



Australian Government



Implementing the *Modern Slavery Act 2018*

The Australian Government's Annual Report
1 January 2020–31 December 2020

The second report of the Australian Government on the
implementation of the *Modern Slavery Act 2018*

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.

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Ministerial Foreword

Modern slavery is a global challenge, implicating millions of victims around the world. Many of those vulnerable to modern slavery practices exist in the supply chains of the goods and services we use every day. Modern slavery describes situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom. It is an important topic, and tackling modern slavery is a priority for the Australian Government. Part of Australia's response is the implementation of the landmark *Modern Slavery Act 2018* (the Act), which aims to increase transparency of modern slavery risks in the global supply chains of big business and to pave the way for continued improvement in addressing these risks.

As the Minister responsible for leading Australia's domestic response to modern slavery, I am proud to present this second Annual Report on Implementing the *Modern Slavery Act 2018* on behalf of the Australian Government. This report showcases the Government's work to implement the Act in the 2020 calendar year (reporting period). During this reporting period, there were a number of key milestones, including the first reporting deadline under the Act and the launch of the Government's Online Register for Modern Slavery Statements. The strong early response to the Act in 2020 was encouraging and demonstrates how the Act is driving business action to assess and address modern slavery risks, and delivering transparency for consumers and civil society. These milestones are an important first step under the Act in strengthening our response to modern slavery in our supply chains.

I have remained committed to supporting big business to meet its obligations under the Act, particularly through the challenges posed by the COVID-19 pandemic. In recognition of the impacts of COVID-19 on reporting entities, I granted a three month extension for all entities whose reporting periods ended on or before 30 June 2020. As we have seen, the challenges associated with COVID-19 have been prolonged and complex. I recognise the added pressure placed on many businesses but urge you to continue to develop your response to modern slavery risks. The pandemic has heightened the risk of modern slavery for many, including workers in our global supply chains.

Throughout the reporting period, the Government has also driven efforts to address modern slavery risks in its own operations and supply chains through the development of the Commonwealth *Modern Slavery Statement 2019-20* (Commonwealth Statement). The inaugural Commonwealth Statement sets the foundation for government action to address modern slavery risks in its high-risk areas and establishes a clear direction for future action.



Throughout 2020, I have remained firm in my commitment to driving implementation of the Act through strong and lasting collaboration with business, civil society and academia. The establishment of the Government's Modern Slavery Expert Advisory Group (Expert Advisory Group) was a key achievement for the Government during the reporting period. The Expert Advisory Group was established to provide strategic advice to the Government on the implementation of the Act as it relates to both business and government.

Other key achievements during the reporting period include:

- providing timely support and guidance to reporting entities in the wake of COVID-19;
- launching the world's first government-run Online Register to house modern slavery statements;
- supporting the submission of approximately 479 modern slavery statements through the Online Register;
- preparing and publishing the first Commonwealth Statement on behalf of all 98 non-corporate Commonwealth entities;
- developing a Modern Slavery Toolkit of Resources for procurement officers;
- monitoring compliance and promoting good-practice under the Act; and
- assisting approximately 500 entities through the Government's online helpdesk.

In 2020, the Government launched its new *National Action Plan to Combat Modern Slavery 2020-25* (National Action Plan). The National Action Plan sets out the strategic framework for the whole-of-community approach to addressing modern slavery and human trafficking crimes in Australia. There are 46 action items in the National Action Plan that the government has committed to delivering over the next five years, including a number of commitments that relate to the implementation of the Act. This once again highlights the Government's commitment to combating modern slavery in global supply chains.

I look forward to continuing to spearhead the Government's implementation of the Act. This is an important piece of legislation that will continue to grow in influence and reach.

The Hon Jason Wood MP

Assistant Minister for Customs, Community Safety and Multicultural Affairs

Introduction

Australia's *Modern Slavery Act 2018* (the Act) entered into force on 1 January 2019, marking a new era of transparency in the goods and services we purchase every day in Australia. In 2020, the Act moved beyond its introduction and into the first phase of its implementation, cementing itself as world-leading transparency legislation.

