

Evaluating the Quality of Modern Slavery Reporting in the Australian University Sector

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EXECUTIVE SUMMARY



Throughout this report, we highlight examples of 'better practice approaches' as a way to motivate other universities to lift their standards to promote the rights of workers.

ABOUT THIS EVALUATION

This report evaluates the first round of reporting by Australian universities under the Commonwealth Government's Modern Slavery Act (the Act). In response to increasing public concern about the prevalence of modern slavery linked to businesses in Australia, the legislation introduced in 2018 requires large companies with an annual revenue of \$100 million or more to examine and report on risks of modern slavery in their operations and supply chains. These mandatory reporting requirements apply to a wide range of businesses and organisations, including the higher education sector.

Using a standardised set of indicators, our research team from the RMIT Business and Human Rights Centre reviewed modern slavery statements of 37 universities with the aim of evaluating the quality of their disclosures under the Act. We examined the extent to which universities have adopted effective measures to identify, mitigate and address risks of modern slavery and labour exploitation, and the extent to which there are gaps in the quality of their disclosures.

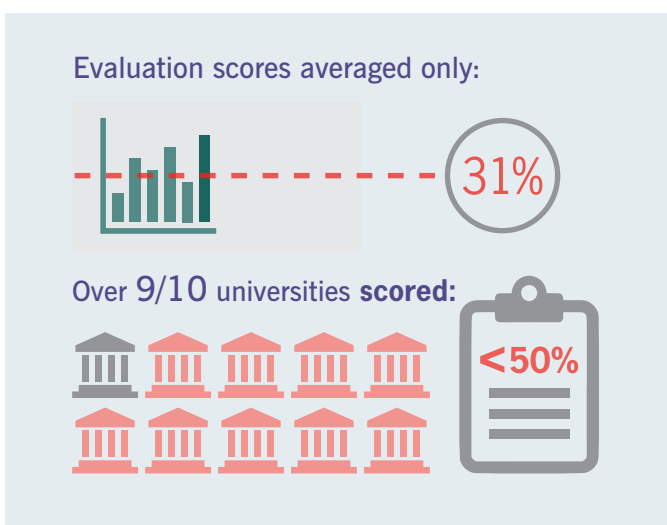
Given the timing of the first reporting cycle, we also assessed the degree to which universities have taken steps to respond to the impacts of the Covid-19 pandemic in a way that minimises potential harms to workers.

Although we have found that the majority of universities are implementing actions too superficial to meaningfully address the root causes of modern slavery, there a small handful which have made more concerted efforts to tackle the underlying factors that cause or contribute to extreme exploitation. Throughout this report, we highlight examples of these 'better practice approaches' as a way to motivate other universities that are lagging to lift their standards and adopt due diligence measures that protect and promote the rights of workers. We also build on the findings to offer a series of recommendations for universities that are serious about eradicating modern slavery from their operations and supply chains, and want further direction and guidance on how best to do so.



SUMMARY OF KEY FINDINGS

- Our research reveals a significant variance in the quality of universities' disclosures, with many failing to comply with the mandatory reporting requirements under the Modern Slavery Act. Although all the universities made public commitments to eradicate modern slavery in their operations and supply chains, a substantial number have yet to translate these commitments into concrete actions that would make a tangible difference to the lives of workers.
- Evaluation scores for university modern slavery reports were typically very low, averaging only 31 percent. Over nine out of ten universities received scores of less than 50 percent (see Figure 1). Compared to several other sectors that have been evaluated using the same set of metrics, universities on average had weaker responses to modern slavery than companies in the garment and seafood sectors, and were approximately on par with companies in the horticulture and glove manufacturing sectors.
- Reporting areas such as the involvement of leadership, policy development, supplier engagement, risk assessment, monitoring, remediation, measuring effectiveness, and consultation were particularly poorly handled by universities. For instance, none reported having formal remedial processes or corrective action plans in place, nor adequately described how they had response to modern slavery risks or incidents raised through grievance mechanisms.
- It is evident from our analysis that many universities are pushing their responsibility for modern slavery down supply chains to suppliers who are typically in a weaker position to respond. Very few universities have adopted measures to rectify downward pricing pressures resulting from their own procurement practices. Only one university placed any sort of limit on subcontracting and only two committed to paying workers in their supply chains a living wage.



- It was also extremely uncommon for universities to engage with supply chain workers and their representative trade unions. Although 16 percent made an explicit commitment to freedom of association, none were able to show evidence of trade union presence. Without the genuine involvement of these stakeholder groups at every stage of the process, university efforts to identify and respond to modern slavery risks are likely to remain largely insincere and ineffectual.
- In general, universities performed relatively well across a few reporting areas, such as describing their structure and type of activities they undertake, and acknowledging their potential to be directly linked with modern slavery via their supply chains. There is, however, much room for improvement. Notably, a significant number of universities may not be including all their controlled entities and overseas operations within the scope of their reporting, despite legal requirements to do so.



SUMMARY OF RECOMMENDATIONS

Rec 1. Ensure all owned and controlled entities, including all overseas operations, are included within the scope of reporting and consultation.

Rec 2. In addition to supply chain risks, examine and address risks within the university's own operations, including a core focus on international students and research participants.

Rec 3. Ensure responsibility for compliance is shared, not outsourced, to suppliers. Universities should take joint responsibility for any harms they have caused or contributed to.

Rec 4. Embed responsible purchasing practices into the university's own procurement policies and processes, in such a way as to: place limits on subcontracting, alleviate downward pressure on tender pricing, ensure prompt payment, guarantee workers are paid a living wage, prohibit financial penalties, and avoid short-term contracts and sudden changes in workload.

Rec 5. Beyond basic approval of the university's modern slavery statement, substantively involve executive leadership in the formulation and implementation of modern slavery strategy.

Rec 6. Support freedom of association and adopt a worker-centric approach in which workers, trade unions and civil society organisations are genuinely engaged every step of the way.

Rec 7. Establish effective grievance mechanisms that are co-designed with users and accessible to all workers, including supply chain workers.



Rec 8. Develop clear remedial policies and corrective action plans that ensure supply chain workers are appropriately compensated and receive full, fair and timely remedies.

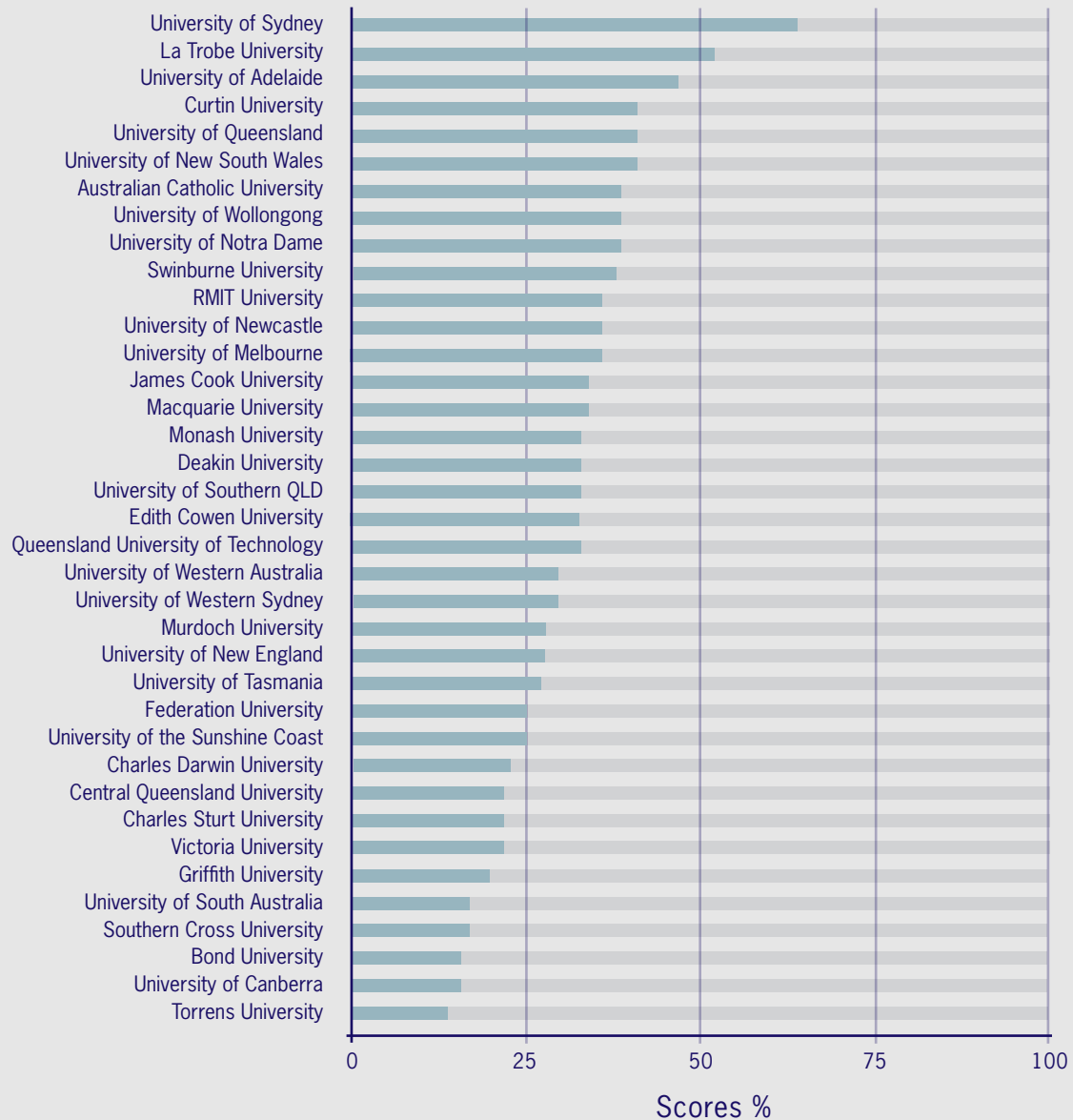
Rec 9. Disclose results from monitoring, use of grievance mechanisms, and outcomes of remedial measures, being transparent about harms that were found and what was done to address them.

