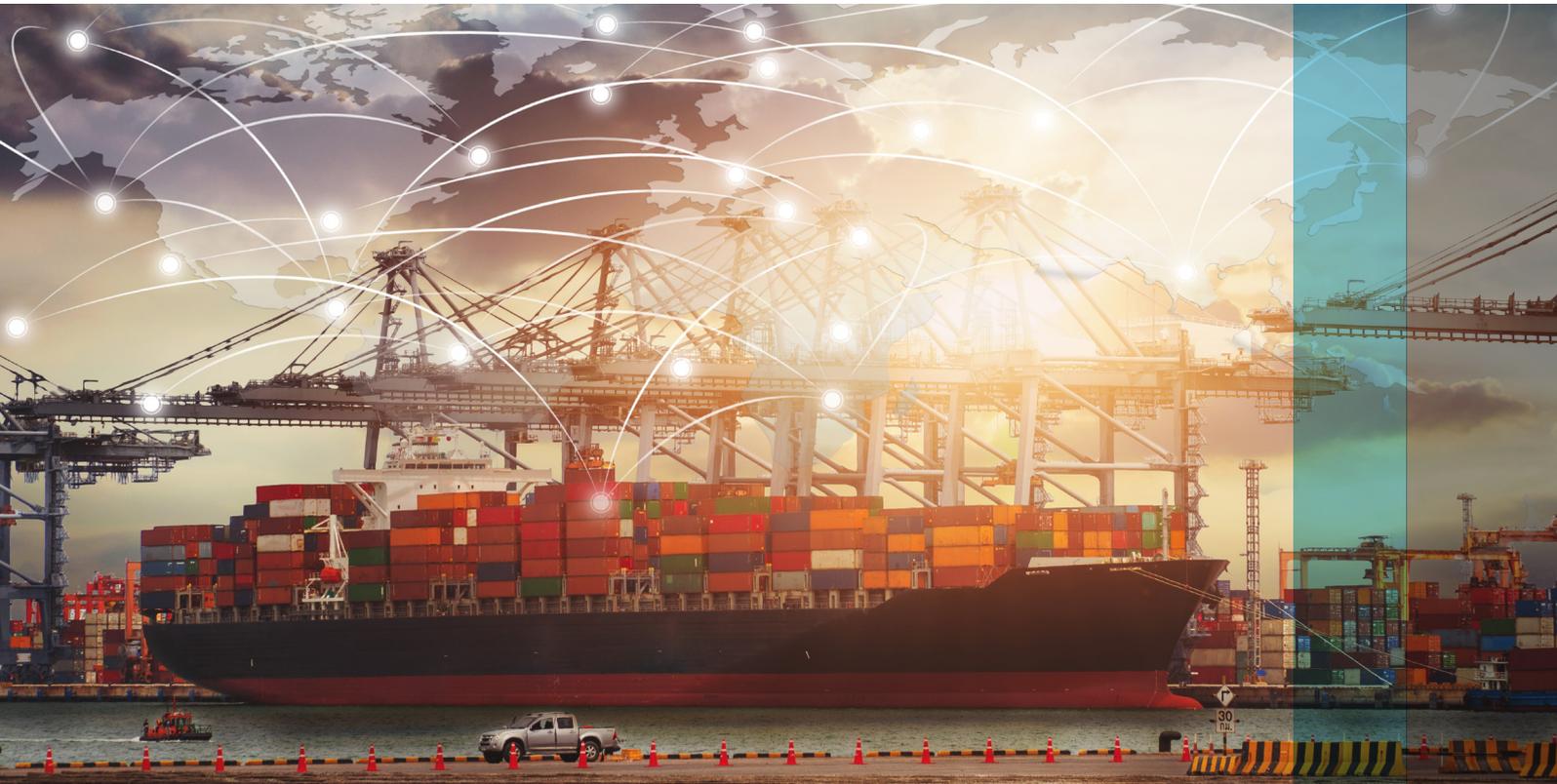




Australian Government



# Implementing the *Modern Slavery Act 2018*

The Australian Government's Annual Report  
1 January–31 December 2019

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

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## Ministerial Foreword

Modern slavery is an abhorrent crime that violates the personal freedom and dignity of vulnerable people around the world. Tragically, many victims of modern slavery are exploited in the supply chains of the goods and services we use every day. The United Nations estimates that over 40 million people are trapped in modern slavery and 16 million people are exploited in private sector supply chains. Australia is not immune from modern slavery. The Australian Institute of Criminology estimates that between 2015 and 2017 there were up to 1,900 victims of modern slavery in Australia.

The Australian Government is taking an international leadership role in the fight against modern slavery through our world-leading *Modern Slavery Act 2018* (the Act). This important legislation aims to combat modern slavery by holding large businesses and other organisations publicly accountable for how they manage their global supply chains. The Act represents the latest addition to the Government's response to combating modern slavery, including human trafficking. It complements the development of a new National Action Plan to Combat Modern Slavery.

As the Minister responsible for leading Australia's response to modern slavery, I am pleased to provide this report highlighting our work to implement the Act in 2019. These efforts underscore the Government's commitment to combating modern slavery in supply chains in collaboration with business and civil society. The biggest impact in the fight to end modern slavery is when governments, businesses, civil society and other stakeholders collaborate and work together to tackle this serious crime. I am committed to driving this partnership with the community.

The Government is delivering the implementation of the Act through a specialist Modern Slavery Business Engagement Unit, which was established on 1 January 2019. Key achievements over 2019 include:

- convening Australia's first national modern slavery conference for 400 delegates from 18 countries
- developing detailed guidance for reporting entities in consultation with business and civil society experts
- undertaking an extensive awareness-raising program involving over 40 events and workshops
- establishing an online helpdesk that assisted almost 250 entities, and
- commencing the development of the Australian Government's own Commonwealth modern slavery statement, explaining how we are addressing modern slavery risks in our own procurement and investment activities.



