INQUIRY INTO THE PROCUREMENT PRACTICES OF GOVERNMENT AGENCIES IN NSW AND ITS IMPACT ON SOCIAL DEVELOPMENT OF THE PEOPLE OF NSW

Submission to the Standing Committee on Social Issues

from

SlaveCheck

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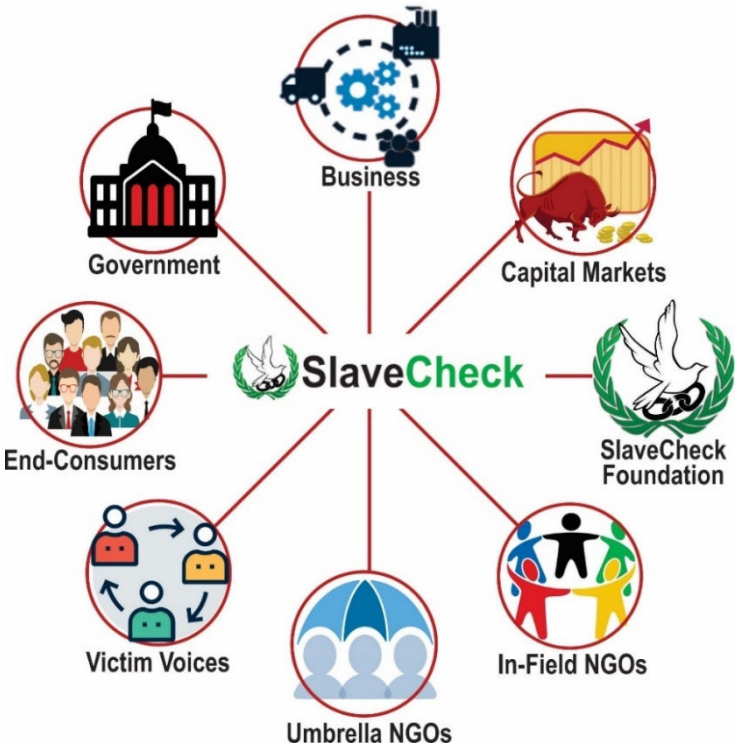
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"…The New South Wales Government have led the response to Modern Slavery in Australia and the World…"

1. About SlaveCheck

SlaveCheck Pty Ltd and The SlaveCheck Foundation Ltd (**'SlaveCheck'**) provide a global, survivor-centric modern slavery due diligence system, powered by SlaveCheck's 'collective intelligence' clearinghouse and self-funded via a 'profit-for-purpose' business model.



2. About the Submission Author

Paul Green was a Former Upper House Member with the NSW Parliament. Paul has been outspoken on the issue of modern slavery and slavery-like practices in Australia and New South Wales. In 2018, after chairing a committee looking into the issue, Paul Green, introduced Australia's first Modern Slavery Bill to the New South Wales Parliament. Paul Green said:

> *"The Bill paves the way for, empowerment of government **and commercial organisations to slave-proof supply-lines, and ensures a victim-centred approach for those who have fallen prey to this heinous crime in our state**".*

The Modern Slavery Bill 2018 passed the Third Reading stage in the Lower House on 6 June 2018.

Besides modern slavery, Paul has been outspoken on many other social issues. These include housing affordability, electricity prices, regional water affordability, religious freedoms, animal justice, cyber-bullying. In 2018, Paul Green was part of the Affordable Housing Conference and spoke about issues such as "homelessness, first home buyers' housing affordability, social housing, impacts of rental stress collaborating to establish innovative ways to address the growing concerns within" the Australian housing industry. Since leaving parliament, Paul is now building on his legislation by chairing the SlaveCheck Foundation.

3. Terms of Reference

This submission will address the following Terms of Reference of the Inquiry:

1 (b) the effectiveness of whole of government and agency procurement arrangements, including standing offers, panels, and prequalification schemes, in ensuring that suppliers and their subcontractors deliver value for money and comply with relevant policies and regulations, including labour laws, at the qualification, contract negotiation stage and contract management stages of procurement.