Rec 10. Ensure that each university responds to its own set of modern slavery risks specific to that university and its controlled entities. Collective sectoral responses should not replace or substitute the efforts of an individual university.

Rec 11. Situate efforts to address modern slavery within a broader human rights and labour rights framework by aligning the university's modern slavery response with core International Labour Organisation standards and the UN Guiding Principles on Business and Human Rights.

A more detailed set of recommendations can be found on page 25 of this report.



Figure 1. University scores from highest to lowest¹

¹ The Australian National University, University of Technology Sydney, and Flinders University are not included in this table as their statements were not publicly accessible via the Modern Slavery Register.





INTRODUCTION

Up to 15,000 people are estimated to be living in conditions of modern slavery in Australia,² a term encompassing a range of exploitative practices, including forced labour, debt bondage, human trafficking, forced marriage, slavery and slavery-like practices.³ With growing public recognition of the prevalence of these modern slavery practices in the sourcing of everyday products and services, Australian companies have come under increased pressure in recent years to identify risks in their operations and supply chains, and undertake the necessary steps to implement proactive and effective actions to address these risks.

In 2018, the Australian Government introduced the Modern Slavery Act, which establishes a reporting requirement for large entities based or operating in Australia with an annual consolidated revenue of more than AUD \$100 million.⁴ The Act requires these entities to publish annual statements reporting on their risks of modern slavery and the actions they are taking to protect individuals in their operations and supply chains, in line with seven mandatory reporting criteria.

Statements are submitted to the Australian Border Force and published on a free, publicly accessible government-run register.⁵

The reporting requirements apply to various types of companies and organisations, including the higher education sector, which spends billions of dollars per year on the procurement of goods and services,⁶ a large subset of which is known to be from categories which pose a high risk of modern slavery, such as computer hardware, apparel, laboratory equipment, catering, construction and cleaning.

This report reviews statements published by universities in the first reporting cycle of the Modern Slavery Act, with the aim of evaluating whether statements comply with the Act's mandatory reporting criteria and to provide universities with guidance on how to improve on the quality of their disclosures and actions moving forward. Our intention in this report is to distinguish between due diligence measures that do little more than provide superficial compliance and those that deliver effective and meaningful protections against modern slavery and serious forms of labour exploitation.

² Global Slavery Index, 2016. Australia. <https://www.globalslaveryindex.org/2018/findings/country-studies/australia/>

³ Walk Free Foundation, 2022. What is Modern Slavery? <https://www.walkfree.org/what-is-modern-slavery/>

⁴ Australian Government Department of Home Affairs, 2018. The Commonwealth Modern Slavery Act: Guidance for Reporting Entities. <https://www.homeaffairs.gov.au/criminal-justice/files/modern-slavery-reporting-entities.pdf>

⁵ Australian Border Force, Online Register for Modern Slavery Statements. <https://modernslaveryregister.gov.au/>

⁶ Australian Government Tertiary Education Quality and Standards Agency, 2018. Key financial metrics on Australia's higher education sector - 4th edition. <https://www.teqsa.gov.au/latest-news/publications/key-financial-metrics-australias-higher-education-sector-4th-edition>



We include a case study on commercial cleaning as a way to explore and illustrate how universities are reporting on and responding to sourcing categories they commonly identify as being particularly high risk.

Since the first cycle of reporting coincided with the first year of Covid-19, our analysis further considers the extent to which universities demonstrate awareness of, and steps to mitigate, modern slavery risks resulting from the impacts of the pandemic. This analysis is important not only in determining whether universities are equipped to respond directly to the effects of Covid-19, but how prepared they might be to manage similar events in future in such a way that minimises potential harms to workers.

Overall, our study reveals wide disparities in the quality of the disclosures. Many universities statements are little more than hollow commitments on paper with minimal evidence of effective action in the areas most likely to improve conditions for workers. Only a small number of universities were able to demonstrate they were taking a concerted approach to their reporting obligations and were implementing rigorous actions to tackle the root causes of the issue. Where universities have shown to be conscientious, we have highlighted examples of their good practice approaches throughout relevant sections of this report to encourage others that are lagging to lift their game and implement meaningful due diligence measures that protect and promote the rights of workers.

Only a small number of universities were able to demonstrate that they were taking a concerted approach to their reporting obligations and were implementing rigorous actions to tackle the root causes of modern slavery.



METHODOLOGY

The primary focus of our research was to evaluate all Australian university modern slavery statements in the first reporting period of the Modern Slavery Act, ending 31 December 2020. In total, 37 statements were assessed from the government's online Modern Slavery Register. Notably, three statements were missing from the register (the Australian National University, University of Technology Sydney, Flinders University) and have not been included in the analysis of this report. We contacted the Australian Border Force to inquire about these missing statements and were informed that where a statement is not publicly available through the register, it is either because the organisation had not submitted a statement or the statement was in the process of being reviewed.

A small team of researchers, Carla Chan Unger and Ema Moolchand, from the RMIT Business and Human Rights Centre (BHRIGHT) coded and scored each statement using a standardised framework, containing a set of 32 core indicators.

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37 statements were assessed



These indicators had been earlier developed by a multi-disciplinary team comprising researchers from partner universities and organisations (Amy Sinclair, independent business and human rights specialist; Professor Justine Nolan, Director, Australian Human Rights Institute, UNSW Sydney; Dr Mark Zirnsak, Senior Social Justice Advocate, Uniting Church in Australia; Keren Adams, Legal Director, and Freya Dinshaw, Senior Lawyer, Human Rights Law Centre; Peter Keegan, Director of Advocacy, Baptist World Aid Australia; Associate Professor Martijn Boersma, Director, Human Trafficking and Modern Slavery Program, University of Notre Dame Australia; Associate Professor Vikram Bhakoo, Department of Marketing and Management, University of Melbourne; and Heather Moore, Anti-Slavery Specialist and Researcher), including Associate Professor Shelley Marshall, Director of BHRIGHT, as part of a larger project and indicator framework that assessed company statements from four sectors with known risks of modern slavery, namely horticulture, garments, rubber gloves, and seafood.⁷

Each statement was coded and scored using core indicators



⁷ Sinclair, A., Dinshaw, F et al, 2022. Paper Promises? Evaluating the early impact of Australia's Modern Slavery Act. <https://www.hrlc.org.au/reports/2022/2/3/paper-promises-evaluating-the-early-impact-of-australias-modern-slavery-act>.





The indicators were developed to closely align with the reporting requirements of the Modern Slavery Act, the Australian Government's Guidance for Reporting Entities, which itself is informed by the United Nations Guiding Principles on Business and Human Rights, as well as the Government's Modern Slavery Covid-19 Guidance.⁸ The process of developing indicators was also informed by drawing from corporate human rights disclosure methodologies used by FTSE 100 UK Modern Slavery Act, KnowtheChain, and the Corporate Human Rights Benchmark.⁹ We have adapted a small number of indicators from the larger project to more accurately address the university sector for the purposes of this evaluation.

Referencing the scoring guide, each of the university statements was assessed by a researcher from BHRIGHT who assigned a score of 0, 0.5 or 1 to university responses across each of the indicators. A sample of the statements were separately reviewed by a second researcher using the same process.

In addition to the statements, other types of documentation including procurement policies, supplier codes of conduct, modern slavery policies, etc., were downloaded from the universities' websites for review, where publicly available. A third supervising researcher was later brought in to reconcile the two sets of scores for consistency where there was any divergence in the analyses. Once scoring had been finalised, a total score was calculated for each university statement and all statements were ranked in order from highest to lowest.

The indicators were developed to closely align with the reporting requirements of the Modern Slavery Act, the Australian Government's Guidance for Reporting Entities, which is informed by the United Nations Guiding Principles on Human Rights.