Consistent with the Government's commitment to monitoring the ongoing effectiveness of the Act, this second Annual Report details the Government's actions to implement the Act over the 2020 calendar year (reporting period). This work was led by the Modern Slavery Business Engagement Unit (MSBEU) in the Australian Border Force (ABF), which was established in January 2019 to oversee the implementation of the Act and compliance with the Act's Reporting Requirement.

In 2020, the first entities submitted modern slavery statements which were published by the Government on a central, public register, providing an unprecedented window into the operations and global supply chains of businesses spanning more than 20 industry sectors. The Government also released its first *Commonwealth Modern Slavery Statement 2019-20* in December 2020, which details the actions the Commonwealth is taking to assess and address its own modern slavery risks across its procurement and investment activities.

The actions taken by the Government throughout 2020 in support of these key milestones builds on the actions undertaken in 2019 across four key work streams:

- Supporting entities to understand their compliance obligations under the Act;
- Awareness-raising and promoting best-practice responses to modern slavery;
- Developing and maintaining an Online Register for Modern Slavery Statements; and
- Combating modern slavery risks in public sector procurement.

The Government continues to take a collaborative and proactive approach to implementing the Act. Drawing on industry and government expertise has helped shape the Government's approach to awareness-raising, developing targeted guidance, and supporting overall compliance with the Act over 2020.

KEY WORK STREAMS



Supporting entities to understand their compliance obligations under the Act, including by developing and maintaining detailed guidance materials.

Objective: To ensure reporting entities are aware of and comply with their obligations under the Act.



Awareness-raising and promoting best-practice responses to modern slavery, including through domestic and international engagement activities.

Objective: To assist reporting entities, suppliers, civil society and consumers understand the purpose of the Act, how modern slavery can manifest in supply chains, and assist entities take meaningful action to assess and address modern slavery risks in their global operations and supply chains.



Developing and maintaining an Online Register for modern slavery statements.

Objective: To ensure modern slavery statements are housed in a single location which is accessible to the public and easily searchable.



Combating modern slavery risks in public sector procurement, including through collaboration with international and domestic counterparts.

Objective: To ensure the Australian Government leads by example in assessing and addressing modern slavery risks in its procurement and investment activities, including through the development of the Commonwealth modern slavery statement.

Overview of key implementation outcomes achieved in 2020



Supporting entities to understand their obligations under the Act

- Developed a suite of detailed, practical guidance notes in response to emerging compliance trends.
- Responded to more than 500 requests for assistance from businesses, academics and the public.
- Responded to the emergence of COVID-19 and the impact on reporting entities by extending reporting deadlines.



Awareness-raising and promoting best-practice responses to modern slavery

- Conducted over 30 face-to face and virtual awareness raising workshops and presentations to assist businesses.
- Established the Expert Advisory Group with representatives from business, academia, specialist non-government organisations, and key peak bodies.
- Held four meetings of the Expert Advisory Group to provide strategic advice to Government on the implementation of the Act.



Developing and maintaining an Online Register for modern slavery statements

- Established the Online Register for Modern Slavery Statements (Online Register) which hosts all statements submitted by entities reporting under the Act.
- Published the first two tranches of modern slavery statements required of businesses reporting under the Act.
- Supported the submission of approximately 479 modern slavery statements to the Online Register.



Combating modern slavery risks in public sector procurement

- Published the Government's first Commonwealth Modern Slavery Statement detailing the Australian Government's efforts to combat modern slavery in its operations and supply chains.
- Released an interactive training module for Government procurement officers' to assist them in identifying, assessing and managing modern slavery risks.

Work Stream One: Supporting entities to understand their compliance obligations under the Act

The Government is committed to working with business, industry and other reporting entities to support them to comply with the Act. During 2020, the Australian Border Force MSBEU continued to drive this support through a number of activities.

In recognition of the significant impact COVID-19 had on reporting entities during 2020, the Government extended the legislated deadline for all entities by an additional three months if the reporting period for those businesses ended on or before 30 June 2020. These extensions were designed to assist entities in meeting their reporting obligations, by providing them with time to assess changing modern slavery risks and prepare their first modern slavery statements.

The MSBEU continued to respond to individual inquiries through its email help-desk for reporting entities available at slavery.consultations@abf.gov.au. Through this help-desk, entities are able to seek direct assistance and advice on their obligations under the Act.

