

Item 4.

Adoption - Modern Slavery Policy

File No: X092876

Summary

Modern slavery is a relationship based on exploitation and occurs when one person treats another as if they owned them – restricting their freedom. Modern slavery encompasses a range of serious exploitative practices, such as trafficking in persons, deceptive recruiting, debt bondage, forced labour and forced marriage. Legislation requiring certain anti-slavery measures to be implemented by local councils came into effect from 1 July 2022. Executive approved a Modern Slavery Implementation Plan in April 2023 and the CEO adopted the Modern Slavery Policy November 2023.

The Office of the NSW Anti-Slavery Commissioner subsequently released guidance to support compliance with modern slavery requirements including the detailed Guidance on Reasonable Steps (GRS) in December 2023, Guidance on How to Prepare a Modern Slavery Policy in May 2024 and Guidance on How to Prepare a Risk Management Plan in November 2024. The Commissioner has also reviewed the City's draft Modern Slavery Policy, providing feedback and recommendations in November 2024.

The elected Council expressed its condemnation of modern slavery by resolution in June 2024, and among other things, resolved the following:

(E) *the Chief Executive Officer be requested to:*

- (i) *amend the current City of Sydney Modern Slavery Policy to reflect these aspirations and the NSW Anti-Slavery Commissioner's template policy;*
- (ii) *continue work to establish a three-year plan to achieve the Anti-Slavery Commissioner's guidance for compliance, performance and reporting on modern slavery risks in its supply chains;*
- (iii) *bring an amended City of Sydney Modern Slavery Policy back to Council for consideration; and*
- (iv) *report back to the Audit, Risk and Compliance Committee and Councillors via the CEO Update on progress on the above.*

Following the Resolution of Council, a review of the NSW Anti-Slavery Commissioner's guidance, and the receipt of feedback from the Office of the Anti-Slavery Commissioner on our amended Policy, updates have been made to the City's Modern Slavery Policy to implement the aspirations of the resolution and intent of the Anti-Slavery Commissioner's sample policy, in line with the City's standard policy templates.

Recommendation

It is resolved that:

- (A) Council adopt the revised Modern Slavery Policy, as shown in Attachment A to the subject report; and
- (B) authority be delegated to the Chief Executive Officer to make amendments to the Modern Slavery Policy to correct any minor drafting errors and finalise design, artwork and accessible formats for publication.

Attachments

- | | |
|----------------------|--|
| Attachment A. | Revised Modern Slavery Policy |
| Attachment B. | Existing Modern Slavery Policy |
| Attachment C. | Resolution of Council - 24 June 2024 - City of Sydney Council
Condemns Modern Slavery |

Background

1. Modern slavery is a relationship based on exploitation and occurs when one person treats another as if they owned them – restricting their freedom. Modern slavery encompasses a range of serious exploitative practices, such as trafficking in persons, deceptive recruiting, debt bondage, forced labour and forced marriage.
2. The Modern Slavery Act 2018 (NSW) (the MSA) created new obligations for councils under the Local Government Act 1993 (the LGA) relating to modern slavery.
3. From 1 July 2022, councils have been required to take reasonable steps to ensure that goods and services procured by and for the council are not the product of modern slavery within the meaning of the MSA and are required to report on those steps annually.
4. An internal Modern Slavery working group has been working through actions endorsed by Executive in a Modern Slavery Implementation Plan approved in April 2023. This included the adoption of a Modern Slavery Policy by the CEO in November 2023.
5. Since then, the Office of the NSW Anti-Slavery Commissioner has released additional guidance to support compliance with modern slavery requirements including the detailed Guidance on Reasonable Steps (GRS) in December 2023, Guidance on How to Prepare a Modern Slavery Policy in May 2024 and Guidance on How to Prepare a Risk Management Plan in November 2024. The Commissioner has also reviewed the City's draft Modern Slavery Policy, providing feedback and recommendations in November 2024.
6. The elected Council expressed its condemnation of modern slavery by resolution in June 2024, and among other things, resolved the following:
 - (E) *the Chief Executive Officer be requested to:*
 - (i) *amend the current City of Sydney Modern Slavery Policy to reflect these aspirations and the NSW Anti-Slavery Commissioner's template policy;*
 - (ii) *continue work to establish a three-year plan to achieve the Anti-slavery Commissioner's guidance for compliance, performance and reporting on modern slavery risks in its supply chains;*
 - (iii) *bring an amended City of Sydney Modern Slavery Policy back to Council for consideration; and*
 - (iv) *report back to the ARCC and Councillors via the CEO Update on progress on the above.*
7. Following the Resolution of Council, review of the NSW Anti-Slavery Commissioner's guidance, and the receipt of feedback from the Commissioner on our amended Policy, updates have been made to the City's Modern Slavery Policy to address the objectives at a high level, implement the aspirations of the resolution and the intent of the GRS sample policy, in line with the format and content of our standard policy.