⁸ Australian Government Department of Home Affairs, 2018. Commonwealth Modern Slavery Act: Guidance for Reporting; Australian Border Force, 2020. Modern Slavery Act Information Sheet: Coronavirus. <https://www.homeaffairs.gov.au/criminal-justice/files/modern-slavery-covid-19.pdf>

⁹ Business & Human Rights Resource Centre, 2018. FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action <https://www.business-humanrights.org/en/from-us/briefings/ftse-100-the-uk-modern-slavery-act-from-disclosure-to-action/>; KnowTheChain <https://knowthechain.org/>; Corporate Human Rights Benchmark <https://www.worldbenchmarkingalliance.org/corporate-human-rights-benchmark/>



FINDINGS

In this section, we report on how the universities' responses measured against the 32 indicators. The indicators have been organised to align with the seven mandatory reporting criteria in the Modern Slavery Act:

Criteria 1 and 2: Identify the reporting entity and describe its structure, operations and supply chains

Criterion 3: Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls

Criterion 4: Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes

Criterion 5: Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks

Criterion 6: Describe the process of consultation with any entities the reporting entity owns or controls

Criterion 7: Any other relevant information (identify the impacts of Covid-19 on modern slavery risks)



CRITERIA 1 & 2: IDENTIFY THE ENTITY AND DESCRIBE ITS STRUCTURE, OPERATIONS AND SUPPLY CHAINS

While all universities described their domestic operations and activities adequately, international operations were on the whole very poorly described. Alarming, a number of universities seem to have excluded entities they own or control from the scope of their reporting processes. Monash University, for example, has 13 controlled entities but appears to exclude 10 of them, stating “of all the Monash entities in existence at present, only three qualify as reporting entities for the purposes of the Act, as they are controlled Australian entities and have greater than or equal to \$100 million revenue. Therefore, they are deemed to be within the scope of the report”.¹⁰ It is our view that the implied justification for not reporting on certain controlled entities is not compliant with the Modern Slavery Act, which stipulates that reporting obligations are mandatory for the university and all of its owned or controlled entities, which are to be considered as a group.

Further, a wide variety of terms were used by universities to refer to their international operations, often without being accompanied by a definition or explanation. It is not clear whether ‘overseas learning centres’, ‘overseas locations’, ‘overseas offices’, ‘international delivery partners’, ‘overseas delivery sites’ or ‘international collaborations’ are akin to overseas campuses, are wholly or partially-owned entities, or are something entirely separate to this.

Overall, universities are not doing an adequate job of describing their supply chains... only around 10 percent disclosed risk level of countries they sourced from.

Only 43% of Universities provided information about supplier location with a breakdown by country



For example, Swinburne notes “we have a fourth campus in Sarawak, Malaysia...Swinburne also has locations in Sydney and Vietnam, each offering a small suite of sought-after Swinburne courses. In 2019, we opened an office in Nanjing, China – further connecting us to some of the fastest growing regions in the world”.¹¹ The lack of detail, consistency and clarity around terminology that is used to refer to overseas operations mean that it is difficult to discern which particular operations are or are not encompassed within the scope of a university’s reporting obligations.

We also examined the extent to which universities understand their supply chains by disclosing the identity and locations of their suppliers. Overall, universities are not doing an adequate job of describing their supply chains as fewer than half (43 percent) provided information about supplier location with a breakdown by country, and only around 10 percent disclosed the risk level of countries they sourced from. Just one university, the University of Newcastle, went further by additionally specifying the types of goods or services that had been purchased from high, medium and low risk countries (see Box 1).

¹⁰ Monash University Modern Slavery Statement, p 12.

¹¹ Swinburne University Modern Slavery Statement, p 3.



Box 1. Better practice example – Disclosing supplier location



During the 2020 calendar year, the University of Newcastle reported it had “engaged directly with 2,814 Trade Creditors (Suppliers)... Over this period, 93% of total non-salary expenditure was made with just 20% (or 558) of our Suppliers.”¹² A risk analysis conducted by the university on this top 20 percent of suppliers, found that over 90 percent of the goods and services were sourced through Australian based suppliers, while the remaining 7 percent were sourced from overseas suppliers. For each of its overseas suppliers, Newcastle clearly identified the country of origin, risk level and goods and services category.¹³ In the table to the right, we summarise the information openly disclosed by the university in its modern slavery statement as an example of good practice:


Risk level	Country	Goods and Services	No. of suppliers
High	Vietnam	Consultancy service	1
High	India	Recruitment service	1
High	China	Consultancy service Professional service Recruitment service	1 1 10
Medium	USA	Consultancy service Recruitment service Laptops, computers, and mobile phones Trade services	2 2 5 1
Low	Germany	Health service	1
Low	Netherlands	Laptops, computers, and mobile phones	3
Low	Norway	Laptops, computers, and mobile phones	1



¹² University of Newcastle Modern Slavery Statement, p 21.

¹³ Ibid, pp 22-23.



Indicator	University responses 
The entity identifies itself in the statement and describes its structure	All universities identified themselves, and where applicable, disclosed the names of other entities they own or control, although it is not always clear if the lists of controlled entities are exhaustive or if some have been excluded. 34 universities (92 percent) reported owning or control other entities.
The entity describes its own operations and the nature and types of activities it undertakes, and provides the locations of its operations	All universities explained the nature and types of activities they undertake as higher education and research institutions, although the level of detail varied between statements. 16 universities (59 percent) are based entirely in Australia and do not appear to have campuses or controlled entities operating overseas. Among the universities that have international presence of some type, there is a concerning dearth of information provided about the functions of those operations.
The entity explains its workforce composition	While over two-thirds of universities disclosed the total number of their employees, just five (14 percent) gave a meaningful breakdown of employment by contract type. Consequently, it was often not clear what proportion of staff were employed on a casual basis, nor was it clear if total staff numbers included personnel working at overseas campuses or controlled entities. None of the statements include information about the indirect workforce procured through suppliers.
The entity discloses the countries or regions where suppliers are and links to any disclosures by entity about identity of suppliers, such as a public supplier list	Fewer than half of universities (43 percent) disclosed information about supplier location with a breakdown by country, while only four (11 percent) described the risk level of sourcing countries. A further two universities (5 percent) described the supplier location by geographical region, however, without specifying the country this is of limited value when identifying modern slavery risks. None of the universities provided a public supplier list.



Across all 37 statements, only one incident of modern slavery was disclosed



CRITERION 3: IDENTIFY MODERN SLAVERY RISKS IN OPERATIONS AND SUPPLY CHAINS

Overall, universities have done well at identifying supply chain categories that carry risks of modern slavery, with around 85 percent of statements disclosing specific categories of high-risk products and services. As an example of a comparatively good disclosure, the University of Notre Dame explains in its statement that of a total of 4,000 suppliers, 9.5 percent have been identified as belonging to a high-risk industry. For each of these high-risk categories, Notre Dame reports the number of suppliers: Facility management has 164 suppliers, information and communications technology has 131 suppliers, building and construction has 28 suppliers, and cleaning services has 20 suppliers.¹⁴

Typically, however, disclosures were far stronger when describing the potential for universities to cause or contribute to modern slavery practices via their supply chains than compared with their own operations. As a justification for not providing a deeper level of analysis, many universities made broad statements to the effect of “in [our] operations, the university has determined that the risk of modern slavery practices is very low. The University’s activities are governed by its risk management framework, key polices are compliant with legislation such as employment laws”.¹⁵ It is evident that universities commonly held a misconception that modern slavery is exclusively a supply chain issue and that exploitation could not reside within internal operations as well.

Only a quarter of the universities assessed their internal operations and provided detail on products and services that were most likely to be high risk. One university which did this particularly well was the University of Sydney, which described potential risks in its ‘research activities involving clinical trials’, and ‘research projects in countries with widely documented human rights violations, state-sponsored forced labour and weak rule of law’. Moreover, Sydney devoted significant attention to examine the potential risks to international students who are especially vulnerable to exploitation such as wage theft, underpayment and forced labour (see Box 2).¹⁶

Across all 37 statements, only one incident of modern slavery was disclosed. This incident, initially identified by the Australian University Procurement Network (AUPN), was described in the statements of five AUPN member universities, often using close to identical phrasing. Given the huge number of suppliers providing a wide array of goods and services to universities, it should be expected that more non-conformances would be found across supply chains, particularly in high-risk categories. However, as not a single university identified an incident separate to this, it can be assumed that existing risk assessment processes and grievance mechanisms are not fit-for-purpose.

¹⁴ University of Notre Dame Modern Slavery Statement, p 10.

¹⁵ Edith Cowan University Modern Slavery Statement, p 10.

¹⁶ University of Sydney Modern Slavery Statement, p 26-27.



Box 2. Better practice example – identifying modern slavery risks within internal operations

In its modern slavery statement, the University of Sydney has identified certain research activities within its own operations that present potential links to modern slavery risks.

According to Sydney, “the complex and global nature of modern slavery means our research activities are not immune to being linked to these risks”, and explains that such risks are “due to four main factors:

1. Research inputs (lab and teaching consumables, research and teaching equipment, research services, research subjects);
2. Research categories such as clinical and research trials including human tissue and data and sample collection in countries with weak governance on informed consent;
3. Research projects in ‘high-risk countries’ with known and systemic exploitation and modern slavery practices, where the project is heavily reliant on third party providers;
4. Research partnerships and affiliations, and collaborations with partners which may bring the university’s commitment to human rights into question or potential reputational disrepute.”¹⁷


Through an internal risk assessment, Sydney also found that international students were at heightened risk of experiencing modern slavery both in Australia and overseas due to systematic exploitation, deceptive employment practices of employers and heightened vulnerability caused by Covid-19. The university conducted further research to understand what factors drive and enable exploitation of international students, and found a lack of understanding of Australian laws among these students, a lack of awareness about where they can go to seek support, and multiple vulnerabilities common to many temporary migrants were the most common factors.¹⁸



¹⁷ Ibid.

¹⁸ University of Sydney Modern Slavery Statement, p 13.



