

Att: Commissioner Chris Evans

Australian Anti-Slavery Commissioner

By email: <a href="mailto:contact@antislaverycommissioner.gov.au">contact@antislaverycommissioner.gov.au</a>

11 April 2025

Dear Commissioner Evans,

## Re: Anti-Slavery Commissioner's Strategic Plan 2025-2028

The Coalition Against Forced Labour in Trade (CAFLT) welcomes the opportunity to provide input into your Strategic Plan for 2025-2028. We commend the establishment of the Australian Anti-Slavery Commissioner's role and the Australian Government's commitment to strengthening its response to forced labour in corporate supply chains.

Launched by the Human Trafficking Legal Center and the Freedom Fund in 2023, <u>CAFLT</u> is a global network of 18 civil society organisations working to introduce, and ensure ongoing enforcement of, import bans against goods made using forced labour. By engaging with policymakers and coordinating international advocacy, <u>CAFLT</u> aims to ensure there is no safe harbour for forced labour-tainted goods in major importing economies. A key priority of <u>CAFLT</u> is fostering greater coordination and alignment among jurisdictions on forced labour import bans, ensuring consistent and effective enforcement mechanisms worldwide. Without robust international cooperation, it is simply not possible to prevent circumvention of these bans.

Recommendation: Advising the Australian Government on the establishment of a forced labour import ban

To strengthen Australia's modern slavery response, we recommend the Anti-Slavery Commissioner advocate for the establishment of a forced labour import ban in Australia as a key objective of the Strategic Plan. In order to be effective, an import ban should include the following features:

- A prohibition on importing goods made wholly or in part with forced labour, regardless of geographic origin;
- An open referral mechanism through which imports suspected to have been produced with forced labour can be investigated by the Australian Border Force;
- An enforcement model that shifts the burden onto companies to prove their goods are free from forced labour when reasonable (but not conclusive) evidence of forced labour is submitted;
- Require companies to provide effective remedy to workers. Import controls should only be lifted if the importer can prove that (1) forced labour is no longer present, (2) remedy has been provided to adversely affected workers, and (3) corrective measures have been implemented. This must be done in consultation with affected stakeholders and independently verified. Obligate the relevant authorities to meaningfully and safely consult

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potentially affected workers and their representatives (such as civil society, trade unions and other groups), throughout the process from investigations to lifting of bans;

- Greater transparency by making customs data publicly available, similar to—but improving upon—the US model;
- Coordination with U.S. Customs and Border Protection (CBP) and EU authorities to ensure that import ban enforcement actions are aligned, preventing companies from shifting non-compliant goods between jurisdictions;
- Engagement with the United States, Canada, Mexico, EU and other trading partners to create a shared enforcement strategy, including joint investigations into high-risk supply chains and companies engaged in forced labour practices;
- Partnering with allies to create a joint database of restricted entities and high-risk suppliers, enabling coordinated trade restrictions and reducing transshipment risks;
- Ensuring that Australian customs authorities are sufficiently funded, trained, equipped, and staffed with labour rights experts able to conduct credible investigations to effectively implement an import ban.

If enforced effectively, a forced labour import ban would place significant pressure on suppliers and source countries to eliminate slavery-like practices while ensuring that Australian businesses do not contribute to or profit from forced labour. Such a ban would incentivise businesses to take meaningful action to address forced labour risks and improve conditions for workers. Importantly, it would complement Australia's ongoing efforts to strengthen its modern slavery framework.

## Background

Forced labour remains a significant issue in global supply chains, and Australia is well positioned to play an important role in its eradication. According to the Global Slavery Index, the Asia-Pacific region has the highest rates of modern slavery globally, and 59.7% of Australia's imports come from this region. Australia is estimated to import up to AUD\$27 billion annually in goods at risk of being produced with forced labour. Australia urgently needs to implement an import ban on goods made with forced labour to uphold human rights and protect its economic interests, ensuring a fair and competitive market for Australian businesses and workers. While the Modern Slavery Act (MSA), enacted in 2018, marked an important step in increasing corporate transparency, it lacks enforcement mechanisms and has proven insufficient as a stand-alone measure. Civil society has long called for stronger action, including banning the import of goods linked to forced labour.

Despite multiple attempts, including a 2021 Senate bill aimed at banning products tied to Uyghur forced labour, Australia has yet to enact meaningful trade restrictions. The urgency of this issue was underscored during the November 2024 visit of the UN Special Rapporteur on Contemporary Forms of Slavery, who called on the Australian government to "implement an import ban on goods produced as a result of forced and/or child labour." This recommendation reflects a growing international consensus that transparency alone is not enough.

<sup>&</sup>lt;sup>1</sup>Department of Infrastructure, Transport, Regional Development, Communications and the Arts, 'National Freight Data from Government and Industry',

<sup>(</sup>See:https://datahub.freightaustralia.gov.au/explore/interactives/Imports%20and%20Exports - using the filter 'Asia' and 'Pacific' on 15 November 2024); Walk Free, 'Modern Slavery in Asia and the Pacific' <a href="#">Asia and the Pacific | Walk Free</a>>.

<sup>&</sup>lt;sup>2</sup> Walk Free, 'Modern Slavery in Australia' < Modern slavery in Australia | Walk Free>.



