

Take on Board



Transcript – Episode 151: Sarah Morse on making sense of the Modern Slavery Act and its implications for all boards

Helga Svendsen 0:00

Today on the take on board podcast, I'm speaking with Sarah Morse about the modern slavery Act and its requirements. First, let me tell you about Sarah. A former New South Wales Young Australian of the Year, Sarah draws on 20 years as a nurse, and humanitarian to bring a uniquely global and deeply human perspective to the way humans think, work and behave. Most recently, Sarah worked as a health advisor in a safe house in Spain for survivors of human trafficking. On returning to Australia, Sarah and her husband Stephen saw a gap in the market in helping companies comply with the Modern Slavery Act. In her current role as director of Unchained Solutions, Sarah inspires Australians to be leaders in making an impact on modern slavery. Welcome to the take on board podcast, Sarah.

Sarah Morse 0:46

Thank you. Thanks for having me.

Helga Svendsen 0:48

Oh, it's so good to have you. And to build on what boards need to know about modern slavery, we did a podcast about this gosh, probably 18 months ago now before the Modern Slavery Act have even come into play. So it's really awesome to be able to get this update. However, as always, before we delve into that, we want to delve a bit more into you. So can you tell me a story about young Sarah, that tells us a bit about how you got to where you are today?

Sarah Morse 1:15

Yeah, sure. I mean, my story really starts as a 17 year old girl growing up on the northern beaches of Sydney. And you know, until that point in my life, I'd grown up in a wonderful family, beautiful supporting parents had gone to both of my local public schools. So life was pretty good, really, and had really, you know, great group of friends. But when I was 17, I started organising the 40 Hour

Famine, I don't know if you remember that with World Vision. And it became an organizer for my school and went to the World Vision Conference. And I started to hear about poverty and about development, and what some of the issues were in the world at that time. So I applied for the 40 Hour Famine study tour and I won. So as a 17 year old girl, I went to Africa with three other girls and to chaperones. And we went to Zimbabwe and Zambia. And that trip, it was only 10 days long, but just changed my life and the trajectory of my life in a massive way. So, you know, being confronted by poverty for the first time, you know, holding children who were starving, you know, seeing children walking five kilometers a day, just to get to school, you know, that kind of thing. Just really changed my life. And I realized, you know, I could either continue on my life as I as I had known it, and, you know, just do all the normal things for a girl growing up on the northern beaches in Sydney, or I could really use what I had in front of me to try and make a difference in some of those people's lives. And so that's really what I've done for the last 20 years, in different forms, in different humanitarian projects around the world. So yeah, so I guess that yeah, it was it was a life changing trip. And it sounds very cliché. But you know, at that time, I just thought, you know, we weren't super rich, you know, I used to think, oh, gosh, you know, finally I could have this or have that, you know, and I thought that was normal. And then when I went to Africa, and realize just the extraordinary amount of wealth, that I had access to an extraordinary amount of opportunity, and really realizing that poverty, you know, although poverty is yes, lack of health care, lack of food, and also his lack of opportunity. And so realizing the responsibility that I had with that as a young 17 year old girl, so I came back, studied nursing, which I plan to do anyway. But it really just changed the trajectory of that to you know, can I use this for good somewhere in the world?

Helga Svendsen 3:45

I'm just thinking about 17 year old Sarah, going on that trip in that incredible change. And I'm wondering, we will get onto modern slavery, but I just want to delve into that away, bit more so on. So you've gone away, you've had this transformational experience. I'm wondering what happens when you come back and you're hanging out with your other 17 year old friends that haven't had the same transformational experience? How did that work for you? Were you able to communicate that to people adequately?

Sarah Morse 4:11

Part of what I talk about now is Reverse Culture Shock, actually, and part of a lot of what we're confronting now with COVID is people going back to the workplace and they feel different, they feel changed in some way. They go back to the workplace expecting that it's going to be the same as when they left and it's not. So I'm actually talking now to companies about Reverse Culture Shock,, but it is very much that feeling of coming back. So the definition of Reverse Culture Shock, is returning to the place that you think is normal when you yourself has changed. I had really changed a lot but you know, I had the wonderful blessing of meeting my best friend Libby, who is still my best friend today. We met on the very first day of of Uni, and she had been on basically the same thing with a different organisation. She'd also been to Zambia and we were a couple weeks apart. We've been to sort of similar projects and, you know, had lunch in similar places. And so on our very first

