



Australian Parliamentary Inquiry into Combating Modern Slavery

Committee Secretary:

Joint Standing Committee on Foreign Affairs, Defence and Trade

Submission By: Malcolm Baird Vic - Tony Stokes Vic - Gillian Booth WA

Australian Members, Rotarian Action Group Against Slavery

Introduction Modern Slavery is a form of engineered greed over vulnerability in which victims are treated as commodities for commercial gain. It is alarming to understand that “There are more slaves on earth now than at any time in Human history.” (Stop The Traffic UK.) The Rotarian Action Group Against Slavery RAGAS, UK initiated, aims to create awareness in Rotary circles and the wider public of the plight of millions who are physically and mentally held in servitude as slaves. The causes, reasons, circumstances and the extent of modern slavery vary from country to country. The differences in culture, class structures, religions, ethics, corruption, economic structures and viable industries that prevail, can and have trapped millions in modern slavery. There are no standard or quick solutions for correction of this tragic situation while developed nations can take steps to help alleviate aspects of modern slavery domestically and internationally.

The Australian Parliament are to be commended for exploring whether and how Australian laws could be improved (referring to the UK Modern Slavery Act 2015) to restrict / curb modern slavery in Australia and in the supply chains of business organizations that operate in Australia.

The RAGAS fully supports and recommends the need for the Australian Parliament to legislate for a Modern Slavery Act to ensure;

- Large Organisations doing business in Australia make an annual statement, reporting on Supply Chain ethical sourcing policies and practices
- Public Reporting Register for Statements, enabling transparency
- Appointment of an Australian Anti Slavery Commissioner to assist in statement content and oversee compliance

Background

a. The main aim of human traffickers and slave masters ...is to make a profit in whatever ventures they are involved with. To achieve their aim, they will use any means whatsoever to protect their lucrative businesses. However, they will walk away if the venture stops making money. So putting pressure on these profits is a key strategy in the fight to eliminate modern slavery. As consumers we can put pressure on slavers' profits by only buying commodities which we know have not been made by slave labour.

b. It is not easy to identify slave produced goods.... Some slave-made goods such as jewellery, fireworks or carpets, come to us finished by slaves, but other products such as cocoa, steel or cotton, may involve slavery somewhere in raw resource procurement or their processing. The purchase of a shirt is a good example of how difficult it is to identify if slavery is involved because of the processes involved. If it is made of cotton, it is possible that slaves are used to grow and harvest the cotton, as in Uzbekistan. After harvest, cotton may be exported to be made into thread, and it is possible – though less likely – that slaves will be used in the mill that processes the cotton. Then the thread is woven into cloth, and it may again first be shipped from one country to another.

We know that cloth factories in some countries use workers in debt bondage. The cloth has then to be cut and sewn into a shirt. A few years ago, a factory using enslaved garment makers was found in California in the USA. The shirt eventually reaches the shop on the high street and is mixed with shirts from other countries and other materials on the rack.

c. Identifying slave produced goodsGiven all these steps in making products from cotton – or steel, or many other raw resource commodities – how can we be sure that we are not buying slave produced goods ? An effective solution would be for firms to carry out audits of their supply chains and then to report their findings to their stakeholders, customers and the general public.

d. Transparency in supply chains via procedural audits reporting.... Many Multinational corporations have commenced analysis of supply chains for ethical sourcing, from raw materials sourcing through the manufacture processes and distribution, including via agents and subcontractors. Reporting of these procedures by Corporations and Directors in a public register will inform the general public and investors of ethical sourcing, thereby assisting to curtail and alleviate this often hidden crime of modern slavery.

Inquiry – Terms of Reference – TOR

TOR 1 Internationally there is considerable evidence as to the nature and extent of modern slavery (as listed) across the globe in many industries from many organizations, including the International Labour Organization, Veritas – Know the Chain and the Walk Free Global slavery Index 2016, plus many government reports and NGO's from on the ground reporting.

