Inquiry into establishing a Modern Slavery Act in Australia

May 11, 2017

Social Accountability International (SAI) Submission to the Foreign Affairs and Aid sub-committee of the Australian Parliament's Joint Standing Committee on Foreign Affairs, Defence and Trade for the Inquiry into establishing a Modern Slavery Act in Australia.

As a leading organization in the field of labor standards, business and human rights, and social responsibility, Social Accountability International (SAI) welcomes the opportunity to participate in the Inquiry into establishing a Modern Slavery Act in Australia. SAI supports the adoption of a Modern Slavery Act in Australia.

Throughout SAI's work, we have seen the positive effect of reporting and assessment, conducted freely or by requirement, in improving the standards and practices of private companies. Placing such efforts within a legally mandated framework helps further the development of these programs. SAI has seen the preliminary success of legal mandates through the adoption of the California Transparency in Supply Chains Act and the UK Modern Slavery Act, as well as the French Corporate Duty of Vigilance Law and the Dutch Child Labour Due Diligence Law, which is awaiting approval from the Dutch Senate.

We draw our expertise on 20 years working closely with brands, governments, and other stakeholders in standards development and guidance, research and policy, and training and capacity building programs. In 1997, through multi-stakeholder consultations, SAI established one of the world's preeminent social standards—the SA8000® Standard for decent work, a tool for implementing international labor standards that is being used in over 3,800 factories, across 67 countries and 55 industrial sectors. SA8000 covers labor performance areas including forced and compulsory labor, as well as a management systems approach to tackling improvement. We also conduct training programs and work with brands and retailers to support due diligence, cooperation and capacity building at all levels of the supply chain.

SAI's work is grounded in UN and ILO Conventions, and the three pillars established within the UN Guiding Principles on Business and Human Rights. We believe that the Act should address all three pillars: the responsibility of states to protect, the responsibility of businesses to respect, and the responsibility of both to provide access to remedy. Therefore, the Act should reflect on the roles and responsibilities not only of the private companies within its purview but also of government and civil society. The Act should be specific about the respective roles and responsibilities and drive policy coherence across all areas.

The Act should not be so prescriptive as to limit innovation and diverse approaches to implementation. However, it should have clear expectations of concrete actions. As a practical
implementation tool, SAI has developed a six-step approach to implementing the UN Guiding Principles on Business and Human Rights. Those steps are as follows:

1. **Committing** to a human rights policy
2. **Assessing** risks of adverse human rights impact
3. **Integrating** human rights policies, procedure, and responsibilities
4. **Tracking** human rights implementation
5. **Communicating** human rights impact
6. **Remediating** adverse human rights impact

The key to the six-step approach is the concept of continual improvement. The Act should not simply drive “naming and shaming”, but drive transparency, measurement, and improvement. The Act should be followed by implementation guidance with steps and resources that can assist companies in developing such a program. These resources should work in conjunction with government and civil society programs so that there is clarity of roles and how each actor can assist the other toward the goal of eliminating modern slavery. Special attention should be paid to redress mechanisms and to human rights that are interlinked with combatting forced labor, such as freedom of association.

In addition to the above-mentioned concepts, SAI especially supports the following specific ideas for implementation:

- An annual reporting mechanism that is authorized and signed by the company’s executive board in a binding manner consistent with Australian law.
- Due diligence requirements covering the international scope of the company and their supply chain.
- Reporting should include management systems, goals, key performance indicators, and progress
- Public reporting
- Funding to support civil society in engaging with both companies and government around forced and compulsory labour.

Social Accountability International is a non-governmental organization whose mission is to advance decent working conditions throughout global supply chains. To that end, we welcome the opportunity to engage further with your government in the process of establishing a Modern Slavery Act in Australia.