I am committed to building on our achievements over 2019 to ensure the Act drives meaningful, long-term change in global supply chains.

Over 2019, the Government focused on raising awareness about modern slavery and the Act with the business community and building entities' capacity to understand and address their modern slavery risks. As entities begin reporting under the Act from 2020, our focus will shift to monitoring compliance and promoting best practice responses.

In December 2019, I was pleased to announce two important new initiatives to support our ongoing implementation of the Act.

The first initiative is the establishment of a Modern Slavery Expert Advisory Group to provide strategic advice to Government on the implementation of the Act, including business outreach, the development of the Commonwealth modern slavery statement, and the review of the Act three years after entry into force.

The second initiative is the creation of a Modern Slavery Recognition Scheme to enable Government to formally recognise individuals, businesses and other organisations that demonstrate excellence in innovation or collaboration to combat modern slavery in supply chains.

I look forward to implementing these two initiatives in 2020 and to continuing to work within our communities to ensure that there is no place for modern slavery to hide in the supply chains of our goods and services.

### **The Hon Jason Wood MP**

Assistant Minister for Customs, Community Safety and Multicultural Affairs

# Introduction

The *Modern Slavery Act 2018* (the Act) entered into force on 1 January 2019 and is a milestone in Australia's response to modern slavery.

Modern slavery describes situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. This includes exploitive practices such as servitude, forced labour and debt bondage. The Act aims to combat modern slavery in the global supply chains of Australian goods and services by establishing a Modern Slavery Reporting Requirement (Reporting Requirement) for large business and other entities. The Reporting Requirement requires entities operating in the Australian market to prepare annual statements explaining their actions to address modern slavery risks in their global operations and supply chains. In a world-first, the Australian Government is also required to report under the Act.

This is the first report provided to the Parliament detailing the Government's actions to implement the Act and covers the 2019 calendar year (reporting period). Under Section 23A of the Act, the Government must report annually to the Parliament on its actions to implement the legislation, including by providing an overview of compliance by entities and identification of best practice modern slavery reporting.