In the Australian economy the extent of modern slavery is best estimates only. But are we on a slippery slope ? The Ministerial Working Group to help protect vulnerable foreign workers, established 2015, included quotations from the Fair Work Ombudsman of being aware of Wage Exploitation of foreign workers in a variety of industries. The newspaper and radio news has revealed many examples of exploitation, in fruit picking by pacific island and backpacker workers, in cafe and restaurants with student visa holders, in service stations, in the cleaning contract industry, in franchise 7 eleven and domino's pizza stores, and the Appco Group for charity fund raising. There are many examples of wage exploitation in Australia. Are Australians and foreign workers on a slippery slope? The Polaris study in the USA <https://polarisproject.org/typology> provides The Typology of Modern Slavery of how humans are exploited in 25 different industries / occupations. Should more resources and compliance tools be made available to the Fair Work Ombudsman ?

TOR 2 The prevalence of modern slavery in domestic and global supply chains of companies and organizations operating in Australia is still relatively unknown. Very few Australian companies would need to conduct ethical sourcing audits to comply with current Legislative reporting requirements in California, the UK or elsewhere. Australian Legislation is therefore required for large business Organizations and their executive manages to conduct audits to ensure ethical supply chain policies and practices are operating effectively and are reported upon, with an annual statement for the public record.

TOR 3 Identifying best practices employed internationally in conducting ethical sourcing audits is available, services are available, along with staff training courses. Detailed studies of legislation and analysis of its effectiveness is available. An April 2017 report from UK Ergon Associates limited <http://www.ergononline.net/about-us/312-modern-slavery-statements-one-year-on> Page 2 provides a guide to International human rights and modern slavery reporting trends with legislation proposals gathering pace in more than 20 countries as well as an analysis of UK corporate compliance statements.

TOR 4 No Comment

TOR 5 The UK Modern Slavery Act 2015 is commendable and world leading legislation, particularly implementing supply chain reporting provisions as part of a Corporations annual statutory reporting requirements. Section 54 sets out annual statement reporting requirements. Analysis of these Corporate statements reveals gaps in reporting and compliance. See attached and below.

UK Modern Slavery Act Amendment There is an amendment to the UK Modern Slavery Act currently in progress through the UK parliament relating to public bodies, government body works, proposing for firms that do not produce a slavery and human trafficking statement then they should not be allowed to tender for public authority contracts.

Slavery and Supply Chains - S 54, attached analysis article.

At the Starting Line: FTSE 100 & the UK Modern Slavery Act

Analysis shows only a handful of company statements are meeting the Act's requirements, majority lack adequate information

<https://business-humanrights.org/en/msa-briefing>

How the UK Modern Slavery Act can find its bite

<https://www.opendemocracy.net/beyondslavery/patricia-carrier-joseph-bardwell/how-uk-modern-slavery-act-can-find-its-bite>

Principals For Responsible Investment Association UK.

The Business & Human Rights Resource Centre maintains an open-access searchable repository of over 800 statements under the UK Modern Slavery Act and has prepared a briefing paper analysing statements of FTSE 100 companies. Investors are invited to use the briefing as a resource to determine the degree of risk these companies have with regards to modern slavery.

<https://www.unpri.org/group/uk-modern-slavery-act-registry-and-analysis-of-ftse-100-statements-2515>

These reviews do provide the Australian Parliament the opportunity to enhance and strengthen the UK Act requirements for the annual reporting statements by Corporations and Organizations operating in Australia. It also provides the opportunity for a broader potential role of an appointed Anti Slavery Commissioner to assist Corporations and Organizations with compliance and the reporting statement "content" requirements, along with establishing and maintaining a public statements register.

TOR 6 YES. It is highly desirable for the Australian Parliament to legislate for a Modern Slavery Act.

TOR 7 No

Conclusion The RAGAS fully supports and recommends the Australian Parliament to legislate for a Modern Slavery Act to ensure;

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MB April 2017

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Website www.ragas.online

20 August 2016

Issue No 68

Editor: Mark Little – Rotary Club of Norwich St Edmund, England

Slavery and Supply Chains

by Kieran John, President, Rotaract Club of Norwich

Slavery is present in the supply chains of the food we eat, the clothes we wear, and the materials that built our houses. The British Government is aiming to tackle this pressing issue through s.54 of the Modern Slavery Act 2015. It compels any commercial organisation with a turnover of over £36 million to prepare a slavery and human trafficking statement for each financial year, signed off by the board of directors or partner, and published prominently on their website. They are compelled to include the steps taken to ensure slavery is not taking place in any of its supply chains, and in any part of its own business. The current British Prime Minister Theresa May MP sponsored this act when she was Home Secretary. She stated that the aim was to 'increase transparency by ensuring the public, consumers, employees and investors know what steps an organisation is taking to tackle modern slavery'. This article aims to summarise the legislation, outline its limitations, and present the reader with the platform to hold companies to account.