Indicator	University responses 
The entity describes the potential for it to cause or contribute to modern slavery in its own operations and provides detail on products and services affected	The majority of universities (59 percent) did not give consideration to modern slavery risks within their own operations, and around 15 percent considered risks in their core activities to be low and did not go any further in their descriptions. Only nine universities (25 percent) looked more closely at their internal operations and gave details of products and services that were most likely to be affected, such as research with participants in high-risk countries and the recruitment of international students.
The entity describes the potential for it to be directly linked with modern slavery via its supply chains and provides detail on products and services affected	Most universities (85 percent) described the potential to be linked to modern slavery via their supply chains and identified specific high-risk categories of products and services. However, the root causes behind these risks, such as downward pricing pressures, low wages, lack of union coverage of workers were rarely mentioned in the statements.
The entity describes where in its business these risks are present	Although all the universities acknowledged and described potential risk categories within their supply chains, very few indicated how far down in the supply chain these risks were present. Statements almost exclusively focussed on Tier 1 suppliers and minimal consideration was given to risks emanating from Tier 2 or below.
The entity describes any specific allegations or actual incidents of modern slavery that it has encountered and provides detail on products and services affected	Five universities (14 percent) described the same incident of modern slavery with respect to latex glove manufacturing, which was initially identified by the AUPN. No other allegations or incidents of modern slavery were disclosed by any of the universities.
The entity explains how it responded to these allegations or incidents when they arose	A due diligence assessment was performed by the AUPN, which found that the supplier had already terminated the supply arrangement with the glove manufacturer. The AUPN responded on behalf of the university sector as a whole, and it does not appear that universities responded to this incident on an individual basis.



CRITERION 4: DESCRIBE ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

This fourth criterion of the Modern Slavery Act covers actions taken and disclosed by reporting entities to assess and address their modern slavery risks, including their due diligence and remediation processes. We have divided this section into two parts: a) leadership, policies and training, and b) risk identification and remediation.

Leadership, policies and training

Our evaluation reveals that most universities are failing to demonstrate effective actions to identify and respond to modern slavery risks. Overall, universities are achieving higher scores in areas that are less significant in terms of improving conditions for workers, such as revising contract templates to include a modern slavery clause and providing modern slavery training to general university staff. Meanwhile, there are significant gaps regarding more meaningful actions, such as the involvement of people in executive leadership positions taking a lead on the university's approach to modern slavery, consultation with trade unions and civil society organisations in the development, implementation and review of relevant university policies and procedures, and engagement with suppliers through training and capacity building. Actions that seek to address the root causes of modern slavery, such as systemic low wages, multiple layers of subcontracting, and lack of freedom of association,

are rarely mentioned and poorly addressed.

We found that very few universities report that they are reviewing or revising their own purchasing practices in such a way as to regulate subcontracting, alleviate downward pressure on pricing, ensure prompt payment, prohibit the imposition of financial penalties on workers, and avoid sudden changes in workload. More commonly, as has also been documented in evaluations of other sectors,¹⁹ universities are requiring suppliers to agree to comply with all the requirements in a contract clause or supplier code of conduct without acknowledging their own share of responsibility and position of power to affect change within their supply chains.

Universities that we awarded a higher score for these indicators were able to demonstrate a genuine effort to involve top leadership, along with all areas of the organisation that have an impact on purchasing practices, such as procurement. Higher scores were also awarded to universities that had developed relevant policies in alignment with internationally recognised human rights standards, engaged with potentially impacted workers and their representatives, adopted measures to guarantee responsible purchasing practices, and provided capacity building support to suppliers in addition to training staff, senior managers, key decision-makers and students (see Box 3).

Box 3. Better practice example – Involving top leadership and provision of training

In 2020, the University of Sydney established a Modern Slavery Project Team with two full-time staff to manage the university-wide response to modern slavery reporting obligations. The team reports directly to the Vice-Chancellor, who serves as the designated owner of the Modern Slavery Policy, and to the Vice-Principal of Operations who serves as the Modern Slavery Policy administrator. The University Executive makes recommendations to the Vice-Chancellor, and together with its sub-committees, oversees and monitors the university's compliance with the Modern Slavery Act, and receives six monthly reports on progress of implementation.²⁰



Also in 2020, the University of Sydney partnered with Anti-Slavery Australia to develop an online staff awareness training module tailored to support staff to identify and respond to modern slavery risks. To date, the training has been completed by more than 2000 staff. In addition, category-specific training was also provided to procurement category managers to support them to assess risk profiles of the supplier base, leading to the creation of a modern slavery supply chain risk register. Sydney has also developed a training module for students containing information on how to identify modern slavery risks and where to go to seek support. The module is supplemented by an information campaign on student-facing websites providing information on worker rights, legal support services and links to specialised support services such as My Blue Sky and Anti-Slavery Australia.²¹

¹⁹ Nolan et al., 2022.

²⁰ University of Sydney Modern Slavery Statement, p 15.

²¹ University of Sydney Modern Slavery Statement, p 25 & 29.




Leadership	
Indicator	University responses 
The entity discloses the leadership responsible for human rights strategy, including modern slavery, including any board committees, departments or officers responsible for policy development, implementation and enforcement related to human rights and/or modern slavery	<p>Half of the universities (51 percent) established a dedicated modern slavery specific working group within their organisations. However, only ten working groups (27 percent) were able to demonstrate cross-departmental collaboration on modern slavery issues and just five working groups (14 percent) report to university leadership at the executive level. Although all of the statements had been approved by the university's Council/ Board and signed off by the Vice-Chancellor, Chancellor or President, in the absence of more meaningful involvement of high-level leadership in the development of strategy and oversight of implementation, the influence of modern slavery working groups is likely to be limited.</p>
Policies	
Indicator	University responses 
The entity discloses its relevant internal policies and how they relate to modern slavery	<p>Only seven universities (19 percent) had revised their procurement policies and procedures to embed anti-slavery principles, and just five universities (14 percent) had developed or were in the process of developing a modern slavery specific policy. The remaining two-thirds (68 percent) either did not reference policies at all or briefly mentioned irrelevant university policies, such as staff codes of conduct or sexual harassment policies, but did give any explanation as to how such policies related to modern slavery.</p> <p>Very few universities disclosed internal procurement policies and procedures to ensure responsible purchasing practices (e.g., adequate procurement pricing, prompt payment and good planning, avoiding short-term contracts, excessive downward pressure on pricing, and sudden changes of workload). Only one university placed any sort of limit on subcontracting, and only two committed to paying workers in their supply chain a living wage.</p> <p>Not a single university disclosed evidence of consultation with trade unions or civil society organisations in developing or reviewing their policies. Although six universities (16 percent) made an explicit commitment to freedom of association for workers within their supply chains, none were able to provide evidence of trade union presence.</p>



Policies	
Indicator	University responses 
The entity has policies that set out its expectations of suppliers and business partners in addressing modern slavery and provides details	<p>Just eight universities (22 percent) stated a commitment to prioritising suppliers in their selection process that demonstrate respect for human rights and compliance with relevant legislative requirements.</p> <p>The vast majority of universities have inserted modern slavery clauses into their standard supplier contracts, and close to half (44 percent) have a Supplier Code of Conduct or plans to develop a similar policy that lay outw their expectations of suppliers and business partners with respect to modern slavery. These top-down approaches lack meaningful collaboration and capacity building. Rather than working with suppliers to address the root causes of modern slavery, these approaches shift the responsibility of modern slavery onto suppliers deeper in the supply chain, while failing to provide them with appropriate support.</p>
The entity expects/requires its direct suppliers to cascade the entity's modern slavery standard down their own supply chain	A key action that reporting entities can take to address modern slavery is to work proactively with their direct suppliers to help ensure modern slavery standards are fulfilled along the supply chain, and provide concrete examples of doing so (e.g., providing training, changing the pricing index to improve wages, etc.). While ten universities (27 percent) explicitly stated that they expected or required their direct suppliers to cascade modern slavery standards further down their supply chains, none were proactively working with suppliers to help ensure these policy requirements were implemented.
The entity discloses how its relevant policies are communicated to suppliers and business partners	The vast majority of universities (80 percent) did not explain how their policies were communicated to suppliers or business partners. Of the seven universities (19 percent) that disclosed their communication methods, only one (3 percent) engaged with suppliers though education or training sessions.
The entity references international human rights standards, core ILO standards, the OECD Guidelines on Multinational Enterprises and/ or the UN Guiding Principles on Business and Human Rights in its relevant policies, and aligns polices with such standards	There are a number of internationally recognised standards for preventing and addressing the risk of adverse impacts on human rights linked to business activity. One in four universities (27 percent) referenced international human rights standards in their modern slavery statements, and just one in eight (14 percent) explained how human rights frameworks have been incorporated into university policies.



