are arrangements that are set up for Commonwealth entities to use when procuring certain goods or services. As a coordinated procurement, WoAG arrangements are mandatory for non-Corporate Commonwealth entities. 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 Coordinated Procurement, Management Advisory Services, Legal Services, and ICT Hardware. In the establishment of the WoAG arrangements, tenderers are required to indicate compliance with the Modern Slavery Act 2018 as part of the Request for Tender (RFT) process. In addition, compliance with the Modern Slavery Act 2018 is a requirement under the Head Agreements with successful suppliers/panelists. The Government is also considering how to best integrate modern slavery risk mitigation directly into these arrangements, to utilise the leverage of these arrangements and streamline assessment of modern slavery risk into the procurement of various goods and services.

# Agriculture, Water and the Environment

## Risks

During the reporting period the Department of Agriculture, Water and the Environment (DAWE) and associated portfolio agencies continued to target modern slavery risks. Within the portfolio the main industries that identified as potentially high risk included:

- Textiles, such as uniforms
- Cleaning, across multiple locations
- ICT hardware and
- Construction.

## Actions

The portfolio addresses modern slavery through internal Procurement Policy, to raise awareness of potential risks and supporting resources available. Modern slavery e-learning modules are available to all staff and are mandated for central procurement teams. The central procurement teams provide strategic advice to officials and promote use of the Modern Slavery Toolkit of Resources for Procurement Officers to support officials undertaking procurement activities.

Where appropriate, the portfolio encourages the use of standardised templates including the Commonwealth Contracting Suite, which address modern slavery requirements.

As modern slavery clauses are incorporated into the initial approach to the market documentation, this initial approach to the market will outline the appropriate modern slavery requirements. It also stipulates the draft modern slavery contract clauses to be used in any resulting contract, for acceptance and compliance by any successful supplier.

DAWE's suite of approach to market documentation and contracts has been updated 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. Prompts have also been imbedded in contract management tools and resources to ensure that modern slavery risks are considered in the ongoing contract management phase.

In 2021, DAWE created an internal initiative known as The Social Procurement Awards, which raises awareness and motivation toward achieving social outcomes through Government procurement. Staff are recognised for actions taken to reduce modern slavery risks, procuring from indigenous businesses or social enterprises, and for procuring environmentally sustainable goods or services.

## Effectiveness

Through continued efforts, central procurement teams within the portfolio are working to equip staff with the skills and knowledge to successfully identify, address, and continually manage modern slavery risks. This has been effective as staff have become more involved in actively engaging with suppliers to understand core business undertakings and supply chain activities.

Training and awareness initiatives for modern slavery within central and auxiliary procurement areas helps to disseminate information throughout agencies. All materials are updated to capture any identified or developing changes to ensure guidance and training on modern slavery remains fit-for-purpose. In DAWE, a centralised contract management team also provides guidance and useful templates to policy areas.



# Attorney-General's

## Risks

The Attorney-General's Department (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 – may be linked to modern slavery due to the extensive supply chain for parts and components which are used to create the end product. Relevant parties are often located in countries where governance is poor resulting in high risk of human rights violations.
- Cleaning services – generally arranged by landlords under lease contracts. Due to the subcontracting nature of these services there is a risk that there may be exploitation of migrant workers and the use of unauthorised subcontractors.
- Construction and Maintenance – due to the subcontracting nature of these services there is a risk that there may be exploitation of migrant workers and the use of unauthorised subcontractors.
- Textiles – in instances where uniforms/apparel are procured, manufacturing processes may take place in overseas countries which may have poor governance resulting in high risk of human rights violations.

The majority of procurements in sectors identified above are undertaken by utilising existing panel arrangements and government initiatives that include Commonwealth terms and conditions.

## Actions

A number of processes have been implemented to address modern slavery risks across the portfolio. These include:

- 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.
- Encourage the use of Australian Border Force training and toolkits in conjunction with internal information and documentation.
- Requesting Modern Slavery statements from tenderers in open tender processes and considering the risk during the risk assessment process.
- Review existing contracts in the risk sectors identified above to ensure compliance with the Fair Work Act, Australian Work Place Laws and the Cleaning Accountability Framework.

The portfolio is committed to raising awareness of modern slavery risks and providing information and guidance for staff procuring goods and services on behalf of the Commonwealth.

## Effectiveness

The portfolio will continue to measure the effectiveness of controls to ensure the risk of modern slavery has been considered for all procurements by:

- Ensuring training materials remain fit-for-purpose.
- Regularly reviewing procurement guidance material and documentation to ensure the most efficient and effective processes are undertaken.
- Continuous education promoted across the portfolio.
- Developing a stronger understanding of agency supply chains and how to access risk.

- Engaging with suppliers in relation to their modern slavery risks and mitigation strategies.
- Actively considering slavery risks in current and future procurements.
- Managing modern slavery risks in contracts.

The portfolio will continue to improve current frameworks through engagement with relevant authorities and communities of practice across the Australian Public Service to combat modern slavery.



# Defence



## Risks

Defence's procurement and project delivery methodology generally involves direct engagement of head contractors, to then engage the necessary subcontractors. Although a suitable and proven project delivery method, this provides limited visibility to Defence of downstream supply chains which may increase the prevalence of Modern Slavery risks. Examples include:

- The delivery of infrastructure projects in vulnerable Pacific nations.. The delivery of these infrastructure projects relies on the global supply chain for a wide range of materials, commodities, logistics, labour and services that are not readily available in the Indo-Pacific nations. Given the limited knowledge of the local market and supply chain, there are risks associated with Modern Slavery. A failure to adequately address Modern Slavery may have a detrimental impact to people and undermine their freedom. Additionally, a failure to comply with regulatory requirements could result in legislative breaches and reputational damage to Defence.
- In large scale ICT hardware and software purchases, downstream suppliers' employee arrangements may not be known. To mitigate this risk, Defence sources equipment through original equipment manufacturers with well-established and regulated supply chains and software through known suppliers and resellers.
- Defence engages Base Services Contractors to deliver base services at over 700 locations around Australia. Known high Modern Slavery risk services delivered under the Base Services Contracts include food supply, cleaning, construction, and security services.

## Actions

Defence has developed Modern Slavery guidance for its procurement officials to build staff capability and increase awareness. This guidance refers to Australian Border Force material, including 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 Australian Border Force risk assessment tools can be applied to Defence procurements. Defence has also developed tailored Modern Slavery Model Contract Clauses for its suite of contracting templates. Where Defence's suite of contracting templates is not used, the required specific inclusion of Modern Slavery clauses within alternate contracts ensure controls are included.

Other examples of actions being taken to address Modern Slavery risks within the Defence portfolio include:

- monitoring of payments to suppliers and contractors in the supply chain to manage bribery, fraud, corruption and slavery threats through forensic accounting capabilities;

- conduct of audits through site audits and corporate systems audits, and the development of recommendations for continuous improvement and ongoing monitoring;
- inclusion of Modern Slavery in Contractor monthly reporting to include relevant indicators;
- review of existing Modern Slavery statements of potential suppliers prior to entering into contracts, specifically through the online Modern Slavery Register; and
- Defence's Base Services Contractors seek to minimise any supply chain vulnerabilities to Modern Slavery practices by applying measures across their respective supply chains that typically include procurement frameworks, policies, procedures and governance designed to eliminate Modern Slavery from the supply chain.