To further support entities to comply with the Act, the MSBEU presented at a number of face-to-face and virtual workshops with representatives from a range of business, academic, and civil society organisations to provide targeted information on modern slavery reporting requirements. In response to emerging compliance trends and issues as the first entities began to submit their modern slavery statements, the MSBEU developed further guidance materials to assist entities with submitting compliant modern slavery statements. In 2020, six new guidance notes were developed and published:

- **Official Modern Slavery Act 2018 Guidance:** to guide reporting entities on how to develop a modern slavery statement;
- **Government Procurement Officer Toolkit:** for use by Australian Government procurement areas, this toolkit includes a questionnaire for suppliers; recommended contract clauses; and a public scoping paper. All these materials aim to minimise modern slavery risks while purchasing goods and services;
- **COVID-19 Information Sheet:** providing guidance around the impact of the pandemic on modern slavery risks; and how entities can reduce the risk of vulnerable workers in their operations and supply chains;
- **Modern Slavery Infographic:** to provide key information about the types of products and services reporting entities may engage that have high modern slavery risks;
- **Modern Slavery Act Reporting Update:** this provides reporting entities with a description of good practice trends and areas for improvement the MSBEU identified from the first tranche of modern slavery statements; and
- **Signature of a Responsible Member and Principal Governing Body Approval Guide:** which explains to reporting entities how to clearly show approval from both their principal governing body and signature of a responsible member.

Over 2020, MSBEU's engagement with the business community focused on supporting them to understand their compliance obligations under the Act. Over 2021, as entities move towards submitting their second modern slavery statements, it is expected that engagement will focus on supporting continuous improvement and best-practice reporting.

KEY ENGAGEMENT DURING 2020



Responded to over 500 requests for assistance through the free email-helpdesk maintained at slavery.consultations@abf.gov.au.



Provided reporting entities with information on good-practice trends and areas for improvement identified in the first two tranches of statements.



Held four meetings of the Expert Advisory Group.



Published 6 additional guidance documents to the Online Register in order to assist reporting entities.

CASE STUDY

Modern Slavery Expert Advisory Group

On 25 May 2020, the Assistant Minister for Customs, Community Safety and Multicultural Affairs, the Hon. Jason Wood, established the Expert Advisory Group. The Expert Advisory Group was established to provide strategic advice to Government to support the effective implementation of the Act and drive best-practice responses to eradicate exploitation in Australia's supply chains.

The Expert Advisory Group brings together business, civil society and academic experts with practical knowledge and expertise in combating modern slavery. Over 2020, it met four times and provided advice on a number of topics including: possible remediation frameworks for businesses when instances of modern slavery are identified; how reporting entities are adapting their operations and supply chains to meet the reporting requirements set out in the Act; and the development of the *Commonwealth Modern Slavery Statement 2019-20*.

The Expert Advisory Group will continue to support the Government in driving effective implementation of the Act over 2021.

Work Stream Two: Awareness-raising and promoting best-practice responses to modern slavery

The Government continued to raise awareness of the Act and promote best-practice responses to modern slavery.

This awareness raising focused on ensuring that businesses were aware of their reporting obligations set out under the Act and could produce a modern slavery statement of the highest quality for their level of resources. To assist with these goals, the MSBEU worked closely with entities who intended to submit statements by December 31 which was the first major reporting deadline set out under the Act.

The Government also engaged with a number of industry peak bodies and representative groups to allow members from those organisations to promote good practice behaviours from their members. These groups represented a number of major business sectors including technology, construction, mining, and financial services.

During the 2020 reporting period, Government officials presented at 32 workshops and forums across Australia and overseas. While originally these presentations were in person, the COVID-19 pandemic necessitated that all engagements from March 2020 onwards were held virtually to ensure social distancing requirements were followed.

