



SCOPING PAPER: COMMONWEALTH MODERN SLAVERY STATEMENT

Introduction

Modern slavery refers to a range of serious forms of exploitation, including forced labour, debt bondage, human trafficking, and slavery. These practices are serious crimes, grave abuses of human rights and have devastating impacts on survivors

The Australian Government's (the Government) landmark *Modern Slavery Act 2018* (the Act) aims to change the way entities do business to reduce the risk that the goods and services we use every day are the product of modern slavery.

The Act requires the Government to prepare an annual modern slavery statement (Commonwealth Statement) explaining how the Government is assessing and addressing modern slavery risks in its global operations and supply chains. The Commonwealth Statement will be published on an online public register along with modern slavery statements submitted by businesses and not-for-profit entities required to report under the Act.

This scoping paper outlines how the Government will approach preparing its first Commonwealth Statement. The Government is committed to taking a best practice approach to complying with its obligations under the Act, including by publishing annual Commonwealth Statements that respond to all criteria under the legislation. The Government is also committed to developing responses to modern slavery in public sector supply chains that prioritise the best interests of survivors.

What timeframe will the Commonwealth Statement cover?

The first Commonwealth Statement will cover the 2019-20 Australian Financial Year and must be published by 31 December 2020.

What entities will be covered by the Commonwealth Statement?

The Government will prepare a single Commonwealth Statement covering all non-corporate Commonwealth entities (NCCEs). NCCEs are entities that are legally and financially part of the Commonwealth, such as government departments.¹

How is the Australian Government preparing the Commonwealth Statement?

The Australian Border Force (ABF) leads the Government's response to modern slavery and is responsible for implementing the Act. The ABF is also responsible for preparing the Commonwealth Statement.

¹ Corporate Commonwealth entities and companies that meet the revenue threshold for reporting set by the Act will prepare separate modern slavery statements. A list of NCCEs and corporate Commonwealth entities and companies is available here: <https://www.finance.gov.au/government/managing-commonwealth-resources/structure-australian-government-public-sector/pgpa-act-flipchart-list>

The ABF is working closely with key NCCEs to assess and address modern slavery risks through a formal interdepartmental committee and specialist inter-agency working groups focused on key issues.

The Government has also established a multi-stakeholder Modern Slavery Expert Advisory Group, which will provide strategic advice to Government on the development of the Commonwealth Statement and related issues.

How will the Commonwealth Statement address the impacts of COVID-19?

The Government recognises that the impacts of COVID-19 may increase the vulnerability of workers in global supply chains to modern slavery, including in Australia. In some cases, disruptions caused by COVID-19 will also limit the capacity of entities to assess and address modern slavery risks, including by preventing key activities, such as face-to-face training and supplier engagement and audits. The Government has released an [online information sheet](#) to support reporting entities to address the impacts of COVID-19 in their modern slavery statements.

Consistent with this guidance, the Commonwealth Statement will outline how COVID-19 has impacted the Government's supply chains and response to modern slavery. The Commonwealth Statement will also explain the steps taken by the Government to ensure it considered and addressed new or increased modern slavery risk factors linked to the pandemic.

What content will the Commonwealth Statement include?

The Commonwealth Statement will focus on key areas of modern slavery risk across the full range of Commonwealth Government procurement and investments, irrespective of the quantum or duration of the procurement or investment activity.

The Commonwealth Statement will be presented in PDF form and will address the **seven mandatory criteria** for content set out in the Act at a whole-of-government level. The text below sets out key content the Government will include in the Commonwealth Statement to report against each of these mandatory criteria.

Mandatory Criteria 1 and 2: Identify the Reporting Entity and Describe its Structure, Operations and Supply Chains

In response to Mandatory Criteria 1 and 2, the Commonwealth Statement will include an overview of the structure of the Commonwealth. It will also provide a general outline and statistical information about the quantum and focus of Commonwealth procurement and investment activities during the reporting period.