## Effectiveness

The inclusion of the Modern Slavery Model Contract Clauses within Defence's suite of 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 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.

Meetings between Defence representatives and its industry partners are 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, can be raised in these forums and subsequently addressed.

# Education, Skills and Employment

The Education, Skills and Employment portfolio's purpose is to contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people through education, skills and employment pathways. Our portfolio statement comprises of input from the Department of Education, Skills and Employment (the department) and the following portfolio entities:

- Australian Research Council
- Australian Skills Quality Authority
- Tertiary Education Quality and Standards Agency.

The department and portfolio entities work with state and territory governments, other Australian Government entities and a range of service providers to provide high quality policy advice and service for the benefit of all Australians.



## Risks

During 2021-22, the portfolio entered into approximately 117 new ICT hardware procurement contracts at a value of approximately \$19.04 million. This is an identified high-risk area with reference to modern slavery areas of focus. To mitigate these risks the portfolio procures ICT hardware through the use of Whole of Australian Government Standing Offer Panels as panel suppliers must agree to supply goods or services under agreed terms and conditions.

No increased portfolio supply chain risks have been identified during 2021-22 in relation to ICT procurements and the department has had no cause to respond to any case of modern slavery.

The Australian Skills Quality Authority (ASQA) entered into one construction contract at a value of \$2,211,940.40 GST exclusive. As another identified high-risk area, the supplier was sourced through a Whole of Australian Government Standing Offer Panel.

The department recognises that international students are at risk of falling victim to modern slavery by unscrupulous employers. To help address this risk, Standard 6 of the *National Code of Practice for Providers of Education and Training to Overseas Students 2018* requires 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.

Additionally, the department administers contracting arrangements with Harvest Trail Services and the Harvest Trail Information Service (HTIS) with Harvest Providers. The arrangements facilitate the supply of seasonal labour to employers in 16 harvest areas across Australia by connecting them with eligible workers. Under the arrangements, providers are required to promote fair and safe work practices, and report issues that relate to modern slavery including unfair, unsafe or illegal work practices involving any Harvest Employer. In this context providers promote to Harvest Employers, fair pay and conditions including minimum wage legislation as defined by the Fair Work Act 2009, and employer compliance with work, health and safety regulations. Providers who are found to have breached these requirements are subject to contract termination, limitation of scope, recovery of payments, or legal action.

The HTIS is required to report any unfair, unsafe or illegal work practices involving any Harvest Employer to relevant authorities. Furthermore, the HTIS is required to collect information about harvest related work opportunities across Australia and disseminate to people with working rights. Through their information service the HTIS provides Harvest Workers and Employers with information about job opportunities and fair and safe work and legal requirements and refers to the Fair Work Ombudsman and/or state and territory workplace health and safety authorities as required.



## Actions

The department 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 requests suppliers to notify the department of any identified risks within the supply chain.

The department's Long Form Services Contract template has been updated to include a modern slavery clause that is included in contracts where modern slavery risks are present. Additionally, our Procuring Official Checklist has been updated to include a modern slavery checklist item.

The department works with the Fair Work Ombudsman to ensure that international students are aware of their workplace rights and know where to seek assistance; and promotes resources to education providers, education agents and student services to help combat student workplace exploitation.

Under the Harvest Trail Services arrangements, providers are required to ensure that the wages specified in Harvest Vacancies comply with Commonwealth, state or territory legislation and must report any employers not meeting legal wage obligations to the Fair Work Ombudsman. They must also ensure that Harvest Employers are

complying with Work Health and Safety laws and are required to report any unfair, unsafe or illegal work practices.

The department provides a range of resources on the website ([Harvest Job Search and Resources – Workforce Australia](#)) for Harvest Trail employers and workers to ensure that all parties engaged in the program are aware of obligations relating to modern slavery including wage requirements and workplace conditions.

Specific modern slavery risks have been added to the department's Risk Management System, RiskNet2, with an optional modern slavery risk included in Divisional Risk Plans.

The department is working with the Department of Home Affairs to include Modern Slavery e-Learning modules to Learnhub, our learning management system. These modules will be accessed by all staff. Work will be undertaken to assess whether these will form part of the mandatory suite of training.

The suppliers engaged by ASQA under the construction contract were advised of their obligations under the Commonwealth Modern Slavery policies and have made commitment statements. The suppliers provided copies of their Modern Slavery policies to ASQA.

## Effectiveness

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.

No increased portfolio supply chain risks have been identified during the 2021–22 financial year in relation to ICT procurements, and the

department's ICT Procurement team has had no cause to respond to any reports of modern slavery. Suppliers are made aware of their responsibilities with the inclusion of a modern slavery clause and there have been no issues reported with suppliers signing work orders and contracts that have included a clause.

In 2022–23 the portfolio will continue its focus on awareness of modern slavery risks in our activities.

# Finance

## Risks

Finance key modern slavery risk sectors for FY21/22 are:

1. Property and Construction – valued at \$1.25 billion
2. ICT Hardware – valued at \$20 million
3. Physical Security Services – valued at \$1.4 million

For Property and Construction, Finance generally conduct large, high-value projects and engage Tier-1 suppliers that produces their own Modern Slavery statements. For ICT and Security, suppliers are less well known; with further risks in the long supply chains for ICT Hardware.

## Actions

Finance is participating in several Whole-of-Australian-Government initiatives to promote awareness of the modern slavery procurement risks, including adding the additional sections to highlight modern slavery requirements in the:

1. Commonwealth Contracting Suite;
2. Commonwealth ClauseBank; and
3. Australian Government Contract Management Guide.

References to the Modern Slavery procurement risk requirements hosted by the ABF are included as part of the Finance Whole-of-Australian-Government procurement resources which are

used by Finance personnel; and additionally utilise internal Finance procurement guidance and training. Internally modern slavery risks and mitigation are highlighted in procurement training sessions, highlighting modern slavery risks, the policy requirements and resources available to address these risks.

As part of the Finance centralised procurement model, purchase of ICT hardware is centralised through the ICT central procurement team. Finance's procurement advisory and policy unit regularly liaise with the central procurement team on issues such as Modern Slavery.

## Effectiveness

After one year of operation for the central procurement model, Finance intends to review and evaluate:

1. its procurement training material to assess its Modern Slavery effectiveness; and
2. supplier relationships and management in key Modern Slavery sectors.



# Foreign Affairs and Trade

## Risks

Key risk areas for the Portfolio are within construction, ICT hardware, cleaning/security services and Australian aid official development assistance projects. Procurements in these sectors are undertaken for domestic and overseas consumption.