Recent investigative reporting by The Guardian revealed that Australian supply chains continue to benefit from forced labour, including increased imports from companies linked to Uyghur forced labour after those companies were blacklisted under the U.S. Uyghur Forced Labor Prevention Act (UFLPA).<sup>3</sup> This not only undermines Australia's ethical standards, but also puts domestic businesses who comply with labour laws and invest in ethical sourcing at a competitive disadvantage. Commissioner Evans rightly pointed out that these revelations demonstrate serious inadequacies in Australia's current approach to addressing modern slavery risks in supply chains.

A strong import ban would not only help keep forced labour out of Australian supply chains but also safeguard the integrity of Australia's economy. By leveling the playing field, it would protect responsible businesses and workers from being undercut by unethical practices abroad. It would also reinforce Australia's alignment with key trading partners like the U.S. and EU, which are taking decisive action against forced labour.

In short, an import ban is not just a moral imperative - it's a strategic necessity to uphold human rights, secure Australia's economic interests, and foster fair competition in the global market.

Other jurisdictions, including the United States, Canada, Mexico, and the European Union,<sup>4</sup> have introduced import bans prohibiting goods made with forced labour, leaving Australia behind.

In particular, the US Tariff Act of 1930 provides a good example, effectively generating behavioural change among companies by prohibiting the import of goods made with forced labour.<sup>5</sup> Under this regime:

- Any person or organisation may petition authorities to investigate allegations of forced labour. U.S. Customs and Border Protection (CBP) also has the ability to self-initiate investigations into products made using forced labour entering the U.S. market;
- Imports are detained under a Withhold Release Order (WRO) when there is reasonable, not conclusive, evidence of forced labour;
- To release goods, importers must provide evidence within three months proving they were not made with forced labour;
- If conclusive evidence of forced labour is found, the goods can be seized and forfeited; and
- U.S. Customs and Border Protection also has the power to impose monetary penalties against U.S. companies for importing goods made with forced labour.

This model has been instrumental in targeting companies linked to forced labour, such as Malaysian glove manufacturers. Importantly, over US\$62 million in withheld wages have been repaid to

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<sup>&</sup>lt;sup>3</sup> Christopher Knaus and Helen Davidson, Australia exposed to modern slave labour imports and many businesses 'ignoring the facts, Commissioner warns' (The Guardian, 20 January 2025)

<sup>&</sup>lt;a href="https://www.theguardian.com/australia-news/2025/jan/21/australia-exposed-to-modern-slave-labour-imports-and-many-businesses-ignoring-the-facts-commissioner-warns">https://www.theguardian.com/australia-news/2025/jan/21/australia-exposed-to-modern-slave-labour-imports-and-many-businesses-ignoring-the-facts-commissioner-warns</a>.

<sup>&</sup>lt;sup>4</sup> US Tariff Act 1930, Section 307; Uyghur Forced Labour Prevention Act; Canadian Bill (<u>S-211</u>); Mexico's Forced Labour Regulation ('Administrative regulation that sets forth the goods which importation is subject to regulation by the Ministry of Labour and Social Welfare'); EU Forced Labour Regulation 2024.

<sup>&</sup>lt;sup>5</sup> US Tariff Act 1930, Section 307.



affected workers due to enforcement efforts.<sup>6</sup> However, this number is only a drop in the bucket. A recent International Labour Organization (ILO) report revealed that forced labour generates an annual profit of approximately AUD \$360 billion.<sup>7</sup> These profits represent wages and earnings effectively stolen from workers. This staggering figure underscores the urgent need for stronger measures to disrupt – and ultimately eliminate – the market for forced labour.

Australia is well-positioned to build on the lessons learned from the U.S. import ban implementation experience. By embedding forced labour remediation measures from the outset, Australia can enact an import ban framework that ensures affected workers receive adequate and meaningful redress.

## Next steps

CAFLT would welcome the opportunity to engage further in Phase II of the Anti-Slavery Commissioner's consultation and offer our expertise in shaping Australia's forced labour enforcement approach. Please do not hesitate to reach out should you require any further details or collaboration.

Yours sincerely,

## **Coalition Against Forced Labour in Trade**

For more information, please email The Human Trafficking Legal Center (Secretariat, Coalition Against Forced Labour in Trade): info@htlegalcenter.org

<sup>&</sup>lt;sup>6</sup> Ben Butler, US Bans imports of disposable gloves from Ansell supplier in Malaysia over allegations of forced labour (The Guardian Australia, 1 February 2022)

<sup>&</sup>lt;a href="https://www.theguardian.com/global-development/2022/feb/01/us-bans-imports-of-disposable-gloves-from-ansell-supplie-in-malaysia-over-allegations-of-forced-labour">https://www.theguardian.com/global-development/2022/feb/01/us-bans-imports-of-disposable-gloves-from-ansell-supplie-in-malaysia-over-allegations-of-forced-labour</a>:, U.S. Customs and Border Protection, CBP Modifies Withhold Release Order on Yu Long No. 2 (14 August 2024)

<sup>&</sup>lt;a href="https://www.cbp.gov/newsroom/national-media-release/cbp-modifies-withhold-release-order-vu-long-no-2">https://www.cbp.gov/newsroom/national-media-release/cbp-modifies-withhold-release-order-vu-long-no-2</a>

<sup>&</sup>lt;sup>7</sup> International Labour Organization, Profits and poverty: The economics of forced labour

<sup>&</sup>lt;a href="https://www.ilo.org/publications/major-publications/profits-and-poverty-economics-forced-labour">https://www.ilo.org/publications/major-publications/profits-and-poverty-economics-forced-labour</a> (19 March 2024)