1(c) current capacity of procurement officials in government agencies to assess suppliers and ensure they, and their subcontractors deliver value for money and comply with relevant policies and regulation, including labour laws, at the qualification or contract stage and throughout the contract management stage.

1(d) any opportunities that may exist for co-regulation, and other incentives to improve labour market governance and enforcement through the procurement process to ensure the process delivers both value for money and social outcomes.

4. Modern Slavery and New South Wales Response

Modern Slavery is a pervasive global issue with profound implications for individuals and societies. The Global Slavery Index, by Walk Free, estimates that there were 50 million people in modern slavery in 2023[1]. Unfortunately, Australia is not exempt from this crime with an estimated 41,000 people impacted by this crime[2]. Australia's impact of modern slavery is often not limited to our shores, but our impact overseas, where people are enslaved and exploited to make products that Australian consumers purchase.

NSW Government has led that way on being the first state in Australia to introduce a Modern Slavery Act 2018 (NSW)[3] that works to prevent slavery in our supply chains through holding corporates and public procurement accountable for finding and responding to slavery in their supply chains. The federal government then followed by introducing the Commonwealth Modern Slavery Act 2018[4]

Relevant NSW legislation on modern slavery and public procurement include:

Public Works and Procurement Act 1912 (NSW)[5]

- Article 171 (b1) - to ensure that goods and services procured by and for government agencies are not the product of modern slavery within the meaning of the *Modern Slavery Act 2018*

[1] Walk Free, *Global Slavery Index 2023*, Available from: https://www.walkfree.org [28 Feb 2024]
[2] Walk Free, *Global Slavery Index 2023*, Available from: https://www.walkfree.org/global-slavery-index/map/#mode=data:country=AUS:dimension=p [28 Feb 2024]
[3] NSW Government NSW Legislation, *Modern Slavery Act 2018*, Available from: https://legislation.nsw.gov.au/view/whole/html/inforce/current/act-2018-030#:~:text=An%20Act%20to%20make%20provision,Commissioner%3B%20and%20for%20other%20purposes.&text=This%20Act%20is%20the%20Modern,commences%20on%201%20January%202022. [28 Feb 2024]
[4] Australian Government Federal Register of Legislation, *Modern Slavery Act 2018*, Available from: https://www.legislation.gov.au/C2018A00153/latest/text [28 Feb 2024]
[5] NSW Government NSW Legislation, *Public Works and Procurement Act 1912*, Available from: https://legislation.nsw.gov.au/view/whole/html/inforce/current/act-1912-045 [28 Feb 2024]

- Article 176(1A) - A government agency must take **reasonable** steps to ensure that goods and services procured by and for the agency are not the product of modern slavery within the meaning of the *Modern Slavery Act 2018*.

Modern Slavery Act 2018 (NSW)

- Article 3 (h) - to provide for mandatory reporting of risks of modern slavery occurring in the supply chains of government agencies,

Since 2018, implementation of the two Modern Slavery Acts have ensued, with the establishment of an NSW Anti-Slavery Commissioner and his office and a review of the Commonwealth Modern Slavery Act. There is now draft federal bill under review for the establishment of an Independent Australian Anti-Slavery Commissioner.

Currently, Commonwealth procurement is required to produce a Modern Slavery Statement under the federal Modern Slavery Act 2018. In December 2023, the NSW Anti-Slavery Commissioner has issued guidelines for reasonable steps (GRS) to manage modern slavery risks in operations and supply chains[6]. **Effective from 1 Jan 2024, these guidelines now require all NSW government agencies, state owned corporations, Government Sector Finance agencies and local councils to conduct modern slavery due diligence and report on their reasonable steps to *manage* modern slavery risk annually beginning 1 Jul 2024[7].**

5. Improvements to Procurement Processes

Further to the Terms of reference identified in section 3, we would like to discuss how procurement processes can respond to modern slavery requirements and can be improved in the following areas:

- Whole of government approach
- Creating capacity for procurement officials
- Improve governance through the procurement process to deliver value for money and social outcomes.
- How to add value to the process not just compliance
- How to go beyond tier one suppliers.