Policies	
Indicator	University responses 
The entity prohibits the imposition of any financial penalties on workers in its own operations, suppliers, and recruitment agencies	The imposition of recruitment fees or other expenses may create a situation where a person cannot refuse or leave work. Only two universities (5 percent) explicitly prohibited financial penalties on workers in their supply chains. An additional five (15 percent) prohibited fees imposed on direct employees of the university, but did not extend this same policy to workers contracted through suppliers and recruitment companies.
The entity describes its process to ensure compliance with the above prohibition	This indicator seeks to determine to what extent, beyond making general prohibitory statements, a reporting entity actually adopts measures to ensure that workers are not subject to financial penalties. None of the university statements disclosed any process for ensuring compliance with financial prohibition.
Training	
Indicator	University responses 
The entity provides training to its staff and management on modern slavery risks, policies, standards and processes	Half of the universities (51 percent) provided some form of training to staff or management on modern slavery risks, although the details surrounding the training modules were often hazy and it was not clear who had received the training, what the content of the training was, nor how regularly training would be made available. The remaining half (49 percent) either did not mention training at all or indicated that training was a planned action for future years.
The entity discloses how it engages with suppliers on modern slavery risks including prioritising higher risk suppliers	Given that higher risks of modern slavery are often located in supply chains, it is important that reporting entities seek to address such risks by facilitating training and education about modern slavery with suppliers that they sourced from. Just three universities (8 percent) reported conducting any form of training and education sessions with suppliers, and just two (5 percent) had factsheets and information resources available to suppliers via an online portal.



Risk identification and remediation

There was a strong tendency for universities to refer to sector-wide modern slavery risks, rather than those specific to the individual university and identified through its own assessments. We found this to be largely due an overreliance on the Australian Universities Procurement Network (AUPN), of which 38 Australian and New Zealand universities are members. Member universities frequently described the AUPN's risk assessment process using near-identical phrasing that had been adapted or copied and pasted from the same original source.

Our analysis suggests that while the AUPN is a vital platform for engaging with shared suppliers and gathering information on sector-wide trends, an overreliance on collaborative responses can at times be detrimental and disincentivise universities from developing tailored responses that address their own unique set of operational and supply chain issues. Researchers have observed a similar 'herding effect' in the UK university sector.²² Unless universities source from exactly the same suppliers, they cannot assume the risks are the same.

Beyond the initial risk assessment stage, there is a notable absence of ongoing monitoring activities. Fewer than 20 percent of universities provided detail about their monitoring frameworks, and of these, most relied heavily on supplier self-assessment questionnaires or on desk-based audits. It is now widely recognised that these monitoring methods are highly inadequate in detecting exploitative practices and poor working conditions.²³ Notably, there was an almost complete lack of on-site auditing and engagement with supply chain workers who hold critical knowledge of local workplace issues and are in a position to alert regulators to incidents and possible modern slavery risks.

Workers should feel able and empowered to safely raise complaints and concerns via an entity's grievance mechanisms (see Box 4 for a better practice example). In general, however, remediation was one of the weakest areas in university responses with only 16 percent nominally addressing remediation, despite this being a mandatory requirement of the Modern Slavery Act. Universities were typically hazy in disclosing how they were prepared to act if they found modern slavery occurring in their operations or supply chains, providing vague responses such as "appropriate remedial actions will be explored in consultation with our priority one or high-risk suppliers".²⁴ Very few have reported having formal remedial processes, procedures or corrective action plans in place nor adequately described how they had responded to risks or incidents raised through grievance mechanisms. It is evident from our findings that, on the whole, universities do not consider themselves responsible for harms to workers that they cause or contribute to.



²² Rogerson, M., Crane, A., Soundararajan, V. & Grosvold, J., 2019. Organisational responses to mandatory modern slavery disclosure legislation: a failure of experimentalist governance? *Accounting, Auditing & Accountability Journal*: 33(7), pp1505-1534.

²³ Ford and Nolan, 2020. Regulating transparency on human rights and modern slavery in corporate supply chains: The discrepancy between human rights due diligence and the social audit. *Australian Journal of Human Rights*, 26(1): 27-45; Nolan and Boersma, 2019. *Addressing Modern Slavery*; International Labour Organisation, 2016. *Workplace compliance in global supply chains*, pp. 10-15.

²⁴ University of Wollongong Modern Slavery Statement, p 14.



Box 4. Better practice example – working together with trade unions to remedy harms to workers

Given remediation was a very weak reporting area in university responses, we include here an example from the horticultural sector to illustrate the benefits of working with trade unions to ensure workers who have been subject to exploitative practices receive appropriate remedy. Coles Supermarkets Australia worked collaboratively with trade unions to identify and address risks in horticultural supply chains. As described by the company, “Coles received an allegation via a local trade union that workers at a farm supplying product to Coles had been underpaid.

Coles’ investigation confirmed that the supplier’s labour hire provider had underpaid workers, and that there were insufficient processes in place to ensure workers had the legal right to work in Australia. Coles worked with the supplier, the labour hire provider and the union to address the underpayment, resulting in a \$40,000 back-payment to seven workers. Coles also worked with the supplier to ensure improved practices were implemented to monitor compliance of their labour hire providers and to ensure adequate record-keeping of workers on their sites.”²⁵

Coles worked with the supplier, the labour hire provider and the union to address the underpayment, resulting in a \$40,000 back-payment to seven workers.




²⁵ Nolan et al., 2022, p 43.



Risk Identification and Assessment	
Indicator	University responses 
The entity describes how risk assessments of its supply chain and prospective suppliers are carried out and includes information on what indicators, resources, tools were used in carrying out its risk assessment	Around one third of universities (30 percent) failed to disclose information on how risk assessments of their supply chain were carried out, while half (51 percent) described the AUPN's sector-wide risk assessment approach and process, but did not describe to what extent potential risks had been assessed within the university's own individual supply chains using disaggregated data. Just seven universities (19 percent) disclosed how they carried out risk assessments in their own supply chains and provided information on what resources and tools were used in carrying out their risk assessment activities, although information on indicators used was noticeably absent.
The entity monitors suppliers on modern slavery	Close to half of the universities (46 percent) did not have a monitoring system in place, while an additional third (35 percent) briefly cited monitoring in their statements, but lacked detail and clear evaluative metrics. Of the remaining seven universities (19 percent) that did have some form of monitoring in place, there was an overreliance on the use of supplier questionnaires and self-assessment. Several universities reported engaging third-party auditors to monitor their supply chains, however there was no evidence in any of the statements of audits taking place on-site.
The entity discloses results of those monitoring processes	None of the universities disclosed the results of their monitoring activities.
The entity discloses it has undertaken a risk assessment process, which includes modern slavery risks, in its own business and describes how the risk assessment process of its operations was carried out, including what indicators, resources, tools were used	Only a quarter of the universities (25 percent) carried out a risk assessment of their own operations. Common justifications given for not conducting an internal assessment were that they had instead focused on assessing suppliers, or that they had enterprise agreements or staff policies in place that negated the need to examine their internal operations. Of the nine universities that did conduct an internal risk assessment, only three (8 percent) provided detail about the tools and resources they used.
The entity discloses priority areas for action in its operations and supply chains based on risks identified in assessments	This indicator is used to determine the extent to which a reporting entity has gone beyond initial risk-scoping exercises to actually exercise human rights due diligence by demonstrating that they have used the information garnered from identification and assessment processes to inform actions. Around 40 percent of universities were able to link the identification of high-risk areas with their risk assessment processes, while the remaining 60 percent either did not identify any priority areas for action, or identified areas but failed to disclose how they had carried out an assessment to inform this identification.



Remediation	
Indicator	University responses 
The entity demonstrates how it is prepared to respond if it finds modern slavery occurring in its operations or supply chains, including by developing an agreed procedure or corrective action plan to responding to modern slavery cases	An astounding 78 percent of universities did not provide an explanation of how they were prepared to respond if they found incidents of modern slavery in their operations or supply chains. The remaining 22 percent only nominally addressed remediation in their statements, and very few described having any formal remedial processes, procedures or corrective action plans in place. Only one university clearly acknowledged joint responsibility, stating that it was committed to providing remediation for modern slavery harms which it caused or contributed to.
The entity makes available a grievance mechanism(s), hotline, online complaints form, complaints app or whistleblower process to all workers (its own, third party or shared) to raise human rights related complaints/concerns	Grievance mechanisms are the predominant form through which people can safely raise concerns about an entity's human rights impact for the purpose of remediation. The Government's Guidance for Reporting Entities emphasises that it is important that grievance mechanisms are confidential to protect workers' privacy, accessible in workers' languages and available to workers outside their working hours. A mere 22 percent of universities had a grievance mechanism that was available to all workers, including supply chain workers. None described whether potential or actual users have been engaged in the design of their grievance mechanisms nor did they disclose whether the mechanisms were made accessible to users who speak languages other than English.
The entity expects its suppliers to make available a mechanism for workers to raise grievances/concerns, including about human rights issues, and communicates this expectation to its suppliers	In their statements, none of the universities stated that they held an expectation that their suppliers make available a mechanism for workers to raise grievances and complaints.
The entity discloses information on the use of its grievance mechanism(s), or reports that these are disclosed publicly, and describes how and to what extent it has responded to modern slavery risks raised via its own grievance mechanism or raised by external stakeholders	In their statements, none of the universities publicly disclosed information on the use of their grievance mechanisms nor described how they had responded to modern slavery risks or incidents raised through these channels. Consequently, it was not clear how many and what types of complaints and concerns were raised by workers, international students and other relevant stakeholder groups. "
The entity discloses priority areas for action in its operations and supply chains based on risks identified in assessments	This indicator is used to determine the extent to which a reporting entity has gone beyond initial risk-scoping exercises to actually exercise human rights due diligence by demonstrating that they have used the information garnered from identification and assessment processes to inform actions. Around 40 percent of universities were able to link the identification of high-risk areas with their risk assessment processes, while the remaining 60 percent either did not identify any priority areas for action, or identified areas but failed to disclose how they had carried out an assessment to inform this identification.