The portfolio has a mature relationship with its providers and management strategies for subcontractors and downstream suppliers both inside and outside Australia. Standard tendering templates or purpose-built tenders or contracts are used that address modern slavery in supply chains. Legal advisors for high-risk procurements are engaged to assist in management of risk of modern slavery for domestic and overseas procurements. Strong governance processes within contracts assist in identifying and managing

risks of modern slavery practices along with many vendors self-reporting on Modern Slavery risks through either the UK or Australian Modern Slavery Statement Registers.

Assessment of modern slavery risks in official development assistance procurements is considered low. These contracts are typically one tier deep, predominantly outside key risk sectors and cover professional consulting services or small, office-based goods such as leases, transport and office equipment. Contracts entered into are generally with Australian organisations that report to the Online Register or are governed by international arrangements including treaties and memorandums of understanding with multilateral institutions or similar.

## Actions

Procurement policy and procedures manuals include the requirement to consider and assess modern slavery in procurement activities. During tender evaluation 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 form part of the evaluation risk considerations and value for money assessment. This includes:

- Contract management activities that, where applicable, review supplier Modern Slavery Statements (Statements) and monitor and update Modern Slavery Risk Management Plans (Plan).
- Tender and contract templates are updated to include the latest Commonwealth Modern Slavery clauses.
- Key existing service providers' Statements and Plans have been assessed, and in high-risk categories, service providers have been consulted on current practices to ensure they have appropriate company policies in place governing modern slavery. These contracts are being varied to include modern slavery obligations.
- Training modules are readily available to all staff and reminders to key procurement areas are issued to drive uptake of the eLearning modules. Continued monitoring of uptake is taking place.
- Key Procurement staff undertake training, attend forums and committees to ensure they are kept up to date on matters relating to the combat of Modern Slavery.

## Effectiveness

The Procurement and Legal teams within agencies, supported by external legal advisors as appropriate, will continue to assess and monitor the risks of modern slavery in proposed tenders prior to release to market and any subsequent contracts prior to execution. This will inform any requirement for further development of guidance materials and associated training to specific groups of internal stakeholders that undertake procurements in high-risk areas.

Agencies will continue to monitor effectiveness of actions by:

- monitoring changes in awareness of modern slavery risks amongst staff
- continued communication with procurement and contract management staff
- ensuring training materials remain fit-for-purpose and are responsive to changing landscapes
- assessing responses from the modern slavery Supplier Questionnaire (where relevant)
- identifying modern slavery risks in current and future procurements, and
- managing modern slavery risks in contracts.

### Case Study

## Commercial Armoured Vehicle Fleet Management Contract

The Department of Foreign Affairs and Trade conducted an open approach to market to engage a service provider with the capability and experience to provide cradle-to-the-grave fleet management services for its fleet of Civilian Armoured Vehicles across the network of overseas posts.

During the tender evaluation process the competing vendors' supply chains were assessed from a capability/capacity perspective. Tenderers approach to Modern Slavery risks was included in the evaluation process but was not formally weighted in the tender evaluation. While Modern Slavery is prevalent in all regions, the risk is higher in some regions than others. The successful tenderer has production facilities located across North America, Europe and the Arab states, in countries which have received positive ratings for their policies and response to Modern Slavery (according to the Global Slavery Index <https://www.globallslaveryindex.org/>).

The contract between the Department and the supplier includes clauses which introduce obligations with regards to modern slavery, prohibiting the vendor or their subcontractors from engaging in exploitative labour practices. Additionally, the contract requires the supplier to prepare and implement a Modern Slavery Risk Management Plan in relation to its performance of the contract. These clauses were not contested during negotiation and the suppliers Risk Management Plan will be reviewed regularly as part of normal contract performance reviews.

As the supplier has an annual turnover less than AUD\$100m they are not required to register a modern slavery statement in accordance with the *Modern Slavery Act 2018*. The Risk Management Plan will be the primary vehicle through which the Department will monitor the suppliers' approach to identifying and reducing the risk of Modern Slavery activities occurring in relation to supply chains associated with the delivery of services.



# Health



## Risks

The Department of Health and Aged Care, and 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 infrastructure projects and goods and services, to name a few.

In delivering these health outcomes there are inherent risks, including Modern Slavery in new and existing procurement supply chains.

Key identified areas of Modern Slavery Risk across the Health portfolio are:

- Personal Protective Equipment (PPE) – Following the announcement of the COVID-19 pandemic in 2020 the global supply chains for PPE were put under pressures not seen in recent history. Modern globalisation has funnelled the majority of PPE manufacturing into Asian regions where workers face higher risks of modern slavery, and this often occurs in locations with minimal regulation and oversight of general working conditions. The Health portfolio has purchased a significant amount of PPE over 2021–22 with suppliers from these regions.
- Construction – Globally, the construction industry employs a significant amount of low skilled labour, and often in difficult, poorly controlled conditions. The Department of Health and Aged Care has undertaken several major refurbishment projects across Australia in 2021–22.
- IT Hardware – Components of IT hardware are often manufactured in geopolitical regions with known human rights concerns. The main products procured are PC's and laptops, servers and network hardware and personal devices such as tablets, mobile phones, headsets etc.

## Actions

Across the Health portfolio in 2021–22 there has been a continued effort to promote awareness of modern slavery and the importance of understanding where risks are highest in our procurement activities.

Procurement templates for Requests for Tender, Evaluation and Contracts have been updated to include model clauses. Procurement officers engaging suppliers in key high-risk industries are introducing strategies to develop greater visibility of contract supply chains.

A recent example of this is an open tender undertaken by the National Medical Stockpile (NMS) for supply of PPE. Tenderers were asked to provide in their tender response's details of their supply chains and how they manage modern slavery risk. Most tender responses were able to provide detailed information, including

corporate modern slavery policy and in one case, a supporting report with photos of the manufacturing facilities and workforce conditions. This approach and responses received help the NMS to continue to develop its maturity in baselining tender requirements for future offshore manufacturing procurements.

To further support this commitment to modern slavery, the NMS will incorporate into the contracted reporting schedule, a requirement for each successful supplier to complete the modern slavery Supplier Questionnaire. This is anticipated to help the NMS mature its visibility of the industry through contracted suppliers and hopefully share this intelligence, from a data capture perspective, to help develop a better understanding of what works, and what might work in other procurement activities in high-risk industries.

## Effectiveness

While the Health portfolio is in the early stages of developing its maturity around modern slavery, indications are that agencies are introducing steps to improve staff awareness and understanding of modern slavery risk.

All agencies in the portfolio have adopted model clauses in relevant procurement activities and have access to the guidance material and procurement toolkit.

The Department of Health and Aged Care will undertake ongoing communications to staff encouraging uptake of the e-Learning modules along with reviewing procurement risk assessment tools to ensure modern slavery risk is better understood and applied. In addition to this approach to developing staff; awareness, ongoing review of identified high risk procurement categories, such as PPE, will provide a better understanding of the effectiveness of our targeted approach to monitoring modern slavery and inform changes to future procurement activities.