This report focuses on the key actions taken by the Government to implement the Act over 2019 through key work streams: advising and supporting reporting entities; awareness raising and promoting best-practice; developing an online modern slavery statement register; and combating modern slavery risks in public sector procurement. This work was led by the Modern Slavery Business Engagement Unit in the Australian Border Force (ABF), which has been established to oversee the implementation of the Act and compliance with the Reporting Requirement.

Throughout 2019 the Government took a collaborative and proactive approach to implementing the Act. This has helped maximise reporting entities' awareness of their legislative obligations and build the business community's understanding of modern slavery risks. Future reports to Parliament will include information and analysis of compliance trends and best-practice reporting as entities begin reporting under the Act from 2020.

Figure 1: Key outcomes in 2019

This infographic outlines key implementation outcomes achieved during the 2019 reporting period. These include:



# Overview of the Australian Government's approach to implementing the Modern Slavery Act

The Government has worked collaboratively with the business community and civil society to implement the Act. This work was led by the Modern Slavery Business Engagement Unit in the ABF.

In 2019, the Government focused on implementing the Act through four work streams. This report details the key steps taken to implement the Act through each of these work streams.

Figure 2: Government's key work streams in implementing the Modern Slavery Act



Figure 3: Government's key principles for implementing the Modern Slavery Act

The Government is committed to taking a best-practice approach to implementing the Act. This infographic explains the four key principles that the Government is using to guide its actions.



# Work Stream One: Supporting entities to understand compliance obligations

The Australian Government is committed to providing clear guidance and support to entities required to comply with the Act.

Many entities in the Australian market do not have previous experience complying with human rights reporting legislation or assessing and responding to modern slavery risks. Over the reporting period, the Government worked proactively with the business community and civil society to explain its expectations for compliance and provide practical guidance for reporting entities about how to meet their obligations under the Act. This included engagement and outreach activities targeted to high risk sectors for modern slavery.

During the reporting period, the Government delivered the following key outcomes:



**Responding to over 240 businesses requesting assistance to comply with the Act through a free email helpdesk function at [slavery.consultations@abf.gov.au](mailto:slavery.consultations@abf.gov.au).**



**Writing to cohorts of likely reporting entities to inform them of their reporting obligations and provide key resources and guidance material.**



**Collaborating with the business community and civil society to develop detailed guidance for reporting entities, which was released in September 2019.**

In 2020, the Government will continue to focus on engagement with reporting entities to support them to address their modern slavery risks. The Government will also develop additional guidance to address specific challenges for reporting entities, including to support entities to assess modern slavery risks as part of their COVID-19 response.

## CASE STUDY

### Commonwealth Modern Slavery Act: Guidance for Reporting Entities

In 2019, the Government developed comprehensive guidance for reporting entities about the Act. The **Commonwealth Modern Slavery Act: Guidance for Reporting Entities** (Guidance) provides detailed, step-by-step information for entities on how to comply with the requirements set out in the Act. The Guidance also highlights examples of best-practice, provides practical advice about assessing and addressing modern slavery risks, and directs entities to further available resources. The Guidance provides the most detailed information about modern slavery prepared by a Government to date and aligns with key international standards, including the United Nations Guiding Principles on Business and Human Rights and the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises.

The Government developed the Guidance in close collaboration with a wide range of stakeholders. The Government worked with an expert drafting group comprised of 13 business, academia and civil society representatives to develop an initial draft version of the Guidance, which was published in March 2019 for stakeholder feedback. The Government subsequently received 40 written submissions and also sought comments directly from key stakeholders. As a result of these consultations, the Government refined key areas of the guidance, including to clarify definitions of key terms such as operations and supply chains and provide practical examples about the application of the Act to key sectors, such as investors.

The Government subsequently launched an updated version of the Guidance at a meeting of the National Roundtable on Human Trafficking and Slavery on 25 September 2019. The Government has actively promoted the Guidance through relevant business and civil society networks and peak bodies.