CRITERION 5: ASSESS THE EFFECTIVENESS OF THE ENTITY'S ACTIONS

The fifth mandatory criterion under the Modern Slavery Act requires reporting entities to explain how they assess the effectiveness of their own actions to address modern slavery. The Guidance for Reporting Entities established by the Australian Government for the purposes of the Act emphasises that entities cannot meaningfully improve their response to modern slavery if they do not have a way to check whether their actions are working. The Guidance stresses the importance of developing key performance indicators (KPIs) which can be used to measure the effectiveness of their efforts both qualitatively and quantitatively.

Overall, this was a very weak reporting area. A high proportion of the universities did not describe any KPIs or other metrics used for tracking the effectiveness of their actions. Of the small number of universities that did disclose KPIs, none specified clear targets or benchmarks. For example, the University of Adelaide includes as an indicator the “number of suppliers who have agreed to and signed the Supplier Code of Conduct”. The university disclosed that in the 2020 reporting period, 40 of its suppliers had signed the Code.²⁶

Our analysis reveals that not even one university disclosed in its statement numerical data on the number of modern slavery incident reports received or investigated, nor provided examples of remedial actions.

However, Adelaide did not explain what proportion of its total number of suppliers this accounts for, what proportion of suppliers did not sign, nor the number of suppliers the university had selected as a benchmark to serve as a point of reference against which the university's performance could be appropriately measured. Without this crucial information, it is not possible to ascertain whether the university is doing well or doing poorly on this measure.

Deeper analysis reveals that not even one university disclosed in its statement numerical data on the number of modern slavery incident reports received or investigated, nor provided examples of remedial action. This might in part be attributed to the fact

that this was the first year of disclosures and universities were at an early stage of implementation of their actions. It remains to be seen if scoring in this area will be higher in the subsequent reporting period as implementation efforts mature.



²⁶ University of Adelaide Modern Slavery Statement, p 16.

²⁷ Nolan et al., 2022, p 34.




Box 5. Better practice example – Measuring effectiveness

As measuring effectiveness was a very weak reporting area across the university sector, we draw on a company from the healthcare sector in order to illustrate an example of good practice. CSL Limited, an Australian biopharmaceutical company that develops and manufactures products such as influenza vaccines, lists several key performance indicators for key aspects of

its modern slavery strategy. Indicators include increased percentages of employees trained in policies and monitoring, employee understanding from training, staff participation in meetings, benchmarking against information published by modern slavery expert stakeholders such as charities and government bodies, and the number and disclosure of actual instances reported through grievance mechanisms.²⁷

Most universities (84%) did not disclose KPIs or any other metrics used to measure the impact of their actions



Indicator	University responses 
<p>The entity discloses key performance indicators, or other metrics, used to measure the effectiveness of efforts to assess modern slavery risks in operations and supply chains</p>	<p>Most universities (84 percent) did not disclose KPIs or any other metrics used to measure the impact of their actions. Of the six universities (16 percent) that did describe KPIs, none included in their indicators clear benchmarks against which their performance could be measured.</p>
<p>The entity discloses the results of actions implemented to address actual or potential risks of modern slavery, and explains how it checks that actions have been implemented and/or remedy has been provided</p>	<p>Every university scored poorly on this indicator. None disclosed the results of actions they had implemented in response to actual or potential instances of modern slavery. Although there can be legitimate ethical and safety reasons for not disclosing actual instances of modern slavery in public statements, it is important and possible to disclose results in non-specific terms using unidentifiable data.</p>



CRITERION 6: DESCRIBE THE CONSULTATION PROCESS WITH CONTROLLED OR OWNED ENTITIES

The sixth mandatory reporting criterion requires companies to describe their process of internal consultation for the purpose of producing their modern slavery statements. It is important that this consultation process is sufficiently described so as to inspire confidence in the reader that the company undertook meaningful and ongoing dialogue with each entity it owns or controls.


Three out of four universities with controlled entities failed to describe their internal consultation process in any level of detail. It was common for universities to simply state that they had engaged or consulted with representatives from controlled entities in the development of the statement without offering any further information about what this process entailed.

It is important to note again here (as we earlier discussed under Criterion 1) that a small number of universities explicitly stated they were excluding a proportion of their controlled entities from the reporting process on the basis that those entities had revenue of less than \$100 million per year. This misinterpretation of the Modern Slavery Act means that some universities are not complying with their legal obligations to consult and report across the entirety of their operations and supply chains. The extent to which this is occurring across the sector is not known and may be more commonplace than our review is able to detect.

Box 6. Better practice example – Consultation process with controlled entities

The University of Wollongong had made an effort to describe the process of internal consultation with its two controlled entities, University of Wollongong Global Enterprises (UOWGE) and University of Wollongong Pulse (UOW Pulse), for the purpose of producing the university's modern slavery statement: "Consultation with our primary controlled entities has been integrated into our modern slavery response, through the membership

of representatives from these entities in the UOW Modern Slavery Working Group, meeting on a bi-monthly basis during the reporting period, and involvement in specific initiatives undertaken as part of our modern slavery response... This statement was developed collaboratively by members of the Modern Slavery Working Group, including representatives from UOW's primary controlled entities. It has been reviewed and considered by the University Council and the boards of both [controlled entities] UOWGE and UOW Pulse."²⁸

Indicator	University responses 
The entity describes its process of consultation with entities it owns or controls	Of the universities with controlled entities, just 25 percent disclosed which entities they had consulted with in the preparation of their statements and adequately described the process of these consultations (such as meetings, conversations, etc.)



CRITERION 7: ANY OTHER INFORMATION (IMPACTS OF COVID-19)

The seventh mandatory reporting criterion enables companies to include information that they think is relevant but that is not covered by the other six mandatory criteria. Given the discretionary nature of this seventh criterion, for this evaluation we have not assessed university disclosures against this reporting area, with one key exception. We have included in our review a focus on disclosures that relate to Covid-19 on account of the pervasive impacts of the pandemic on global and domestic supply chains and the heightened vulnerability of workers in high-risk sectors. Examining how universities responded to the first year of the Covid-19 crisis provides invaluable insights into how prepared universities might be to respond to similar emergency situations in future.

Overall, two-thirds of universities are failing to identify any tangible impacts on workers arising from Covid-19 and are not providing any evidence that they are taking necessary steps to mitigate increased modern slavery risks.

A third of universities did not refer to Covid-19 anywhere in their statements despite the fact that they had submitted their statements in December 2021, almost one full year after the pandemic had first begun in full force. Another third mentioned Covid-19 in general terms but did not explicitly link the pandemic with modern slavery risks in their supply chains. Overall, this means that two-thirds of universities are failing to identify any tangible impacts on workers arising from Covid-19 and are not providing any evidence that they are taking necessary steps to mitigate increased modern slavery risks.²⁹

The remaining third did comparatively better. These universities adequately explained how Covid-19 had affected modern slavery risks and described ways in which the pandemic had hampered their ability to assess such risks. Several universities, the University of Southern Queensland in particular (see Box 7), went further to describe how they had adapted their plans in response to changes in their risk profiles and outlined what actions they had taken to ensure continued progress.




²⁹ University of Southern Queensland Modern Slavery Statement, p 7.



Box 7. Better practice example – responding to the impacts of Covid-19

As a result of the pandemic, the University of Southern Queensland undertook the following measures to ensure continued progress on addressing its modern slavery risks:

- The university engaged suppliers to alert them to additional protocols related to Covid-19;
- Suppliers were paid upfront and timeframes for supplier payment processing were reduced, as recommended in the Modern Slavery Act Information Sheet on Coronavirus;
- All modern slavery working group meetings shifted to video conferencing format;
- All training sessions were delivered online instead of in-person;
- Student Support Package provided financial assistance to students by way of a during the pandemic.

Indicator	University responses 
The entity describes how COVID-19 has affected its modern slavery risks, including by creating new risks	Although the Australian Border Force guidance encourages reporting entities to consider how the impacts of Covid-19 may increase the vulnerability of workers in their operations and supply chains, 70 percent of universities failed to do so. They either they did not mention Covid-19 at all (35 percent) or did not specifically link the challenges posed by the pandemic to modern slavery risks (35 percent).
The entity explains how COVID-19 has affected its ability to assess and/or respond to modern slavery risks and explains any new, suspended or delayed actions, or states that it is unaffected	The majority of universities did not disclose how Covid-19 had impacted on their ability to assess modern slavery risks. Only ten universities (27 percent) described how their assessment plans had been suspended or disrupted in some way, most commonly reporting that the pandemic had curtailed the ability of university staff to conduct on-site monitoring or auditing visits due to travel bans and restrictions on movement. Just three universities (8 percent) outlined what actions they had implemented to protect and support supply chain workers from the potential impacts of the pandemic.



CASE STUDY ON COMMERCIAL CLEANING

We include this case study on commercial cleaning as an example of how universities are reporting on supply chains they typically identified as high risk and the types of measures they are putting in place to mitigate such risks. The cleaning sector is particularly valuable as a case study since a sizable number of cleaning workers employed to service university buildings are also enrolled in university courses as international students. Not only, then, does the university sector have the power to make a significant change to the conditions of workers, it has a duty to do so for its students who are commonly employed as cleaners. It is for this reason that we selected cleaning as a special case study for this report.