Mandatory Criteria 3: Describe the Risks of Modern Slavery Practices in the Operations and Supply Chains of the Reporting Entity

In response to Mandatory Criteria 3, the Commonwealth Statement will describe the **general risk areas** for modern slavery in the Commonwealth's supply chains and operations, including its investment activity. The Commonwealth Statement will also explain how COVID-19 may have increased modern slavery risks in some parts of the Government's supply chains. In this context, modern slavery risk means the risk of harm to people, and not the risk of damage or harm to the Commonwealth

To determine these risk areas, this section will refer to the specific known risk factors outlined in the Government's [guidance](#) for reporting entities. These include risks relating to particular geographic locations, sectors and industries, products and services, and entities.

This section will also outline how the Government is taking a **targeted, risk-based approach** to assessing and addressing modern slavery risks in its supply chains. This approach is consistent with the UN Guiding Principles on Business and Human Rights and means that the Government will focus its actions to address modern slavery risks on the highest risk areas.

These priority risk areas will include **textiles procurement, construction, cleaning services and investment activity**. This section will also acknowledge other potential lower priority risks, and outline the Government's plan for focusing on these risks in future.

Mandatory Criteria 4: Describe the Actions Taken By the Reporting Entity to Assess and Address Modern Slavery Risks

In response to Mandatory Criteria 4, the Commonwealth Statement will outline the actions the Government has taken over the reporting period to assess and address modern slavery risks.

This will include a range of overarching whole-of-government actions to combat modern slavery risks, such as the development of training materials for Commonwealth officers, policy commitments and contract clauses, supplier engagement activities, and procedures to respond to, and remediate, allegations of modern slavery. These procedures will prioritise the best interests of survivors or at-risk individuals. This section of the Commonwealth Statement will also explain how the Government has collaborated with experts to develop its response.

Where feasible, this section will also include case studies describing the implementation of key initiatives to respond to the priority risk areas identified. This may include outlining key steps taken to embed consideration of modern slavery risks in tender processes and contracts, as well as the delivery of training activities.

This section of the Commonwealth Statement will also outline how the COVID-19 pandemic has impacted the Government's supply chains and response to modern slavery risks, including supplier engagement and delivery of training.

Mandatory Criteria 5: Describe How the Reporting Entity Assesses the Effectiveness of These Actions

In response to Mandatory Criteria 5, the Commonwealth Statement will explain how the Government is assessing the effectiveness of its actions to assess and address modern slavery risks over time, including by tracking a range of qualitative and quantitative indicators.

This will include measures such as establishing performance indicators and regular review processes, as well as whole-of-government monitoring and data collection through the interdepartmental committee.

The Government recognises the importance of a continuous improvement approach to combating modern slavery risks and avoiding 'set and forget' responses. The first Commonwealth Statement will provide a strong foundation for future action and will set out a 'pathway to good practice' by providing a clear plan for the content and scope of future statements. This will include an outline of how the Government's work to assess the effectiveness of its actions will inform its future work and activities.

Mandatory Criteria 6: Describe the Process of Consultation with any Entities the Reporting Entity Owns or Controls

In response to Mandatory Criteria 6, the Commonwealth Statement will describe how NCCEs were consulted during the development of the statement, including through the interdepartmental committee and within individual portfolios. Many of the corporate entities owned or controlled by the Government will prepare their own modern slavery statements and so will not be directly covered by the Commonwealth Statement. The Government is working with these entities to support them to comply.

Mandatory Criteria 7: Provide any other Relevant Information

In response to Mandatory Criteria 7, the Commonwealth Statement will explain how the Government has engaged with international counterparts to promote action to address modern slavery risks in public procurement. This includes work with Canada, New Zealand, the United Kingdom and the United States to develop and promote best-practice principles to combat modern slavery in government supply chains. This section will also outline how the Government has engaged with New South Wales and other States and Territories in relation to modern slavery risks in public sector procurement. More broadly, this section will also include information about the Government's work to help ensure decent work in global supply chains, including through engagement in international and regional fora.