A list of the workshops is detailed below:

VICTORIA

- Law Council of Australia Migration Law Conference

NEW SOUTH WALES

- Chartered Accountants of New South Wales – Modern Slavery Event
- Modern Slavery Act Awareness Workshop – Sydney
- Sydney Legal Roundtable
- Telco Together forum
- Law Council of Australia Migration Law Conference
- Baker McKenzie Panel

INTERNATIONAL

- Regional Forum on Forced Labour in Kuala Lumpur
- Panel discussion at United Nations Forum on Business and Human Rights

VIRTUAL

- Global Compact Network Australia Community of Practice Forum
- Regional Forum on Forced Labour
- Presentation to Western Australia mining companies collaborative group
- Modern Slavery Reporting for Importers & Exporters Webinar, Australian Trade & Logistics Corporation
- Walk Free Briefing on 'Protecting People in A Pandemic' Report
- Clean Energy Council Webinar
- Norton Rose Fulbright Webinar
- Chartered Accountants Forum
- Update to Clean Energy Council
- Australian Dialogue on Business and Human Rights organised by the Global Compact Network Australia
- Fair Supply
- Presentation to Property Council Modern Slavery Working Group
- Global Compact Network Australia Community of Practice
- Presentation to New Zealand based reporting entities, co-presented with Walk Free
- Presentation to Bali Process Government and Business Forum Financial Sector Consultation
- Keynote Sedex conference speech
- International Organisation for Migration/Deloitte webinar
- Australian University Procurement Network
- Organisation for Economic Co-operation and Development Policymakers Roundtable on Due Diligence Regulatory Developments
- Legal consultation roundtable
- Workshop for Commonwealth Corporate Entities required to report under the Act
- Home Affairs Industry Summit
- Minerals Council of Australia briefing
- Chartered Institute of Procurement & Supply webinar
- Global Compact Network Australia Community of Practice

Work Stream Three: Developing and maintaining an Online Register of modern slavery statements

In developing the Act, the Australian Government committed to developing and maintaining an Online Register for Modern Slavery Statements to house all modern slavery statements submitted under the Act. The Government's Online Register was launched on 30 July 2020 and is the only online, government-run website of its kind in the world. It is accessible at <https://modernslaveryregister.gov.au>.

The Online Register ensures all statements are publicly accessible and searchable in a single location. This provides users with an unprecedented window into the operations and global supply chains of businesses based or operating in Australia.

Over the 2020 reporting period, the MSBEU worked with business and civil society to ensure the Online Register was user-friendly and easy to access, including through consultation and user testing. This feedback was incorporated into the initial design of the Online Register, and also informed a series of enhancements that were made over the latter half of 2020.

Statements uploaded to the Online Register are fully keyword searchable and can also be searched by key categories, including; sector, revenue level, and country where the entity is headquartered.

The Online Register also has a 'help and feedback' function which is monitored by the MSBEU. Entities can use this function to request assistance in submitting their modern slavery statement, seek advice on particular obligations under the Act or provide feedback on the Online Register. Over 2020, the MSBEU had responded to more than 200 questions submitted through the Online Register. By 31 December 2020, the Online Register had been searched almost 50,000 times.

In 2020, the MSBEU supported the submission of 479 modern slavery statements through the Online Register. By 31 December 2020, 255 number of statements had been published. These statements covered entities headquartered in over 12 countries.

The MSBEU publishes all statements submitted through the Online Register that meet the approval and signature requirements of the Act. This means that just because a statement is published on the Online Register does not mean that it has addressed the mandatory criteria set out in the Act. This approach maximises public transparency and assists civil society, consumers and other interested stakeholders to see the extent to which entities are responding to their obligations with respect to combating modern slavery in their operations and supply chains.

The Online Register also hosts all the guidance materials and support documents that the MSBEU has produced to support reporting entities. These are available under the 'News and Resources' tab.

Work Stream Four: Combating modern slavery in public sector procurement

The Government is committed to strengthening its response to modern slavery risks in the operations and global supply chains of the Commonwealth. During the reporting period, the Government worked in close consultation with non-corporate Commonwealth entities (NCCEs) to undertake its reporting obligations under the Act and strengthen the Government's response to modern slavery risks in its own procurement and investment activities. Throughout 2020, there was a focus on outreach amongst NCCEs to raise awareness of modern slavery risks in public sector procurement and the Government's obligations under the Act. The Government also focused on equipping government officials undertaking procurements, particularly in high-risk areas, with tools and resources to help integrate modern slavery considerations into existing processes.

The below table highlights key work undertaken by the Government during the reporting period to address modern slavery risks in the operations and global supply chains of the Commonwealth.



Published the first Commonwealth Modern Slavery Statement on behalf of all NCCEs, covering the 2019-20 Australian financial year.