## CASE STUDY

### Providing reporting entities with direct assistance

The Modern Slavery Business Engagement Unit (the Unit) provides a free email helpdesk function for entities to seek general advice from Government about the Act and their reporting obligations. Entities can access this helpdesk by emailing [slavery.consultations@abf.gov.au](mailto:slavery.consultations@abf.gov.au).

During the reporting period the Unit received over 240 emails from entities seeking support and advice about reporting under the Act. The Unit responded to these enquiries by providing written guidance and, where appropriate, convening teleconferences or direct meetings to discuss key issues.

Frequently asked questions received by the Unit over 2019 included:

- queries about the reporting periods and deadlines for statements under the Act,
- questions about how to structure statements and what level of detail is required, including whether the Government has a template for statements,
- queries about how entities should lodge their modern slavery statements,
- requests to clarify the requirements set by the Act, including whether entities are required to certify that they are slavery-free,
- queries about the application of the Act to various entity types and corporate structures, including whether the Act applies to foreign parents that do not directly carry on business in Australia, and
- questions about whether a reporting can entity rely on a supplier's modern slavery statement or whether further due diligence is required.

## Work Stream Two: Awareness-raising and promoting best-practice

The Australian Government undertook a range of initiatives to raise awareness of the Act and promote best-practice responses to modern slavery.

Modern slavery in supply chains is a new and complex issue for many businesses and other entities. Over the reporting period, the Government focused on raising awareness about modern slavery in supply chains and fostering collaboration and information sharing. The Government also worked closely with investors and other service providers to support them to engage with investees and clients about modern slavery risks and promote best-practice responses.

In addition to presenting at forums organised by stakeholders, the Government convened four workshops across Australia. These workshops included presentations about the Act, as well as speakers from businesses preparing to comply with the Act and interactive panel discussions. The Government also piloted a roundtable for legal practitioners advising clients about the Act to seek feedback about key implementation challenges.

The Government also worked with international partners to raise awareness about the Act and promote best-practice responses to modern slavery in supply chains. In 2019, the Government presented at the United Nations Forum for Business and Human Rights in Geneva and continued to drive regional responses to modern slavery through the *Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime*. This included co-hosting a *Bali Process Symposium on Supply Chain Transparency* in June 2019 to share good practices to address modern slavery in supply chains, ethical recruitment and worker protection and redress.

During the reporting period, the Government delivered the following key outcomes:



Hosting over 400 delegates from 18 countries at Australia's first Government-run Modern Slavery Conference.



Presenting about the Act at 40 awareness-raising events and industry forums across Australia and internationally.



Delivering four workshops in Perth, Hobart and Melbourne for approximately 200 businesses.

Over 2020, the Government will focus on promoting best-practice responses to modern slavery, as many reporting entities prepare to submit their first modern slavery statements. The Government will also focus on awareness-raising with sectors where awareness of modern slavery risks may remain low.

### CASE STUDY

#### National Modern Slavery Conference

On 26-27 June 2019, the Government hosted Australia's first national conference on modern slavery in Sydney: *Implementing Australia's Modern Slavery Act 2018—Knowing Your Supply Chain*. Over 400 delegates from 18 countries attended the conference, representing a cross-section of business, civil society, academia and government.

The conference aimed to raise attendees' awareness about the Act and equip them to respond to modern slavery risks in their operations and supply chains. The conference involved a series of keynote speeches and expert panel discussions on issues such as remediation and risk assessment to provide practical advice and guidance to entities. Speakers included experts from a range of industries, as well as civil society and academia, including: Apple, Adidas, Hilton, IKEA, Lendlease, Marks and Spencer, Nestlé, Rio Tinto, Transurban and Westpac.

The conference also featured a keynote address by the Secretary of the Department of Home Affairs, Mr Michael Pezzullo AO, which outlined Australia's commitment to taking a global leadership role in tackling modern slavery.