8. Proposed amendments to the Policy include:
 - (a) alignment to the core elements of the Council Resolution in the Policy statement, and reference to the development of the 3-year Modern Slavery Implementation Plan;
 - (b) inclusion of the aspirations of the NSW Anti-Slavery Commissioner's Policy template, for example in the actions we will take in relation to managing modern slavery within our supply chain;
 - (c) reflecting the updated reporting obligations we have as well as to report to ARCC, and expanding the approach to training and capacity building; and
 - (d) revision of the Responsibilities for clarity.
9. Several recommended policy inclusions in the NSW Anti-Slavery Commissioner's guidance which were more detailed requirements, such as risk identification and management and processes, targets, and supplier management are considered to be more appropriate for inclusion in the 3-year Modern Slavery Implementation Plan which is being developed and will incorporate the key steps and requirements to comply with the GRS.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

10. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This policy is aligned with the following strategic directions and objectives:
 - (a) Direction 1 - Responsible governance and stewardship - The Modern Slavery Policy provides a framework to enable the organisation to meet its statutory obligations and supports ethical procuring practices in line with the City's aspirations.

Organisational Impacts

11. The effective roll out of the Modern Slavery Implementation Plan and ongoing management of modern slavery risks will require dedicated procurement resources, involvement of a large number of staff across all Divisions, and potentially external expertise on occasions, actively identifying and managing modern slavery risks, across procurement activities including those undertaking sourcing as well as contract management. Additional reporting requirements are potentially significant, requiring support to build reports, collect data and build processes to support ongoing reporting requirements. City staff will require ongoing training across the organisation to uplift capability and keep abreast of emerging risks. The program will also require ongoing Executive team support and guidance.

Risks

12. The City of Sydney procures a vast range of goods and services, both locally and internationally, some categories of which are considered to be at high risk of modern slavery. The Modern Slavery Policy sets the framework to address and manage modern slavery risks in our supply chain.

13. This approach is within the City's risk appetite, which states:

- We are committed to complying with all applicable laws, regulations and financial reporting standards. We have no appetite for financial losses arising from non-compliance with legal and regulatory requirements.
- We have no tolerance for any form of abuse or exploitation of people, including children.
- We foster a culture of ethics, integrity and responsible behaviour across our organisation. By creating a strong ethical foundation, we aim to minimise the likelihood of reputation-damaging incidents and enhance our ability to respond effectively when challenges arise.

Social / Cultural / Community

14. The revised Modern Slavery Policy benefits the community through the management of risks to people in the wider community engaged in our supply chain.

Financial Implications

15. Funding for dedicated roles and resources to support the implementation and ongoing management of the modern slavery program will be incorporated in the 2025/26 iteration of the long-term financial plan.

Relevant Legislation

16. Legislation that the City of Sydney is required to comply with regarding modern slavery includes:

- (a) Local Government Act 1993.
- (b) Modern Slavery Act 2018.

Critical Dates / Time Frames

17. The GRS was released by the Anti-Slavery Commissioner in December 2023, with a 3-year timeframe to achieve compliance with the guidance.

Public Consultation

18. City staff have met with the Anti-Slavery Commissioner and his office on a number of occasions. A copy of the draft updated Policy was sent to the Office of the Anti-Slavery Commissioner for review, feedback was received in late November 2024 and elements of the recommendations have been incorporated where they applied to the City, aligned with the City's organisational maturity related to modern slavery management and are part of our standard policy structure and inclusions.

JEAN-MICHEL CARRIERE

Executive Director Finance and Procurement

Claudia Rivillo Osborne, Manager Social and Sustainable Procurement