Launched a Modern Slavery Toolkit of Resources, intended to equip government procurement officers with foundational tools to address modern slavery in government procurement.



Published model modern slavery contract clauses for inclusion in government procurement contracts.



Published introductory online training for government procurement officials on modern slavery indicators.



Delivered briefings to NCCEs and government networks on integrating modern slavery considerations into procurement processes.



Convened meetings of the Interdepartmental Committee on Modern Slavery in Public Procurement to drive the development of the Commonwealth Statement and the Government's broader strategic response to modern slavery risks in Commonwealth supply chains.



Developed an information sheet for government officials, providing information on modern slavery, the Act, actions the Government is taking and information on what procurement officers can do.



Convened meetings of the Textiles and Construction thematic working groups to inform government action in these high-risk sectors of procurement.



Sought nominations for officials from all state and territory governments to participate in an Intergovernmental Network on Modern Slavery in Public Procurement. This Network will drive action to address modern slavery at all levels of government.



Developed an information sheet for suppliers on modern slavery, setting out government expectations of suppliers around modern slavery and outlining available government support.

CASE STUDY

Model Modern Slavery Contract Clauses

During the reporting period, the Government developed a suite of model modern slavery contract clauses for inclusion in government procurement contracts to ensure suppliers respond to modern slavery risks and support the Government's efforts to address modern slavery risks in its own supply chains. The clauses were drafted for use with the Commonwealth Contracting Suite templates when applicable.

Building modern slavery risk considerations into standard contract terms provides an opportunity for NCCEs to monitor supplier actions systemically as part of established contract management processes, and to use the potential material breach of contract to initiate dialogue and engagement with the supplier.

The clauses have graduating obligations that NCCEs can select from depending on the modern slavery risk profile of the procurement. NCCEs are encouraged to include these clauses, where appropriate particularly in large-scale and/or high-risk procurements. They are available on the Modern Slavery Register and are included in the Department of Finance's Commonwealth [ClauseBank](#), a bank of pre-drafted contract terms and conditions that NCCEs may use in procurements greater than \$200,000.

Looking ahead

The Government will continue its work to implement the Act and support business compliance in future reporting periods. The below table highlights specific actions the Government will focus on during the 2021 calendar year.



Supporting entities to understand their obligations under the Act

- Deliver information sessions and workshops to business and government on their response to addressing modern slavery risks.
- Review and publish all statements properly submitted in the first full reporting cycle, which concludes on 30 June 2021.
- Commence the assessment of statement compliance with the Act after the first full reporting cycle has concluded.
- Run information workshops with reporting entities to prepare them for the development of their second modern slavery statements.



Awareness-raising and promoting best-practice responses to modern slavery

- Review modern slavery statements submitted under the Act and providing targeted feedback to entities where appropriate.
- Consult the Expert Advisory Group on approaches to supporting reporting entities.
- Develop additional guidance for reporting entities on areas where modern slavery statements appear to not meet compliance expectations.
- Monitor and assess compliance trends.



Developing and maintaining an online register for modern slavery statements

- Enhance the Online Register to ensure it continues to be fit for purpose and meet the needs of reporting entities and other users.



Combating modern slavery risks in public sector procurement.

- Undertake a risk assessment detailing modern slavery risks in key shared textiles to the Government.
- Undertake a risk assessment detailing modern slavery risks in key shared construction suppliers to the Government.
- Develop educational resources for procurement officers on the risks of modern slavery in the Government's procurement of cleaning services.
- Develop a detailed supply chain mapping of key shared ICT hardware suppliers to the Government.
- Develop a risk assessment detailing modern slavery risks in the Government's ICT hardware supply chains.
- Develop a Modern Slavery Rapid Response Framework to provide guidance to officials undertaking large-scale, rapid procurements.
- Develop further online modern slavery training modules for government procurement officials.
- Establish a cross-government thematic working group on ICT hardware procurement to progress work to address modern slavery risks in the procurement of these goods.
- Commence development of model modern slavery tender clauses to complement existing model contract clauses.
- Develop a Monitoring and Evaluation Framework for assessing the effectiveness of actions taken under the Commonwealth Statement.
- Establish a State and Territory Network on Modern Slavery in Public Procurement as a mechanism to share resources and information across different levels of government.