# Home Affairs

## Risks

During the reporting period, key risk areas for the Home Affairs Portfolio included cleaning and security services, construction, and areas where goods are manufactured offshore such as textiles and ICT Hardware Procurement. The Australian Border Force and the Australian Federal Police are some of the Government's key buyers of

uniforms, which sit in the high-risk category of textiles procurement. The AFP has also recognised potential risks within its security services, including engagement of foreign nationals to undertake security services and employment outside of awards overseen by the Fair Work Commission (Fair Work Act 2009).



## Actions

Procurement officers use a variety of tools and resources to assist them to consider modern slavery implications in procurements, such as: the toolkit of resources for Government procurement officers, the Government's online register for Modern Slavery Statements which allows supplier identification, the Government's e-learning modules on modern slavery in public procurement and the Government's Guidance for Reporting Entities.

Home Affairs' procurement guides contain information on developing a Statement of Requirement, including determination of business requirements, with consideration to modern slavery risks in the supply chain. The Department's standardised procurement templates include provision for modern slavery through the Tender Response form, which contains a modern slavery questionnaire for potential suppliers. Draft contract templates also contain model modern slavery clauses.

The AFP engages a single service provider for provision of National Security Guard and Patrolling services. The provider employs all security staff under an award overseen by the Fair Work Commission and in line with relevant State and Territory industry legislation.

AFP's uniform service provider provides a comprehensive list of its textile suppliers and manufacturers, including country of origin. These providers comply with ethical supply and

manufacturing through their membership and accreditations with Sedex Members Ethical Trade Audit (SMETA) and Ethical Clothing Australia (ECA), and ensure their subcontractors are also accredited prior to engaging their services. Suppliers are reviewed and audited on an annual basis, with auditing of high-risk vendors individually.

ABF uniform suppliers source their cotton, wool and blended fibres from ethically sustainable sources and socially compliant organisations from the following countries: Australia, Sri Lanka, Germany, India, Pakistan, China (Zhejiang Province) and Vietnam. Suppliers are regularly audited and manufacture garments using certified and accredited factories that meet quality assurance accreditations on their employment and environmental processing standards, in particular in relation to modern slavery and use of child labour practices. One of the ABF's major uniform distributors undertake regular compliance visits to overseas suppliers factories and conducts inspections and assesses suppliers based on a number of factors, including: responses to questionnaires and third party ethical audit reports; evaluation for certification to ethical standards such as SA8000 or Worldwide Responsible Accredited Production (WRAP); copies of audit reports to allow any incidents of non-compliance to be followed up. It is also a requirement that these suppliers meet the fundamental human rights conventions as identified by the International Labour Organisation.

## Effectiveness

Home Affairs is currently developing an assurance procedural instruction for reviewing compliance with modern slavery obligations in procurement activities. The assurance instruction will be updated to include the recently developed Performance Review Framework which includes performance indicators, data sources and data collection methods to assess the impact of activities implemented to help identify and mitigate modern slavery risks in supply chains.

In relation to textiles procurement, ABF ensures that documented policies and procedures that

establish controls and framework for managing broader human rights and the risk of modern slavery within supply chains are met; and 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. ABF continues to identify and manage modern slavery risks in current and future procurement and contracts. AFP ensures suppliers have robust policies with regards to modern slavery and comply with SMETA audits and accreditation with Ethical Clothing Australia.

# Industry, Science, Energy and Resources

## Risks

The department predominantly procures from existing panel arrangements (Standing Offer Notices) established by other agencies. The department has a central procurement advisory team who check the validity of the supplier in terms of modern slavery protocols. The agency also relies on the relevant panel managers whether they are internal or external to the department to undertake a Modern slavery risk assessment as part of their evaluation of suppliers in their value for money assessment of the initial tender response documentation In-line with the procurement

framework. The department's procurement team use the modern slavery resources that are available including the Government's online register for Modern Slavery Statements. This allows the team to identify if the current preferred supplier in a panel procurement process have been identified as a risk or not.

There are very few procurements undertaken for textile and investment services and therefore represent very low risk for non-compliance with the *Modern Slavery Act*.

## Actions

The Portfolio has incorporated within its procurement guidelines and templates, instructions on how to assure adherence with the Modern Slavery policies and principles. It has communicated requirements via departmental intranet's and is in the process of creating training

material for use by procurement officers. This includes a communication strategy and delivery of workshops on the subject. Agency procurement staff assist with identifying any Modern Slavery risks is procurement activities as part of its due diligence and framework assurance role.

## Effectiveness

Agency procurement staff monitor higher risk procurement activities where a panel approach is not used – i.e. limited or open tender process:

- Training materials continue to be reviewed and updated regularly and remain fit-for-purpose and responsive to change;
- Modern slavery risks may be identified in current and future procurements through the input of the Annual Procurement plan and its updates;

- Staff manage modern slavery risks in contracts; and engage where appropriate with suppliers on their modern slavery risks inclusive of subcontracting and supply chain arrangements.



# Infrastructure, Transport, Regional Development and Communications

## Risks

Non-Corporate Commonwealth Entities (NCCs) in the Infrastructure, Transport, Regional Development, Communications and the Arts portfolio (collectively called 'the portfolio') conducted a risk assessment for operational activities and suppliers where the likelihood and impact of known modern slavery risk factors were considered, with particular regards to sectors in which modern slavery has been found to take place.

The risks assessed included:

- **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. This is of particular concern in areas of subcontracting and outsourcing where visibility and control is reduced.

In conducting this assessment, it is acknowledged that:

- Visibility of modern slavery practices in downstream supply chains is limited.
- Modern slavery risks will change over time as operational needs change and our understanding of supply chains improve.

## Actions

The portfolio is committed to supporting the Commonwealth's initiative in identifying and addressing modern slavery risks in procurement activities. The agencies in the portfolio use a range of controls to ensure that procurement activities do not increase or contribute to the risk of modern slavery.

These controls include:

- 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, including model source information and modern slavery clauses in tendering documentation and contracts;
- including specific modern slavery legislative requirements in contract terms and conditions;
- leveraging on whole of government purchasing agreements, including stationery, major office machines, travel and fleet leasing, to drive positive change in downstream supply chains;

- links to the Modern Slavery Act (Cth) 2018 and to external and internal guidance is available on agency intranets;
- procurement training includes the application of modern slavery risk management processes, aimed at those with purchasing authority; and
- robust contract management and monitoring of major contracts.

Agencies within the portfolio continue to raise awareness to modern slavery through education. Information sessions are held with staff overseeing contracts and programs in categories considered to be at higher risk of modern slavery (i.e. property maintenance and cleaning, building and construction services, office supplies and information technology services) to ensure awareness. Agencies within the portfolio continue to develop their maturity in relation to downstream supply chain oversight.



## Effectiveness

The portfolio is committed to continually maturing and improving its approach to managing modern slavery risk. Agencies in the portfolio assess the effectiveness of actions in modern slavery by using risk framework methodology.

