



Submission to Senate Inquiry into establishing a Modern Slavery Act in Australia April 2017

INTRODUCTION

David Jones condemns acts of modern slavery in all its forms in Australia and overseas and welcomes the Senate Inquiry into this issue. Since 2013 David Jones has had in place a Supplier Code of Conduct (our Code) which specifically requires our suppliers to ensure that in our supply chain:

- There is no forced, bonded or involuntary prison labour.
- Workers are not required to lodge deposits or their identity papers with their employer and are free to leave their employer after reasonable notice.
- Where a situation of child or forced labour, or human trafficking is identified a Remediation Plan is implemented

Furthermore David Jones is signatory to the Responsible Sourcing Network's Cotton Pledge, which outlines our opposition to the use of child and adult forced labour in the harvest of Uzbekistani cotton and commits us to not knowingly source Uzbek cotton for the manufacturing of any of our products.

Since 2015 David Jones has had in place a program of due diligence which seeks to ensure these expectations are implemented throughout our supply chain and requires audits against our Code for factories producing David Jones-branded merchandise. These audits always involve worker interviews and are complemented by follow-up visits to factories by our own team members.

Whilst David Jones has not identified any issues of modern slavery through this program the business is aware that it must continually engage with our supply chain and do so more deeply to ensure that its due diligence is complete and robust. David Jones has further plans underway to strengthen this program and more information can be found on our [website](#).

RESPONSE TO THE TERMS OF REFERENCE

- 1. The nature and extent of modern slavery (including slavery, forced labour and wage exploitation, involuntary servitude, debt bondage, human trafficking, forced marriage and other slavery-like exploitation) both in Australia and globally;**
- 2. The prevalence of modern slavery in the domestic and global supply chains of companies, businesses and organisations operating in Australia;**

Whilst David Jones has not identified issues of modern slavery in its supply chain the business has in place dedicated resources in its Ethical Sourcing function in place with 20 years' combined experience in understanding and addressing supply chain human risks and issues. Through this internal expertise, and our established systems and processes for managing due diligence, David Jones has an understanding of the nature of modern slavery issues and how they may manifest in apparel supply chains. Compulsory overtime, non-payment of wages, delayed payment of wages and lodgement of deposits are some of the more common issues which tie workers to

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their job. As is regularly reported in the media, notably migrant workers are at higher risk of experiencing these issues through recruitment processes (payment of fees for work which are difficult and/or very slow to pay off for example) and through their employment conditions (delayed payment after commencing employment to 'repay' employer for costs of recruitment for example). Due to a number of factors, in particular language, migrant workers often have a lower awareness of their rights and ability to realise them (and ability to access remedy when there is a grievance).

With regards to the prevalence of modern slavery, as noted David Jones has not identified related issues through its due diligence program and therefore it is not the most material of the human rights issues that our program assesses. However it is one of the more egregious that could occur and it is for this reason it remains a focus.

In general regarding prevalence, the Committee should be aware that some companies may not have internal expertise in this area and therefore do not have systems, processes or resources in place to identify any modern slavery in their supply chain. This may mean that modern slavery cases are currently underreported and that introduction of legislation causes a spike in the number of reported cases.

3. Identifying international best practice employed by governments, companies, businesses and organisations to prevent modern slavery in domestic and global supply chains, with a view to strengthening Australian legislation;

The provision of comprehensive guidance to companies is clearly a key component of best practice which must accompany any legislation in Australia. As noted, some companies are yet to understand modern slavery risks and therefore they may not have the expertise required to conduct effective due diligence. Remediation of human rights issues in the supply chain is also extremely complex and resolving issues and supporting victims often a slow and complicated process. Without thorough guidance on due diligence and remediation approaches, implementation for companies will be more costly and onerous than is necessary; at worst it will be ineffective and damaging for victims.

Best practice also suggests robust systems for monitoring and evaluation (M&E) are critically important to assessing whether an initiative (in this case legislation) has the desired outcomes. Human rights issues are challenging to evaluate however, thinking ahead to processes for M&E when developing legislation will help to we see an actual reduction in the number of slavery incidents, rather than simply conducting a transactional assessment of outputs.

4. Whether a Modern Slavery Act should be introduced in Australia;

David Jones is broadly supportive of the concept of introducing a Modern Slavery Act in Australia. As a company who has been undertaking due diligence in this area for a number of years, David Jones believes legislation would help to 'even the playing field' and accelerate the impact of our own initiatives to ensure the absence of modern

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slavery in the supply chain. In addition there may in turn be a positive for Australian manufacturing, which David Jones is also supportive of.

However the Committee must be aware that any time and resources spent managing and reporting on compliance detracts resources from actual implementation. Therefore David Jones encourages the committee to ensure that any Act introduced is:

- Practical and achievable for companies to meet the requirements of and developed in a way that seeks to minimise the costs of compliance upon business
- Cognisant of the varied nature of businesses that may be required to comply
- Allows consistency of implementation with other national legislative instruments
- Accompanied by strong guidance from Government on how companies can go about implementation of effective due diligence and sensitive remediation
- Championed by Government leadership in its implementation through public procurement

Thank you for the opportunity to submit to this inquiry, we look forward to hearing the results of the Committees work.

David Jones

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