Cleaning as a high-risk sector

The egregious exploitation of cleaning workers in Australia has been highlighted in various investigations and reports by the Fair Work Ombudsman (FWO), the cleaners' union, academic researchers, and media for well over a decade. FWO investigations into cleaning supply chains have revealed significant contraventions of the Fair Work Act 2009 (Cth), including the failure of employers to meet legal minimum wage standards under the Cleaning Industry Award.³⁰ The cleaners' union, the United Workers Union, describes wage theft in the cleaning sector as "extremely common" and has documented widespread underpayment as low as half the legal minimum, unpaid overtime and superannuation.³¹

During Covid-19, with the shutdown of buildings and offices across the country, there have been drastic cuts to cleaning wages as contracts are cancelled or work hours are reduced, placing many cleaning workers in extremely precarious financial positions.³² Workers that have continued to work throughout the pandemic have been faced with unsustainable workloads, and many have reported having to rush to complete cleaning work without being given adequate time to do so.³³ Cleaners suffer from very high rates of occupational injury³⁴ and sick leave is commonly denied.³⁵ In the absence of sick leave, cleaners risk contracting and spreading the virus when they are unable to stay home and isolate. Such conditions are seen as red flags for modern slavery.

³⁰ Fair Work Ombudsman, 2018. An inquiry into the procurement of cleaners in Tasmanian supermarkets. <https://www.fairwork.gov.au/newsroom/media-releases/2018-media-releases/february-2018/20180214-ww-cleaners>; Fair Work Ombudsman, 2016. An inquiry into the procurement of housekeepers by four and five-star hotel groups. <https://www.fairwork.gov.au/newsroom/media-releases/2016-media-releases/may-2016/20160520-hotel-housekeepers-inquiry>; Fair Work Ombudsman, 2018. Penalty against MCG head contractor over underpayments a "wake-up call". Media Release. <https://www.fairwork.gov.au/newsroom/media-releases/2018-media-releases/may-2018/20180529-iss-penalty-mr#:~:text=A%20surprise%20night%2Dtime%20visit,of%20a%20global%20cleaning%20company.>

³¹ The Senate Education and Employment References Committee, 2018. Wage Theft? What Wage Theft? The exploitation of general and specialist cleaners working in retail chains for contracting or subcontracting cleaning companies. Commonwealth of Australia, p 4.

³² INCLEAN, 2020. National survey reveals cleaners' coronavirus concerns <https://www.incleanmag.com.au/national-survey-reveals-cleaners-coronavirus-concerns/>

³³ Ibid.

³⁴ United Voice, 2018. Submission to the Senate Inquiry on the exploitation of general and specialist cleaners working in retail chains for contracting or subcontracting cleaning companies. https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/ExploitationofCleaners/Submissions

³⁵ Cleaning Accountability Framework, 2020. Cleaners' inability to take sick leave poses a COVID-19 safety risk <https://www.cleaningaccountability.org.au/news/cleaners-inability-to-take-sick-leave-poses-a-covid-19-safety-risk/>

Indeed, commercial cleaning has been identified as a high-risk sector for modern slavery in Australia.³⁶ With a heavy reliance on the use of temporary migrant and unskilled labour, there is evidence of routine immigration-related coercion and threats to workers in cleaning supply chains.

How universities are responding

Two-thirds of the universities (65 percent) included in the evaluation identified cleaning as a high-risk sector for modern slavery. Of these, only seven (19 percent) went further to describe the risk factors in the cleaning sector. The most commonly identified risk factors were having multiple tiers of subcontracting arrangements, low visibility of cleaning as work tends to take place outside of standard office hours, and demographic vulnerabilities of workers due to migration.

Despite the high number of universities that identified cleaning as high-risk, only a small number (14 percent) described sector-specific measures they had adopted to mitigate the risks of modern slavery in their cleaning supply chains. Among these universities, the most commonly reported measure was some level of engagement with the Cleaning Accountability Framework (CAF) (see Box 8), although the nature and degree of each university's involvement with CAF was often not spelled out clearly in their statements. Measures undertaken by the University of Sydney, in particular, can be viewed as a good practice example (see Box 9).



³⁶ Australian Government Department of Home Affairs, 2018. The Commonwealth Modern Slavery Act: Guidance for Reporting Entities; United Voice, 2017. Submission to the Parliamentary Inquiry of the Joint Standing Committee on Foreign Affairs, Defence and Trade on Establishing a Modern Slavery Act in Australia.

³⁷ United Voice, 2017.



Box 8. Good practice example – The Cleaning Accountability Framework

CAF is a multi-stakeholder certification scheme developed to address supply chain risks in the cleaning sector.³⁸ It is the only initiative in the Australian cleaning industry that involves lead companies and property owners, investors and asset managers, cleaning companies, employee representatives, industry associations,³⁹ and the Government's workplace regulator, the Fair Work Ombudsman.⁴⁰

There are several key elements which distinguish CAF from other compliance initiatives in the cleaning sector. First, CAF establishes conditions that give workers the security to speak up and

focuses on worker engagement as opposed to top-down auditing.⁴¹ Cleaners are given a formal role in the certification of buildings and in the ongoing compliance with labour standards through the appointment of a worker representative at each certified building.⁴² Second, certified buildings are required to use the CAF pricing benchmarks in their tender processes. These pricing benchmarks are designed to enable cleaners (including employees of any subcontractors) to work within safe productivity levels and ensure they are paid at least minimum wages and entitlements.⁴³

CAF has been invited on multiple occasions to present to the Australian Universities Procurement Network and is currently working with around ten universities on the development of a pilot framework for university campuses.⁴⁴



³⁸ Cleaning Accountability Framework, Home. <https://www.cleaningaccountability.org.au/home/>

³⁹ Cleaning Accountability Framework. <https://www.cleaningaccountability.org.au/>

⁴⁰ Fair Work Ombudsman, 2018. Letter to the Senate Education and Employment Committee. <https://www.fairwork.gov.au/ArticleDocuments/765/the-exploitation-of-general-and-specialist-cleaners-working-in-retail-chains-for-contracting-or-subcontracting-cleaning-companies-FWO-submission.docx.aspx>

⁴¹ Cleaning Accountability Framework, About Us. <https://www.cleaningaccountability.org.au/about-us/>

⁴² Cleaning Accountability Framework, 2020. CAF Building Certification Guide. <https://www.cleaningaccountability.org.au/210208-caf-building-certification-user-guide/>

⁴³ Cleaning Accountability Framework, CAF Procurement Tools. <https://www.cleaningaccountability.org.au/procurement/>

⁴⁴ Australian Universities Procurement Network, 2020. AUPN Modern Slavery Program Overview 2021. <https://www.hes.edu.au/australian-universities-procurement-network>



Box 9. Good practice example – Identifying and responding to risks in the cleaning sector

The University of Sydney identified cleaning services as especially high risk of being directly linked to modern slavery and has made a concerted effort to improve working conditions for cleaning workers in its supply chains by implementing a number of sector-specific mitigation measures, including:⁴⁵

- Participation in CAF and requirements that prospective cleaning companies are CAF-accredited;
- Providing cleaning sector-specific modern slavery awareness training to the university's procurement staff who hold responsibilities for engaging cleaning suppliers;
- Screening suppliers prior to tender so as to exclude companies if a social or labour contravention is evident;
- Compliance checks of tendered rates against industry awards so as to reject abnormally low tenders;
- Requiring selected suppliers to train personnel and subcontractors on the implications of the Modern Slavery Act;
- Conducting regular site audits and ongoing monitoring, with a focus on wages and inappropriate work practices, including recruitment practices, work and life under duress, impossibility of leaving the job, and penalties or threats to which workers may be subjected.



⁴⁵ University of Sydney Modern Slavery Statement, pp 22-24.



DISCUSSION OF FINDINGS

Our evaluation reveals a huge disparity in the quality of modern slavery statements submitted by Australian universities, with a large majority failing to comply with the mandatory reporting requirements under the Modern Slavery Act. Although all the universities included in the review publicly committed to eradicating modern slavery in their operations and supply chains, a substantial number have yet to translate these commitments into concrete actions that would make a tangible difference to the lives of workers. Through our analysis, we have found many of the reported actions to be too superficial to identify and meaningfully address the root causes of modern slavery and serious forms of labour exploitation.

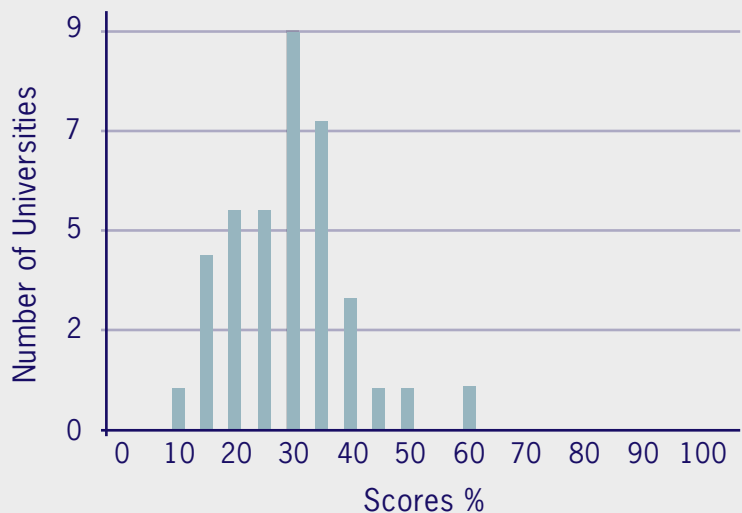
Consequently, scores for university disclosures were typically very low, averaging only 31 percent. While the degree of legislative compliance varied significantly across the sector with the highest-ranking university (University of Sydney) scoring 64 percent and the lowest-ranking

(Torrens University) scoring 14 percent, in general universities performed poorly with over nine out of ten universities receiving scores of less than 50 percent (see Figure 2).