day of Uni, it was kind of like, you know, I've just got back from Africa, she's, oh my gosh, me too, you know, we had like a three hour conversation, you know, and that really cemented our friendship. And so, you know, from then on, it was kind of as we progressed through our degree, and then we ended up in second year of nursing, we both went living and I went and worked in a healthcare clinic in Zambia for two months. And we worked also in a clinic in India, just through her family connections and things. So, you know, that was again, you know, more transformation. So, I mean, those those Uni years were really quite significant. I was also then, after the Worldvision study to I was selected as the Australian Worldvision Youth Ambassador. So I spent a lot of my Uni years traveling, you know, had to I had to cram a lot of my a lot of my studying. But there Worldvision Youth Ambassador Program was another extraordinary experience that was 50 young people from 50 different countries. And we came together and formed an international choir. And we traveled around the world for three months singing about justice and reconciliation, and world peace and things like that. So, you know, in that project, those people became my friends, I made friends with the girl from Sarajevo. So this was 1987. So just after the war had ended in Bosnia, you know, the girl from Bosnia became one of my best friends. And so to hear about someone who was basically exactly the same age as me, we liked the same music. We were like the same clothes, you know, we had a whole lot of things in common, but realizing just for the lack of where I happen to have been born, and when she happened to have been born, that our our teenage years had ended up being completely different, fell in love with a Palestinian boy. And so, you know, spent nights with him, not all night. You know, a lot of late nights up chatting. Just, you know, I think one of the first things I was very naive, and one of the very first things I said to him was like, just don't get the whole Palestine Israel thing. Can you guys just share? I didn't get it. He was like, you know, he was born in Bethlehem. He grew up fighting for his rights as an Arab in Bethlehem. And as an Arab Christian as a minority, even then, that was a very, very transformative experience as well. So yeah, by the various, some very significant experiences, they're all my unis as well. Yeah.

Helga Svendsen 7:17

So connecting that now to modern slavery. We've got some pretty clear hints in there about what's connected you to this work. But how did you get interested in modern slavery?

Sarah Morse 7:30

As a 17 year old, I guess that there were lots of things that I didn't know or didn't understand about the world. But early in my 20s, I spent two years working in an orphanage in Romania as well, I was very naive still, then I look back on my on my self now and think, gosh, I just really didn't know a whole lot about how the world worked. So but it turns out, the town that I lived in was a main trafficking hub for human trafficking in eastern Europe, and what was happening was in even under our noses, so looking back, I think, Gosh, girls, were getting traffic out of the orphanage under our noses. And they just said, Ah, they just were transferred to a different orphanage. Or, you know, I remember one day that teenage girls kind of running up to us and saying, you know, these men came in the middle of the night and took one of our friends away, you know, and we asked about it, and they said, Oh, yeah, she just got transferred to another orphanage in different parts of the

country, you know, and now I look back at it. And I'm like, why was that in the middle of the night? Why were men taking her out of the orphanage in the middle of the night? So things like that, that at the time, I didn't know that I was it was happening right in front of me. And then so as I grew in my, in my humanitarian experience, I've had a short term trip also to Athens, where we were working with, with prostitutes, and people working on the street, and most of those had been trafficked. So that was really my first formal exposure to human trafficking, and then realizing that most of those girls were Romanian. And so thinking, Gosh, just you know, those girls that I worked within that orphanage for sure there on the streets of Europe somewhere. And then when I married my husband, Stephen, you know, my friends were worried because they thought he was very sort of straight 180 and I was this, like, outrageous adventure girl kind of thing. And I thought, oh, you know, you're gonna end up being, you know, stuck in Belrose for the rest of your life. But then the opposite happened. So in our first year of marriage, he just became really convicted about this issue of human trafficking. And he said, I think that we should go and explore this somemore. And I actually said, No, I'm like, No, I'm not doing it. No, it's awful. It's horrible. It's dark. It's terrible. Like, I'm not interested, as we explored that further, we realized that that was really the calling on our lives. You know, we sort of, you know, we're very spiritual people. And so as we as we prayed, we just sense that that was, you know, where God was leading us. And so we just took a plunge. We quit both of our jobs, and we headed to Spain to explore human trafficking in Europe. So in that time, Stephen wrote his PhD on the male demand for for human trafficking in Spain. And I worked in a safe house for survivors of human trafficking. So that was sort of over a five year period. Ah, that we did that.

Helga Svendsen 10:01

What an incredible story and calling shout out to Stephen, because it was Stephen, who I met first actually out of you and Stephen, and he talked about this work. And I'm like, Oh, that'd be great to talk about on the podcast. But I can't talk to you, Stephen because I am interviewing all the good women before I get to the good men. So he sent me your way. So thanks, Stephen, for doing that.

Sarah Morse 10:21

He is a good man. He's one of the best.