Over the next twelve months, each agency will focus its attention to increasing awareness and education across its operations and supply chains to find more effective ways to identify modern slavery risks and mitigate those risks with preventative measures. This may include:

- ensuring officials use Commonwealth standards and practices which include safeguards and mechanisms to reduce the risk of exposure to modern slavery in procurement processes;
- progressing staff training and awareness raising and carrying out targeted capability building for people with key supply chain responsibilities – particularly in high risk categories;
- actively collaborating with other Commonwealth entities on modern slavery issues to inform better practice and a consistent, common approach across government;
- undertaking, where possible, consultation with suppliers in high risk categories so as to foster a collaborative approach to managing supply chain modern slavery risks;
- reviewing information submitted by potential suppliers during procurement activities, and by engaged suppliers throughout the contract lifecycle; and
- reviewing where possible, information submitted by suppliers in relation to performance of contract obligations, including compliance with legislation and employment arrangements to ensure effectiveness.



# Prime Minister and Cabinet

## Risks

The Prime Minister and Cabinet (PM&C) portfolio is developing a targeted approach to identifying and assessing modern slavery risks in the procurement supply chain. The portfolio is raising awareness amongst staff of modern slavery risks in sectors considered to be high-risk for modern slavery in the supply chain.

The portfolio's highest risk sectors by value and volume for 2021–22 included:

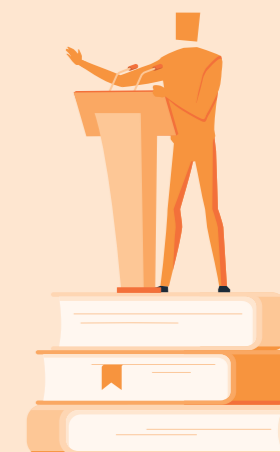
- ICT (including ICT hardware)
- Property Management Services (including cleaning services)
- Building, Construction and Support and Maintenance and Repair Services

The majority of high-risk activities including ICT and Property Management Services are procured through Whole-of-Australian-Government arrangements including the BuyICT- Hardware Marketplace and the Property Services Coordinated Procurement.

A smaller number of contracts were procured within the following high-risk sectors:

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

Overall, the Portfolio 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.



## Actions

The PM&C portfolio regularly reviews all procurement policies and procedures, including the application of Modern Slavery considerations. The PM&C portfolio is assessing the extent to which Modern Slavery risks are assessed and model clauses are integrated into contracts, where required. PM&C is a member of the Interdepartmental Committee on Modern Slavery in Public Procurement. Following consultation within the portfolio, the following commitments have been identified for the 2022–23 financial year. PM&C Portfolio entities will:

- promote the Modern Slavery Toolkit and eLearning Modules among staff.
- include modern slavery risks in procurement risk assessments as required.
- consider the Modern Slavery model clauses and include them in non-CCS contract templates and work orders, as required, according to the level of risk identified.
- promote awareness of the Modern Slavery Statements Register and consider the profile of the supplier relating to modern slavery compliance ([modernslaveryregister.gov.au](https://modernslaveryregister.gov.au)).
- participate in the Interdepartmental Committee on Modern Slavery in Public Procurement.

## Effectiveness

The PM&C portfolio will monitor and assess the effectiveness of the following measures periodically throughout the 2022–23 reporting period including the extent to which PM&C portfolio entities are:

- raising awareness and use of the Modern Slavery Toolkit and eLearning modules among procurement staff and staff procuring goods and services in high-risk sectors
- incorporating modern slavery risks into procurement risk assessments in high-risk sectors
- incorporating modern slavery model clauses into contracts to appropriately address modern slavery risks
- engaging with suppliers to raise awareness of the online Modern Slavery Statements Register including checking and encouraging compliance.
- participating in the Interdepartmental Committee on Modern Slavery in Public Procurement.

# Social Services

## Risks

The Social Services Portfolio consists of the following Non-Corporate Commonwealth entities: the Department of Social Services, Services Australia, the National Disability Insurance Scheme (NDIS) Quality and Safeguards Commission, and the Australian Institute of Family Studies.

The Portfolio's supply chains involve a diverse range of products and services, provided by a wide variety of suppliers through contractual agreements. The Portfolio operates in a devolved procurement model, where business areas are responsible for contracts that they are managing, and the assessment of potential risks for Modern Slavery. Modern Slavery risks are considered on a procurement by procurement basis using guidance provided by the ABF. Additional contractual clauses and reporting requirements may be included, as required.

Across the Portfolio, the highest categories, by contract value, relate to the following United Nations Standards and Product Services Codes:

- ICT and Computer services;
- Telephony services;
- Property leases and rentals; and
- Temporary personnel/recruitment.

The Portfolio procures security guarding and cleaning services under the whole-of-government Property Services Coordinated Procurement (PSP) panel arrangement. The Australian Government utilised the Cleaning Accountability Framework to develop a risk assessment to better understand risks in the PSP panel. Doing so will further support Government entities in understanding Modern Slavery risks in this high-risk area.

One key risk mitigation processes implemented by the Portfolio during the 2021–22 financial year was to continue driving awareness raising of Modern Slavery risks when undertaking procurement and managing contracts.

Across the portfolio in the 2021–22 financial year, approximately 73% of all active procurements were undertaken using existing panel arrangements.



## Actions

During the 2021–22 financial year, agencies under the Social Services Portfolio undertook the following actions in support of identifying potential Modern Slavery risks:

- Establishment of a Portfolio Procurement Cross Agency Working Group (CAWG) to improve consultation and knowledge sharing between agencies on all elements of procurement. This approach supports all agencies to identify better ways to embed Modern Slavery considerations and risk identification/mitigation when undertaking procurement.
- To drive broader awareness, the Department of Social Services and the NDIS Quality and Safeguards Commission have embedded the ABF training modules within their respective internal learning platforms. It is expected that all officers involved in procurement will complete the training modules.
- All officers undertaking procurement processes are provided advice and guidance around the consideration of potential Modern Slavery risks.
- The Portfolio agencies will be working together going forward to target training in higher risk areas, including ICT, Property/Construction, Security and Textiles.
- Services Australia have a contract in place for the provision of a managed uniform service. The contract includes key performance indicators, mandatory adherence to Modern Slavery training and a Risk Management Plan requirement, that is actively monitored via a Contract Management Plan.
- During the 2022–23 financial year, Services Australia are initiating a program of work to develop a Modern Slavery risk profile for existing, high value ICT hardware suppliers, by:
  - familiarising ICT hardware contract managers and existing suppliers with Modern Slavery risk identification; and requesting existing and future, high value ICT hardware suppliers complete a Modern Slavery questionnaire.

## Effectiveness

- The Portfolio regularly reviews all procurement policies and procedures, including the application of Modern Slavery considerations.
- Awareness of the Modern Slavery requirements have increased across the portfolio, evidenced by the creation of the Portfolio CAWG.
- Across the Portfolio, 89 staff have completed one or more of the ABF Modern Slavery online training modules, with all officers in the Department of Social Services central procurement advisory unit having completed all ABF Modern Slavery training modules.
- Services Australia have recently engaged a training provider to develop a new procurement and contract management training module, including on the Procurement Framework. Services Australia will consider Modern Slavery risk identification and management within the context of their training materials.
- The ABF Modern Slavery team provided detailed training to the Portfolio CAWG.