Compared to other sectors that have been previously evaluated using the same indicators and metrics,⁴⁶ universities on average had weaker responses to modern slavery than companies in the garment and seafood sectors, and were approximately on par with companies in the horticulture and glove manufacturing sectors, two sectors known to have high risks of modern slavery (see Table 1). According to researchers Nolan et al. (2022), it is likely that garment companies – which scored the highest of the sector averages (49 percent) – have made improvements to their due diligence efforts as a result of public scrutiny following the wake of the 2013 Rana Plaza factory collapse in Bangladesh⁴⁷ and death of over 1,100 workers.⁴⁸

Compared to other sectors that have been previously evaluated using the same set of metrics, universities on average had weaker responses to modern slavery than companies in the garment and seafood sectors.

Figure 2. How Australian universities scored in this evaluation



⁴⁶ Nolan et al., 2022.

⁴⁷ Ibid.

⁴⁸ Rahman, S. & Yadlapalli, A., 2021. Years after the Rana Plaza tragedy, Bangladesh's garment workers are still bottom of the pile. The Conversation. <https://theconversation.com/years-after-the-rana-plaza-tragedy-bangladeshs-garment-workers-are-still-bottom-of-the-pile-159224>

On the whole, universities performed relatively well across a few reporting areas, such as describing their structure, operations and the nature and type of activities they undertake (Criteria 1 and 2), and acknowledging their potential to be directly linked with modern slavery in some way via their supply chains (Criterion 3). There is, however, much room for improvement. While these are arguably the least complex areas of reporting, it has come to our attention that a significant number of universities may not be including all their controlled entities and overseas operations within the scope of their reporting, despite legal requirements to do so. Universities also tended to focus on modern slavery risks in their supply chains while neglecting to identify potential risks within their own operations.

Perhaps as a result of these blind-spots, not a single case of modern slavery had been disclosed by a university through its own risk assessment processes, highlighting the critical need for universities to improve the quality of their disclosures.

Overall, reporting areas such as the involvement of leadership, policy development, supplier engagement, risk assessment, monitoring, remediation, measuring effectiveness, and consultation (Criteria 4, 5 and 6) were particularly poorly handled by universities in their modern slavery statements.

“Reporting areas such as the involvement of leadership, policy development, supplier engagement, risk assessment, monitoring, remediation, measuring effectiveness, and consultation were particularly poorly handled by universities in their modern slavery statements.”

Table 1. How the university sector compares with other sectors

Sector	Highest score	Lowest score	Average sector score
Garments	75%	17%	49%
Seafood	76%	14%	35%
Horticulture	83%	12%	32%
University	64%	14%	31%
Gloves	74%	10%	30%





Through this evaluation, it is has become apparent that universities are rarely committing to undertake actions that tackle the underlying drivers of modern slavery and labour exploitation

It is evident from our analysis, that universities are not taking their responsibilities for worker wellbeing seriously and – often by inserting contractual clauses into supply agreements – are pushing responsibility for modern slavery down supply chains to suppliers who are typically in a weaker position to respond. Our findings further demonstrate that universities are largely failing to identify the impacts on supply chain workers arising from Covid-19 (Criterion 7), and are not implementing appropriate actions to protect these workers from potential risks that have been exacerbated by the pandemic.

Through this evaluation, it is has become apparent that universities are rarely committing to undertake actions that tackle the underlying drivers of modern slavery and labour exploitation. Very few universities, for instance, have adopted measures to rectify downward pricing pressures resulting from their own procurement practices, such as ensuring tender pricing is sufficient for suppliers to pay workers a living wage, or by placing limits on the number of subcontracting tiers in their supply chains.

It was also extremely uncommon for universities to demonstrate genuine support for freedom of association and workers' rights. Legitimate engagement with supply chain workers and their representative trade unions was almost unheard of, even with respect to services procured from within Australia, such as cleaning services. Without the genuine involvement of these stakeholder groups at every stage of the process, universities' efforts to identify and respond to modern slavery risks are likely to remain largely insincere and ineffectual.

The lack of effort to engage more deeply with the underlying drivers that contribute to modern slavery was reflected in the way in which a number of university statements show similarities in content and phrasing, rather than showcasing individualised and detailed responses. Through our research we observed that a significant number of universities are treating their obligations under the Modern Slavery Act merely as a box-ticking exercise and mechanism for reporting.



This was particularly apparent when we compare the findings from this evaluation to the findings from interviews conducted with university staff who hold responsibilities for the procurement of cleaning and security services. In speaking with 19 staff across eight universities, Associate Professor Shelley Marshall found most interview participants described using a mixture of approaches to address labour compliance, including requirements on suppliers not to subcontract or to ask the university's permission to subcontract, requiring tenders to account for legal labour costs, holding regular meetings with suppliers to check and verify their compliance with labour standards, and using biometric scanners and other monitoring methods to track workers' attendance and hours.⁴⁹ When comparing the evaluation and interview findings, it appears that some universities may be doing more behind the scenes than can be deduced from their statements alone.

Reporting under the Act then, becomes little more than a public relations exercise for universities to promote what they are doing well, without the need to demonstrate how they may be engaging with modern slavery issues on a deeper level.

The superficial nature of many university disclosures to date may also, in part, be attributed to the fact that this was the inaugural year of reporting, and it would be expected that the quality of universities' disclosures will improve year on year. Our evaluation provides an independent benchmark to help universities understand their due diligence obligations, measure their performance, and strengthen their actions in future years to come. On the page overleaf we offer a series of recommendations for universities that are serious about eradicating modern slavery, and want make a tangible difference to the lives and wellbeing of workers, to use as a guide.

Reporting under the Act then, becomes little more than a public relations exercise for universities to promote what they are doing well, without the need to demonstrate how they may be engaging with modern slavery issues on a deeper level.

⁴⁹ Marshall, S. & Jabbar, J., 2022. Baseline survey and interview findings: CAF university pilot regarding cleaning and security procurement (unpublished).



RECOMMENDATIONS FOR UNIVERSITIES

The following set of recommendations build on the findings of this evaluation and have been developed specifically for Australian universities that are serious about eliminating modern slavery and labour exploitation in their operations and supply chains, and want further direction and guidance on how best to do so.

Recommendation 1:

Ensure all owned and controlled entities, including all overseas operations, are included within the scope of reporting and consultation.

Recommendation 2:

In addition to supply chain risks, ensure to examine and address modern slavery risks within the university's own operations, including a core focus on international students and research participants.

Recommendation 3:

Ensure responsibility for compliance is shared, not outsourced, to suppliers. Universities should take joint responsibility for any harms they have caused or contributed to as shifting the responsibility onto suppliers through contractual clauses, without transforming the procurement practices of universities, will fail to address the structural drivers of non-compliance.

Recommendation 4:

Adopt and embed responsible purchasing practices into the university's own procurement policies and processes, in such a way as to:

- a. prioritise suppliers that demonstrate a commitment to human rights and workplace rights
- b. regulate and place limits on subcontracting
- c. alleviate downward pressure on pricing
- d. guarantee workers are paid a living wage
- e. ensure prompt payment
- f. prohibit the imposition of financial penalties on workers
- g. avoid short-term supplier contracts and sudden changes in workload

Recommendation 5:

Beyond basic approval of the university's modern slavery statement, substantively involve executive level leadership in the formulation, oversight and implementation of modern slavery and human rights strategy.

Recommendation 6:

Support freedom of association and adopt a worker-centric approach in which workers and their representative organisations (trade unions and civil society organisations) are genuinely engaged every step of the way, from strategy and policy development, through to risk assessment, monitoring and remediation.

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Recommendation 7:

Establish effective grievance mechanisms that are co-designed with users and accessible to all workers, including supply chain workers. These mechanisms should be confidential and accessible to users in languages other than English.

Recommendation 8:

Develop clear remedial policies, corrective action plans and procedures that ensure supply chain workers are appropriately compensated and receive full, fair and timely remedies.

Recommendation 9:

Disclose results from monitoring, use of grievance mechanisms, and outcomes of remedial measures, being open and transparent about harms where they are found and what was done to address them. Actual cases should be disclosed, as well as the types of complaints and concerns that are raised, taking care to ensure individual workers are not identifiable.

Recommendation 10:

Ensure that each university responds to its own set of modern slavery risks specific to that university and its controlled entities. While the AUPN makes a vital contribution to the sector, collective sectoral responses should not replace or substitute for the efforts of an individual university.

Recommendation 11:

Situate efforts to address modern slavery within a broader human rights and labour rights framework by aligning the university's modern slavery response with core International Labour Organisation standards and the UN Guiding Principles on Business and Human Rights.





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