**Figure 4: 2019 Domestic and International Awareness-Raising**

During the 2019 reporting period, Government officials presented at the following workshops and forums across Australia and overseas:

2019 DOMESTIC AND INTERNATIONAL AWARENESS-RAISING	
<b>QUEENSLAND</b>	
<ul style="list-style-type: none"> <li>Australian Institute of Superannuation Trustees Conference</li> </ul>	
<b>VICTORIA</b>	
<ul style="list-style-type: none"> <li>United Nations Global Compact Roundtable</li> <li>Country Road Group Workshop</li> <li>Roundtable with Corporate Commonwealth entities</li> <li>Chemistry Australia Member Forum</li> <li>Government Modern Slavery Business Workshop</li> <li>Australian Government Industry Summit</li> </ul>	<ul style="list-style-type: none"> <li>Australian Accounting Standards Board Research Forum</li> <li>Business and Human Rights Sustainable Finance Conference</li> <li>Law Council of Australia Migration Law Conference</li> <li>Stop the Traffik Business Forums</li> </ul>
<b>NEW SOUTH WALES</b>	
<ul style="list-style-type: none"> <li>Australian Chamber of Commerce and Industry Roundtable</li> <li>NSW Law Society Panel</li> <li>Property Council Forum</li> <li>Responsible Fashion Summit</li> <li>Stop the Traffik Business Forums</li> <li>Australian Government Modern Slavery Conference</li> </ul>	<ul style="list-style-type: none"> <li>Australian Council of Superannuation Investors Member Briefing</li> <li>Financial Services Council Summit Panel</li> <li>Financial Sector Commission on Modern Slavery Briefing</li> <li>Australian Food and Grocery Council Workshop</li> <li>National Catholic Suppliers Seminar</li> </ul>
<b>AUSTRALIAN CAPITAL TERRITORY</b>	
<ul style="list-style-type: none"> <li>Law Council of Australia Immigration Law Conference: Modern Slavery</li> <li>Sustainable Agriculture Initiative presentation</li> </ul>	<ul style="list-style-type: none"> <li>Roundtable with Corporate Commonwealth Entities</li> </ul>
<b>WESTERN AUSTRALIA</b>	
<ul style="list-style-type: none"> <li>Two Government Modern Slavery Business Workshops</li> <li>Roundtable for Legal Practitioners</li> </ul>	<ul style="list-style-type: none"> <li>United Nations Global Compact Community of Practice Meeting</li> <li>Roundtable for academics</li> </ul>
<b>TASMANIA</b>	
<ul style="list-style-type: none"> <li>Australian Institute of Superannuation Trustees Conference 2019</li> </ul>	<ul style="list-style-type: none"> <li>Government Modern Slavery Business Workshop</li> </ul>

<b>UNITED NATIONS GENEVA</b>	
	<ul style="list-style-type: none"> <li>Presented at the United Nations Forum on Business and Human Rights</li> </ul>
<b>THE UNITED STATES OF AMERICA</b>	
	<ul style="list-style-type: none"> <li>Presented at the Responsible Business Alliance Annual Conference</li> </ul>
<b>UNITED KINGDOM</b>	
	<ul style="list-style-type: none"> <li>Presented at an international forum on modern slavery risks and public procurement</li> </ul>
<b>BELGIUM</b>	
	<ul style="list-style-type: none"> <li>Convened a roundtable for European Union businesses and peak bodies</li> </ul>
<b>SINGAPORE</b>	
	<ul style="list-style-type: none"> <li>Presented to a roundtable with the global shipping industry</li> </ul>
<b>MALAYSIA</b>	
	<ul style="list-style-type: none"> <li>Presented at the Responsible Business Alliance Driving Responsible Recruitment in Asia Conference</li> </ul>

## CASE STUDY

### Collaboration with the investor sector to combat modern slavery

During the reporting period, the Government engaged in a number of collaborative initiatives with industry and civil society to raise-awareness of the Act and support reporting entities to comply with their obligations under the Act.