# Treasury

## Risks

The Treasury continues to build on its risk capability in the procurement space to address Modern Slavery. Based on purchasing activity in 2021–22 the area of highest risk in the department's supply chain is the ICT Hardware category. The management of risks across Modern Slavery high-risk categories is an area of potential concern as there is normally no exposure or direct contact with third party suppliers. In particular, the manufacturing of ICT hardware products is one area where the department has no visibility.

The ABS recognises the sectors and geographic locations with known modern slavery risks. The main risk of modern slavery in supply chains for the ABS is the category of ICT with the product specific risk being hardware (laptops, printers) when sourced overseas from China and Malaysia.

During the 2021–22 financial year the ACCC had a small number of procurements in the high-risk modern slavery categories: textiles; construction; ICT hardware; and Cleaning and Security.

APRA's procurement spend is relatively small compared to some of the larger agencies in the Treasury portfolio, with more than 80% of contracts being below \$200k in value. APRA has identified the IT hardware and cleaning services categories as carrying the greatest risk.

ASIC encounters risk of Modern Slavery in its procurement of IT hardware, guarding services and cleaning services.

ATO's categories of highest spend are ICT related services and outsourced contact centre services. Due to ATO security requirements, these services are delivered wholly within Australia, mitigating much of the potential modern slavery risk in these areas.

The Royal Australian Mint's primary observed risks associated with modern slavery practices are those relating to raw material inputs into the manufacturing process. Associated risks relate to the supply chain that input into the supply of raw materials from suppliers and the delivery of product to customers.

The Australian Office of Financial Management, Commonwealth Grants Commission, Inspector-General of Taxation, Office of the Australian Accounting Standards Board, Office of the Auditing and Assurance Standards Board and Productivity Commission are smaller agencies with lower risk procurement.

## Actions

Key actions taken across the Treasury Portfolio throughout 2021-2022 include:

- Treasury's procurement team has undertaken work specific to improving the way Modern Slavery requirements are managed and communicated, including: Implementation of a mandatory Modern Slavery question in the department's procurement approval documentation; Use of request for quote and contract templates consistent with Modern Slavery requirements; Update of procurement process documentation alerting staff to the Modern Slavery toolkit and highlighting of Modern Slavery high risk areas; and Update of mandatory e-learning module to include Modern Slavery in the department's Learning and Development system.
- The ABS includes modern slavery as part of procurement policy, and processes with a risk assessment undertaken in regard to the risk of modern slavery in supply chains for every procurement undertaken, with a value of \$10,000 and more. This assessment and the requirement for the assessment to be undertaken is imbedded into standard templates (procurement plans/spending proposals). A compliance/gateway review process is undertaken by the Central Procurement Team at regular intervals throughout the life of a procurement, with documentation is signed off by the approving delegate. The Procurement Team also take the opportunity to discuss and promote risk of modern slavery and educate procurers, especially in high-risk categories, with training and tools highlighted. Risks are discussed with relevant suppliers at the time of contracting to raise visibility and improve transparency and raise awareness. Due diligence is undertaken on suppliers, such as organisational statements and policies, using the Modern Slavery Register and other.
- The ACCC has: developed procurement guidance and templates, including a checklist to assist officials with assessing modern slavery risks in the procurement process; engaged

a third-party provider to help assess current processes and integrate modern slavery considerations within procurement practices; required staff in high-risk procurement areas to complete the modern slavery e-learning modules; integrated modern slavery clauses into the procurement process; integrating modern slavery considerations into existing training materials and guidance; and attending modern slavery workshops by procurement officials.

- APRA's contract and tendering templates have been updated with clauses referring to the modern slavery policy, and the procurement team provides specific advice to business areas if a contract carries a higher risk.
- ASIC has implemented mandatory training; prepared template clauses to include in relevant contracts and approach to market documentation; advised evaluation teams on how to assess supplier information on how they manage Modern Slavery risk; and briefed the senior executive within ASIC on how they will be expected to demonstrate that they have managed the risk of Modern Slavery under the Act in line with Commonwealth expectations.
- ATO have been raising awareness of modern slavery risks by including modern slavery issues in training; providing information on ato.gov.au about modern slavery obligations when contracting with the ATO for current and potential vendors (link also included in tender documentation); and including modern slavery clauses in a refreshed suite of procurement templates, including conditions of tender, draft deed and draft work order.
- The Royal Australian Mint have identified the entities that present the most risk. These entities identified are the focus of a vendor management improvement program to develop closer and more collaborative relationships in order it better identify and work with suppliers to eliminate modern slavery risks. A key part of this program has been to establish regular site visits and a program of knowledge sharing.

## Effectiveness

Key measures of effectiveness within the Portfolio include:

- Through Treasury's management and review of procurement activities greater than \$10,000 (GST Inclusive) the Treasury successfully monitors and manages compliance with Modern Slavery requirements. To further enhance compliance with Modern Slavery, a mandatory question has been added to the department's procurement approval form covering this requirement, thus enabling greater visibility of compliance through reports run out of our Financial Management System. The approval form also covers the management of, and engagement with risk across the procurement lifecycle.
- Procurers within the ABS are more aware of and assess and consider the risk of modern slavery which has now become embedded in procurement processes as 'standard practice'. The risk screen tool is used in procurement processes to consider: sector and industry risks; product and service risks; geographic risks; and supply chain model risks. Training tools and resources are used and referenced, procurement processes and contracts are regularly reviewed and updated to align with policy requirements. Collaborative and open relationships with suppliers improves transparency regarding own and downstream supply chains and actions to support policy.
- The ACCC is still in the process of identifying actions it can take to identify modern slavery risks, the agency is currently determining ways to measure and assess the effectiveness of these actions. This will include methods such as monitoring changes in awareness of modern slavery risks amongst staff, performing regular reviews on high value procurements, ensuring procurement guidance and training material are kept up to date, working with contract managers to identify lessons learnt and seeking feedback from the contract manager and supplier on effectiveness.
- APRA's contract management practices have been implemented to ensure monitoring of risks throughout the engagement; Standard templates are periodically reviewed and updated; and panel terms and conditions are reviewed by APRA legal prior to engagement to ensure terms and conditions align with standard requirements.
- ASIC procurement services has ensured that: all ASIC team members with a procurement role have undertaken the compulsory training including new members as they join the team; training attendance is recorded in ASIC's learning system, LearnHub, with learning refreshment automated; standard contract and Approach to Market clauses addressing Modern Slavery are periodically reviewed by an internal legal advisor and specific legal advice provided in relevant procurements; refresher presentations to the senior executive are scheduled so that incoming executive are included. ASIC is currently implementing reform in contract management practice which will include monitoring of risks such as Modern Slavery.
- ATO has seen increased awareness of the issues surrounding modern slavery. Stakeholders in the various procurement portfolios are increasingly aware of their modern slavery obligations as well as the requirement to maintain supplier awareness of modern slavery, particularly at the senior executive level. As contracting activities evolve, modern slavery is now a topic of contract managers' discussions with suppliers, which are aimed at maintaining cost effective relationships with suppliers whilst also ensuring their compliance with modern slavery and other requirements.
- The Royal Australian Mint undertakes multiple tiers of audits and controls testing across all aspects of its activities. These include, but are not limited to, ANAO annual financial and performance audits, internal financial and performance audits. The Royal Australian Mint also undertakes annually, external audits of the integrated management system including quality and environmental management.



