



The Hon Mark Dreyfus KC MP
Attorney General, Commonwealth of Australia
PO Box 6022
Parliament House
Canberra ACT 2600
mark.dreyfus.mp@aph.gov.au

Dear Attorney General,

Investor support for the Australian Government Establishing a National Victims Compensation Scheme for Modern Slavery

We are a group of members of the Investors Against Slavery and Trafficking Asia Pacific (IAST APAC) initiative, which is an investor-led, multi-stakeholder project¹. IAST APAC comprises 45 investors with AU\$11.9 trillion in Assets Under Management (AUM), together with the Australian Council of Superannuation Investors (ACSI), with Walk Free and the Finance Against Slavery and Trafficking (FAST) initiative as Knowledge Partners.

As outlined in IAST APAC's investor statement,² as investors we see modern slavery, human trafficking and labour exploitation as something that goes beyond ethics. Business models and value chains that rely on underpaid workers, weak regulation or illegal activities such as forced labour and other forms of modern slavery drive unsustainable earnings. Companies are exposed to significant compliance and brand risk, which can be costly and time-consuming to address. Modern slavery is a systemic issue that requires systemic approaches for prevention, mitigation and remediation.

IAST-APAC has two work streams:

- a) **Company engagement:** Through IAST APAC, investors engage collaboratively with companies in the Asia Pacific region including ASX-listed companies to support them to find, fix and prevent modern slavery in their operations and supply chains.
- b) **Policy advocacy:** Through IAST-APAC, investors advocate for measures to mitigate the systemic risk of modern slavery.

In regard to policy, the different forms of Modern Slavery have been criminalised in Australia at the Federal level through Divisions 270 and 271 of the Criminal Code Act 1995 (the Criminal Code), reflecting Australia's obligations under international law and commitment to prosecuting modern slavery. However, there is no National Compensation Scheme to support victims that suffer the criminal act of modern slavery at the federal level.

¹ <https://www.iastapac.org/>

² <https://cdn.iastapac.org/content/uploads/2022/02/17014755/IAST-APAC-Investor-Letter-Updated-signatories-November-2021.pdf>



We are writing to you to express our support for the establishment of a National Compensation Scheme to support victim-survivors of modern slavery identified in Australia, for a number of reasons:

- A national approach can provide a comprehensive scheme to complement the Commonwealth modern slavery offences in Divisions 270 and 271 of the Criminal Code, reporting entity obligations in the Australian Modern Slavery Act, and potential new Federal legislation, such as forced labour import bans;
- A national approach reduces confusion and disparity in a system of State-based compensation, which currently appears fragmented, e.g. the criteria for the award of compensation, assessing harm, timeframes for reporting and the amount of compensation differ by jurisdiction, which means a potential barrier to victim-survivors obtaining fair, effective and timely access to justice and remedy;
- Modern slavery has no regard for State boundaries and as such, a person may be enslaved in various locations at different times across Australia;
- A national approach could contribute towards the objective of access to effective remedy, including government compensation under the country's criminal justice system. It could also provide an example of remedy that investors, such as IAST APAC members, could use in company engagement activities (under the company engagement work stream);
- A national approach aligns with Australia's commitments under the ILO Forced Labor Protocol 2014, including obligations concerning remediation, which recently entered into force; and
- Australia is signatory to a number of conventions and treaties that require victim-survivors of human trafficking, slavery and slavery-like practices to have timely access to effective remedies, including Article 1 and Article 4.1 of the ILO Forced Labour Protocol 2014.

We believe the loop needs to be closed to allow victim-survivors to achieve fair and consistent compensation across Australia. As a result, we advocate for the development of a framework for a National Compensation Scheme and for the relating research to be expedited as a priority under the National Action Plan to Combat Modern Slavery 2020-2025. We support the adoption of a clear framework that structures the compensation scheme effectively to achieve the best outcome for victim-survivors.

We would welcome the opportunity to engage with you via a meeting to discuss different options, for instance the model submitted by Anti-Slavery Australia, which provides guidance on how to structure Federal compensation for modern slavery survivors that considers eight key topics: eligibility, time limits, standard of proof, determination, compensation, funding, recovery, and visa options.

Regards,



List of signatories to this letter (in alphabetical order):-

Ian Patrick, Chief Investment Officer Australian Retirement Trust

Kate Turner, Global Head of Responsible Investment First Sentier Investors

Kim Farrant, General Manager, Responsible Investment, HESTA

Leilani Weier, Head of Responsible Investment REST

Mans Carlsson, Head of ESG Ausbil Investment Management Limited

Robyn Parkin, Head of Sustainability Ethical Partners Funds Management

Stuart Kingham, Chief Commercial Officer Challenger Limited