It is fitting that this article is for the RAGAS Newsletter. Members of RAGAS (formerly known as RACSRAG) played a pivotal part in implementing s.54 of the Modern Slavery Act 2015. Early drafts of the bill did not include a "supply chain clause", However latter drafts took on board feedback from RACSRAG, Ethical Trading Initiative and Joseph Rowntree Foundation who all called for a "supply chain clause".

It is noted that the British Government should be commended for implementing the supply chain provision. Large multi-national companies are well suited to implementing change in their supply chains, due to their significant purchasing power. However, in my opinion this legislation does not go far enough, for four key reasons.

1. S.54 does not require organisations to guarantee that their entire supply chain is slave free. This has led to many companies producing statements which do not fulfil the relatively simple requirements of s.54 (Ergon has found that of the first 100 statements, supply chain issues are only covered moderately well, or in detail, in 41% of statements).
2. Despite s.54(7)(a-b) requiring that statements are published on the company website, and linked prominently on the homepage, a number of organisations are not complying, and have not been held to account. For example, it takes four stages to locate the statement for the retailer Halfords on their website (Home-Investors-Governance-the Halfords Anti Slavery and Human Trafficking Statement). Without stronger enforcement companies can effectively "bury" their statement without any financial or legal repercussions. Additionally if consumers cannot easily access the statements they will not be able to hold companies to account, nor will the average consumer become aware that slavery still exists in global supply chains.
3. The primary method of enforcement of s.54 is not legal but reputational, as inspired by The California Transparency in Supply Chains Act of 2010. However, the general academic consensus is that this approach, in isolation, is not effective. The British Government even admitted that public awareness and understanding of modern slavery in the UK is low, so it remains to be seen how the ill-informed consumer can hold multi-national corporations to account, if they are not imbued with the background knowledge to do so.
4. Finally, the scope of s.54 is limited as it is restricted to organisations who 'carry on a business' in the UK. This is particularly important with parent companies and their subsidiaries, as the parent is free to determine whether their subsidiaries form a part of their own business or supply chain. This distinction is important in light of news reports of forced labour in Qatar for the 2022 FIFA World Cup; with many of these labourers being employed by subcontractors working for British construction firms.



International Information:

Rotarian Action Group Against Slavery	http://ragas.online/
International Justice Mission	http://www.ijm.org/
Free the Slaves	www.freetheslaves.net
Walk Free Movement	www.walkfree.org
Amnesty International	www.amnesty.org/en
Anti Slavery International	www.antislavery.org/english
ATEST - Alliance to End Slavery & Trafficking	www.endslaveryandtrafficking.org
CARE -	http://www.care.org.uk/our-causes/human-exploitation/human-trafficking
Verite - Fair Labour Worldwide, via knowledge and tools	www.verite.org
Know the Chain	https://www.knowthechain.org
Not For Sale	http://notforsalecampaign.org
Stop the Traffik	http://www.stophetraffik.org/uk

Australian Information:

The Freedom Partnership –Salvation Army Aust	www.endslavery.salvos.org.au
Human Trafficking.org	www.humantrafficking.org/countries/australia
International Justice Mission	http://www.ijm.org.au
Hagar	www.hagar.org.au
Destiny Rescue, rescuing children	http://www.destinyrescue.org/aus

YouTube, Videos

- Gary Haugen - International Justice Mission R I Convention Seoul 2016 (Cape West Rotary Club)
- Kevin Bales – how to combat modern slavery ted.com/talks
- This is what we die for: Child labour in the DRC cobalt mines
- Children for Sale - 04 Jun 07 - Part 1, and Part 2
- where were you - Matt Friedman
- Child Labour in Cotton Industry, Uzbekistan. Seojin
- Becoming a Slavery-Free Business: Removing Slavery from Product Supply Chains
- Slavery: A Global Investigation, from Free the Slaves
- The Dark Side Of Chocolate (Full Documentary)
- Slave Labor Shrimp for Supermarkets
- Slavery in Your Pocket: The Congo Connection