# Parliamentary Departments

## Risks

The Department of Parliamentary Services have identified the following potential risks with regard to modern slavery conditions:

- Workers in Australia or overseas may be paid incorrectly by contractors. In some circumstances, underpayment may lead to modern slavery.
- Modern slavery may occur because PSPs do not implement adequate processes to ensure contractors and subcontractors adhere to relevant clauses under the Deed for the Arrangements.
- Workers, particularly migrant workers, may have been exploited through modern slavery because they may not be fully aware of, or comfortable, claiming their legal rights and entitlements.
- Transport and logistics industries supporting construction may use workers exploited through modern slavery, including due to their demand for base-skill and inexpensive labour.
- The construction of assets in Australia or overseas, such as infrastructure, may involve raw materials that may have been produced using modern slavery, such as bricks and recycled steel.



## Actions

Services procured by the Department of Parliamentary services are done so under WoAG or Panel arrangements on the Digital Marketplace. Market sellers have obligations under the Marketplace's Common Category Terms and Statement of Requirements to identify, assess and address modern slavery risks in their supply chains and operations.

DPS' Request for Tender documentation requests for 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 evidence of exploitation in its supply chain after conducting a reasonable examination of its supply chain.

DPS has included proportionate information on modern slavery in its procurement documentation

(Request for Tender, Risk management plan template etc) and on DPS intranet for procurement officers to familiarise themselves with the Act and ways to identify and address issues if any identified when running procurement activities.

The Department of Parliamentary services Quality Management 'Sourcing and Contract Management' intranet page will be updated to include links to the 'Modern Slavery Toolkit for Government Procurement officers: [https://modernslaveryregister.gov.au/resources/Modern\\_Slavery\\_Toolkit\\_of\\_Resources.PDF](https://modernslaveryregister.gov.au/resources/Modern_Slavery_Toolkit_of_Resources.PDF), along with the Department of Finance reference to Modern Slavery Clause bank. These links will provide information and guidance for staff procuring goods and or services for the Parliamentary Departments and Authorities.

## Effectiveness

The modern slavery consideration must be regularly communicated to the relevant business areas to reinforce our obligations under the legislation.

We will continually assess the effectiveness of our actions in identifying and managing modern slavery risks by: tracking our actions and outcomes, partnering with suppliers and other external partners, and undertaking regular internal governance and external assurance processes.

# Looking ahead to assessing and addressing modern slavery risks

During this reporting period, the Government progressed its planned program of work under the *Discovery Phase*, as outlined in the diagram below. The focus during this reporting period was largely on risk identification and visibility, which took place through partnership with industry experts and close consultation with NCCEs across Government. During this reporting period, the

Government also focused on awareness-raising and building proficiency across NCCEs, as well as information gathering on how procurement is being undertaken across NCCEs to understand how to best integrate modern slavery mitigation strategies. The Government has committed to undertaking an audit of its procurement procedures and supply chains, which will enable the Government to further



understand its areas of high-risk. Future reporting periods will discuss the implementation and outcomes of this audit.

The Government is now transitioning towards the *Implementation Phase*, with the aim of implementing recommendations made in this reporting period to strengthen mitigation strategies and engage more closely with suppliers. As the Government progresses its response, it will continue to review its effectiveness each reporting period and ensure the planned program of work aligns with the Government's goal of continuous improvement in its response to modern slavery.

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

- commence work on an audit of the Government's procurement procedures and supply chains;
- integrating modern slavery risk mitigation directly into Whole of Australia Government Arrangements for procuring goods or services, which many NCCEs utilise to streamline procurement of various goods and services;
- increasing focus on supplier engagement, through direct engagement with key Government suppliers and through development of guidance in relation to supplier engagement;
- implementing recommendations from risk assessments relating to high-risk areas, where appropriate;
- considering effectiveness of current tools and resources available to procurement officers; and
- furthering work on remediation of modern slavery cases at the Commonwealth level, including through consultation with industry experts, to inform the Government's Modern Slavery Response Protocol.

As the Government progresses its response, it will continue to review its effectiveness each reporting period and ensure the planned program of work aligns with the Government's goal of continuous improvement in its response to modern slavery.

# Mandatory Criterion 6: Consultation

In developing the 2021-22 Commonwealth Modern slavery Statement, the Australian Government worked in consultation with 98 NCCEs to assess and address modern slavery risks on a Portfolio level. This response was coordinated by the Modern Slavery and Human Trafficking Branch in the ABF as the whole-of-government domestic policy lead on modern slavery during the reporting period.

The primary mechanism for consultation on this modern slavery statement was the Government's Interdepartmental Committee on Modern Slavery in Public Procurement (IDCPP), which is comprised of over 30 different NCCEs, and includes membership from each lead portfolio agency. The IDCPP drives the strategic direction of the Government's response to modern slavery,

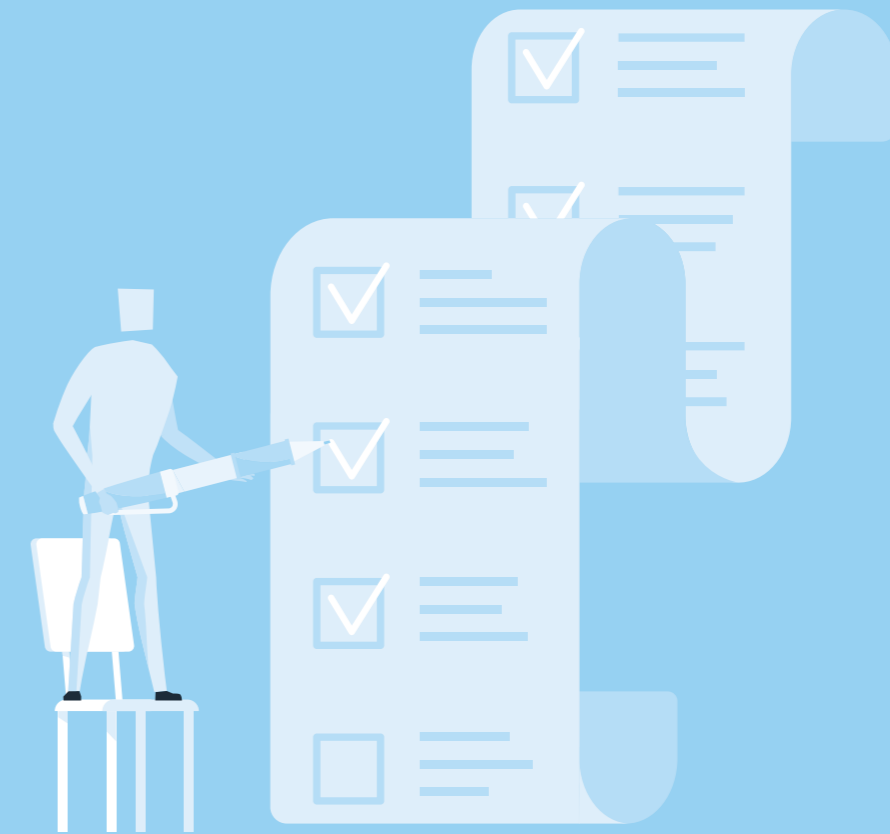
including the specific actions discussed in this Commonwealth Statement.