The Australian Commonwealth Modern Slavery Statement 2022-23 states the five key risk areas for modern slavery procurement are ICT hardware procurement, cleaning and security services, investments, textiles procurement and construction[8]. It was also noted that these are generally high-risk purchasing areas for NSW Government. It is likely that these should be high priority areas for this inquiry to look into.

[6] Office of the Anti-Slavery Commissioner, *Guidance on Reasonable Steps: NSW Anti-slavery Commissioner's Guidance on Reasonable Steps to Manage Modern Slavery Risks in Operations and Supply Chains*, Available from: https://dcj.nsw.gov.au/documents/legal-and-justice/anti-slavery-commissioner/due-diligence-and-reporting/guidance-on-reasonable-steps.pdf [28 Feb 2024]
[7] Office of the Anti-Slavery Commissioner, *GRS Resource: Covered Entities*, Available from: https://dcj.nsw.gov.au/documents/legal-and-justice/anti-slavery-commissioner/due-diligence-and-reporting/grs-resource-covered-entities.pdf [28 Feb 2024]
[8] Australian Government, *Commonwealth Modern Slavery Statement 2022-23*, p. 25, Available from: https://modernslaveryregister.gov.au/statements/15998/ {27 Feb 2024]

Part of the reporting requirements are to effectively show that each NSW government agency understands it's supply chains.

Given that the NSW Anti-Slavery Commissioner's Guidelines to Reasonable Steps are recent and not yet implemented, there is an opportunity to design an effective **whole of government response**, through the provision of modern slavery reporting software that maps government supply chains down through **multiple tiers not just one.**

SlaveCheck has such a solution and is willing to assist the NSW government on this matter. Kevin Hyland mentions that the Slavecheck model is potentially a game changer. This could be implemented across the already established Buy NSW and eTendering websites making it simple and cost effective for government agencies and their suppliers to map their supply chains. This will also **assist procurement officials** to effectively access potential suppliers through asking each supplier to complete a free SlaveCheck supplier profile.

Recommendation #1

The NSW Government implement a whole of government approach to mapping modern slavery supply chains with modern slavery software across public procurement, including BuyNSW and eTendering.

A streamlined approach to NSW Anti-Slavery Commissioner reporting requirements could be automated across the government with government agencies having the ability to share data directly from software to the Commissioner's office. This may not negate the need for an individualised report per agency, but it would certainly automate much of the fact finding required to produce the report. This would both save time and finance for agencies and the Commissioner's office.

SlaveCheck would be willing to assist both the NSW Government and the NSW Anti-slavery Commissioner on this matter.

Recommendation #2

The NSW Government utilise modern slavery software across government agencies that can interface directly with the NSW Anti-Slavery Commissioner's reporting database.

6. Conclusion

The NSW government has been a world leader in this area and is still considered a world leader when it comes to addressing supply chains and slave proofing them, also by implementing a Modern Slavery Act before the Australian federal government. You now have an opportunity to effectively implement the ethos of the Modern Slavery Act into the infrastructure of NSW Government

procurement ensuring that thousands of people are not subjected to slavery, whilst also saving cost and being more effective through the implementation of an all of government approach.

SlaveCheck remains committed to assisting the NSW Government to lead by example and help eradicate slavery not only domestically but also globally.

We would love to present at the inquiry as witnesses to further present options available to the committee to consider for recommendations.

Recommendation #1

The NSW Government implement a whole of government approach to mapping modern slavery supply chains with modern slavery software across public procurement, including BuyNSW and eTendering.

Recommendation #2

The NSW Government utilise modern slavery software across government agencies that can interface directly with the NSW Anti-Slavery Commissioner's reporting database.

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