For example, in 2019, the Government worked with the Australian Council of Superannuation Investors (ACSI) and the Responsible Investment Association Australasia (RIAA) to support the development of **guidance for investors** about reporting under the Act. This investor-specific guidance provides a framework for investor reporting and includes comprehensive information for investors. The introduction to the guidance includes a message from the Unit about the important role investors have to play in combating modern slavery.

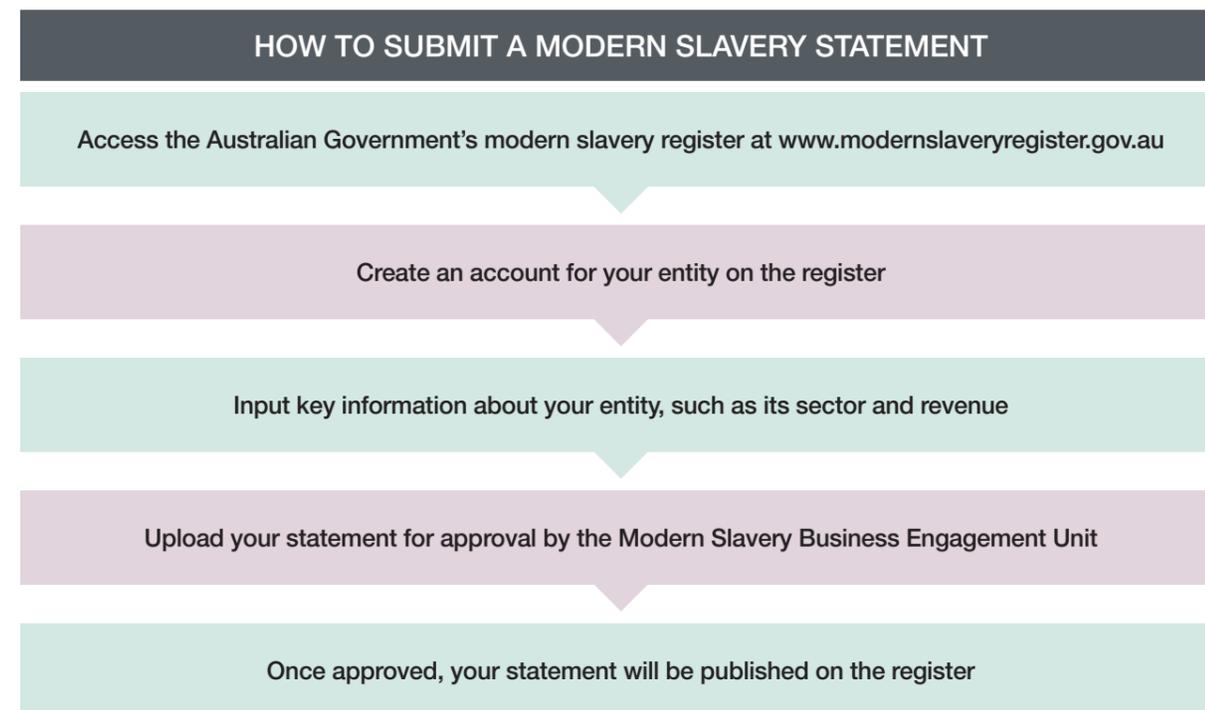
## Work Stream Three: Developing and administering an online central register for statements

The Government is developing an online central register to house all modern slavery statements submitted in accordance with the Act. The register will be the world's first Government-run register for modern slavery statements. The register will be publically accessible and easily searchable.

During the reporting period, the Government commenced the procurement process to develop the register and consulted with key stakeholders about ways to maximise its functionality. The Government is focused on ensuring the register includes comprehensive search options and is easily accessible for a range of users.

The Government will launch the register in 2020 and has established a stand alone domain name [www.modernslaveryregister.gov.au](http://www.modernslaveryregister.gov.au). This will assist ensuring that the register is easy to find. The infographic below explains how entities will submit their modern slavery statements through the register.