Over the reporting period, NCCEs were consulted through meetings of the IDCPP, as well as through regular correspondence to disseminate information and resources across government and seek feedback. ABF also facilitated a whole-of-government workshop on modern slavery, where over 20 agencies joined to discuss their progress, good-practice responses and areas of future focus.

Each lead portfolio agency then ensured consultation took place with the additional NCCEs within its portfolio, to ensure this Commonwealth Statement accurately captures and reflects the risks, actions and measures of effectiveness.



# Mandatory Criterion 7: Related activities



Section 16(1)(g) of the Modern Slavery Act 2018 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.

The Government has a comprehensive, whole-of-government approach to combating modern slavery and slavery-like practice. This response is guided by the *National Action Plan to Combat Modern Slavery 2020–25* (National Action Plan), which sets out the strategic framework for Australia's response to modern slavery over five years. The National Action Plan outlines 46 action items that address the full cycle of modern slavery crimes: Prevent; Disrupt, Investigate and Prosecute; Support and Protect; Partner; and Research.

During the reporting period, the Government also launched the *International Engagement Strategy on Human Trafficking and Modern Slavery* (International Engagement Strategy), strengthening Australia's strategic cooperation with partners to detect, prevent and respond to these crimes. Both the National Action Plan and International Engagement Strategy outline Australia's vision of a future where no one is subjected to modern slavery and the human rights of all people are valued equally.



## Key work undertaken during 2021–22

Below is an overview of key work undertaken by the Government during the reporting period to address modern slavery in Australia and internationally:

- Launching a statutory review of the Modern Slavery Act's operation and effectiveness over its first three years.
- Launching Australia's International Engagement Strategy on Human Trafficking and Modern Slavery: Delivering in Partnership, which guides Australia's whole-of-government international efforts to end human trafficking and all forms of modern slavery in our region and globally.
- Continuing to build and enhance the region's response to human trafficking, including as co-chair, with Indonesia, of the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime, which in 2022 marks 20 years since its establishment. Activities of the Bali Process included the Government and Business Forum Consultation sessions on the garment and electronic sectors, and the Working Group on Trafficking in Persons Regional Webinars on Combatting Trafficking in Persons in the COVID-19 Recovery phase.
- Ratifying the Protocol of 2014 to the Forced Labour Convention, 1930 (the Forced Labour Protocol) on 31 March 2022, and progressing ratification of the *Minimum Age Convention, 1973 (C138)*.
- Awarding a total of \$1.67 million to seven organisations under round one of the National Action Plan Grant Program.
- Administering a dedicated support program for victim-survivors of human trafficking and other forms of modern slavery, including people in, or at risk of, forced marriage.
- Supporting businesses to meet their reporting obligations under the Modern Slavery Act through providing targeted guidance and support via a dedicated and government unit.
- Responding to the Senate Foreign Affairs, Defence and Trade Legislation Committee report: *Customs Amendment (Banning Goods Produced by Uyghur Forced Labour) Bill 2020*.
- Responding to the Joint Standing Committee on Foreign Affairs, Defence and Trade Report: *Advocating for the elimination of child and forced marriage*.
- Progressing 22 active prosecutions of human trafficking and slavery-related offences before the courts.
- Leading consultations to inform the development of a model for enhanced civil protection and remedies for individuals in, or at risk of, forced marriage.
- Consulting on the implementation of the Modern Slavery Act through key fora, including the MSEAG, National Roundtable, and Intergovernmental Network on Modern Slavery in Public Procurement.
- Tabling a report on the implementation of the Modern Slavery Act, covering the 2020 calendar year.
- Working with key partner countries in our region to strengthen law and justice frameworks and responses to combat human trafficking and other forms of modern slavery.
- Developing and delivering an awareness-raising campaign for World Day Against Trafficking in Persons 2021.
- Implementing the National Policing Protocol to Combat Modern Slavery, which guides cooperation between federal, state and territory law enforcement to detect and investigate modern slavery.
- Working with all Australian Police forces and Commonwealth front line responding agencies to adopt the AFP human trafficking awareness raising program 'Look a little deeper' in order to increase awareness of human trafficking and ensure a best practice response is provided.

# Acronyms and abbreviations

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<b>AAO</b>	Administrative Arrangement Order
<b>ABF</b>	Australian Border Force
<b>ABS</b>	Australian Bureau of Statistics
<b>ACCC</b>	Australian Competition and Consumer Commission
<b>The Act</b>	Australia's Modern Slavery Act 2018 (Cth)
<b>ADA</b>	Australian Defence Apparel
<b>ADF</b>	Australian Defence Force
<b>AFP</b>	Australian Federal Police
<b>AGD</b>	Attorney-General's Department
<b>APRA</b>	Australian Prudential Regulation Authority
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ATO</b>	Australian Taxation Office
<b>CAF</b>	Cleaning Accountability Framework
<b>Commonwealth Statement</b>	Commonwealth Modern Slavery Statement
<b>COVID-19</b>	Novel coronavirus
<b>DFAT</b>	Department of Foreign Affairs and Trade
<b>DTA</b>	Digital Transformation Agency
<b>DSS</b>	Department of Social Services
<b>Finance</b>	Department of Finance

<b>Framework</b>	Performance Review Framework
<b>ICT</b>	Information and Communications Technology
<b>IDCPP</b>	Interdepartmental Committee on Modern Slavery in Public procurement
<b>LEEP</b>	Lived Experience Engagement Program
<b>MSEAG</b>	Modern Slavery Expert Advisory Group
<b>MSII</b>	Modern Slavery Impact Initiative
<b>National Action Plan</b>	National Action Plan to Combat Modern Slavery 2020-25
<b>NCCEs</b>	Non-corporate Commonwealth entities
<b>OPO</b>	Overseas Property Office
<b>PPE</b>	Personal Protective Equipment
<b>PM&amp;C</b>	Prime Minister and Cabinet
<b>PSPs</b>	Property Service Providers
<b>Register</b>	Modern Slavery Register
<b>SES</b>	Senior Executive Service
<b>The Government</b>	The Australian Government
<b>Toolkit</b>	Modern Slavery Toolkit of Resources for Procurement Officers
<b>UNGPs</b>	United Nations Guiding Principles on Business and Human Rights
<b>WoAG</b>	Whole of Australian Government