Figure 5: How to submit a modern slavery statement



## Work Stream Four: Combating modern slavery in public sector procurement

The Government recognises that public sector procurement can include significant modern slavery risks and is committed to leading by example in the global fight against modern slavery.

Around the world, Governments and international organisations are increasingly taking steps to combat modern slavery risks in their procurement. In 2019, the Government helped drive action to address modern slavery risks in public sector procurement by collaborating with international and domestic counterparts to strengthen global responses. The Government also took steps to assess and address modern slavery risks in its own operations and supply chains as part of the development of the first Commonwealth modern slavery statement.

During the reporting period, the Government delivered the following key outcomes:



**Commencing the development of the first Commonwealth modern slavery statement, including establishing an interdepartmental committee to coordinate Government actions to assess and address modern slavery risks and developing a detailed Concept Note and action plan to identify key risk areas and guide the development of the statement.**



**Promoting best-practice principles for Governments to combat modern slavery in supply chains, which were developed by Australia, Canada, New Zealand, the United Kingdom and the United States. The Government chaired a meeting of Government representatives to discuss implementation of the principles in Sydney in June 2019 and participated in similar meetings in London in March 2019 and Washington DC in October 2019.**



**Sharing expertise and best-practice responses to modern slavery with key Government counterparts overseas, including relevant United Kingdom and United States agencies. The Government also worked closely with the New South Wales Interim Anti-Slavery Commissioner to identify opportunities for collaboration.**

In 2020, the Government will continue its international leadership role and will release the first Commonwealth modern slavery statement. The Government will also increase its engagement with States and Territories to consider opportunities to address shared modern slavery risks.

# Looking Ahead

In 2020, the Government will continue to lead by example in the fight against modern slavery and work collaboratively with the business community and civil society to implement the Act.

Significantly, 2020 will see many reporting entities provide their first modern slavery statements under the Act through the Government's online register.

2020 will also be shaped by entities' responses to the coronavirus pandemic (COVID-19), which has significantly disrupted global supply chains and increased modern slavery risks for vulnerable workers. The Government is working closely with reporting entities impacted by COVID-19 to support them to meet their legislative obligations and address new and changing modern slavery risks linked to the pandemic.

In December 2019, the Government announced two significant initiatives to support the implementation of the Act over 2020 and beyond: the establishment of a Modern Slavery Expert Advisory Group and a Modern Slavery Recognition Scheme. The Unit will establish these initiatives in 2020, while also continuing its existing work to implement the Act.

The Government's key 2020 priorities for implementing the Act are outlined below.

## Development of the first Commonwealth Modern Slavery Statement

The Unit will continue to work across Government to develop the first Commonwealth modern slavery statement, which is due to be published by 31 December 2020. The Commonwealth modern slavery statement will explain how the Government is assessing and addressing modern slavery risks in its procurement and investment activities.

## Establishment of the Modern Slavery Expert Advisory Group

The Unit will facilitate the establishment of the Government's Modern Slavery Expert Advisory Group. The Modern Slavery Expert Advisory Group will provide expert advice to Government on issues relating to the implementation of the Act, including options for business engagement, the development of the first Commonwealth modern slavery statement and the development of the Modern Slavery Recognition Scheme.

## Launching the online modern slavery register

The Unit will launch the online register for modern slavery statements in 2020. The register will ensure all modern slavery statements are publicly accessible and searchable and is the first Government-run website of its kind in the world.

## Establishing a Modern Slavery Recognition Scheme

The Government will establish a Modern Slavery Recognition Scheme (Recognition Scheme) to formally recognise individuals, businesses, or other organisations that demonstrate excellence in innovation or collaboration to combat modern slavery in supply chains. The Recognition Scheme will incentivise and highlight best-practice compliance with the Act.

## Monitoring compliance trends and promoting best-practice

The Government will closely monitor compliance trends as reporting entities submit their first modern slavery statements. The Government will also continue to engage with reporting entities and their suppliers to promote best-practice responses to modern slavery and raise awareness about modern slavery risks.