Helga Svendsen 10:23

Yeah, he can be on the list for once I've got through all the good women. Okay, so there is this, you know, the deep experience that you've got led you to your calling in this in this area? So what is the modern slavery act in Australia? And what do boards need to know about it? Let's go there. Because this is all these real world examples about why boards need to think about it.

Sarah Morse 10:45

This is sad by first of all thinking about what is modern slavery. So there is a difference in definition between modern slavery and human trafficking. So the work that we did in Europe was specifically around human trafficking. So human trafficking is the illegal movement of people from one place to another against their will, for the use of exploitation. So human trafficking is one type of modern slavery. So just a general sort of definition of modern slavery, modern slavery is the commodification of people for the purpose of exploitation and financial gain. So that includes human trafficking. But that's not the only form of modern slavery. So we're thinking about forced labor, domestic servitude, child labor, child soldiers, and things like that, that come in under the banner of modern slavery. So if we're thinking about the statistics, so at the moment, it's estimated, and the numbers have increased during COVID. But we don't have accurate stats on that, but at least 40 million people are currently in a situation of modern slavery worldwide. And around 21 million of those are human trafficking. So it is one of the main components of modern slavery, but not the only one. We know that 73% are women and girls, and that one in four people in modern slavery are children. And this is globally, an industry which is about 150 billion US dollars annually, in terms of the exploitation of people. And so yeah, around two thirds of, of those people are in forced labor. Yeah, and we know that two thirds of those, again, are in the Asia Pacific region. So what we're really looking at is a huge population of people on our doorstep, who are in our supply chains making and doing the goods and services that we take for granted every day. So that's sort of just a background information on modern slavery to think about, it's not just human trafficking, it comprises all of those things as well, in terms of when we're thinking about modern slavery. So if we think about the modern slavery act, this was an act that was brought into play in 2018, after about a decade of campaigning, you know, we arrived back in Australia, from Spain around the time that the act was just coming into parliament. But you know, we're super grateful for for the people who for 10 years, we're just really campaigning, to get the Modern Slavery Act bought in. And so yeah, so when we came back to Australia with this sort of fairly random experience and research on, you know, how working in a safe house for survivors of human trafficking, and then, you know, Stephen's doctorate on human trafficking, and we thought, how are we going to use this experience in Australia, and that was just when the Modern Slavery Act was coming in. And so we saw a real gap there, in terms of people's understanding of the Modern Slavery Act, but also the care factor. So why should we comply? Why does it matter? And I think that's what we really bring is like, we know these people, you know, it's not just numbers on a page for us. These are real names, real stories, real people that we've worked with who are in situations of modern slavery. So the Modern Slavery Act was designed to help to bring more responsibility and more transparency to Australian companies, who are using people in modern slavery in their supply chains and operations.

Helga Svendsen 14:07

I think sometimes when we're talking about modern slavery in Australia, people are like, Oh, but you know, we're in Australia, we have labor laws. And that doesn't happen here. Well, A, it does happen here. But B, it's not just what happens here. It's, as you say, it's what's in the supply chains for organisations. And, you know, we live in a global economy, a global society. Now, every organisation has supply chains outside Australia, I would guess. Like, I can't think of one that might just be limited to here that might be free of all of these risks.

Sarah Morse 14:39

Yeah, exactly. Right. So during COVID, for example, and we had the issue of toilet paper running out on our shelves, you know, and suddenly people started to think, Oh, why is there no toilet paper? It's always been there before. Why is it not there? Now? You know, because I don't know. Supply chains aren't things that people think about on a day to day basis. They just go to the shop of choice, they buy their stuff and they go home, they don't think about where it's come from or who's made it. So I think COVID really made that very clear about how interconnected we are and how extensive our supply chains are, and how what's happening to someone in Bangladesh impacts us here in Australia, and vice versa as well. So right at the beginning of COVID, we heard coming out of the fashion industry. So 10,000 people lost their jobs overnight in places like Bangladesh. So that was a direct result of companies here canceling their orders, because the shops were closed, they couldn't sell. So they canceled their orders. And that meant that the people who were working in the apparel industry just lost their jobs overnight. So I read one story about a lady called Fatima. And she had a little four year old boy, and she was just there working away at her machine for her meager already, you know, meager wages. And then her boss just tapped her on the shoulder and said, Don't come back to work tomorrow. She said, Well, how am I going to feed my child? What do I do now? You know, and we know then that those vulnerabilities then lead to human trafficking into the sex industry and for, you know, for other forms of exploitation that are more dangerous, and that, you know, underpaid wage that she had working in that factory and for her child as well. So I have a four year old child myself. And often when I'm cooking her dinner, I think about Fatima and her four year old boy and think I wonder what happened to her, you know, what happened to all of those people? So that was a direct result of Australian companies, who then couldn't sell in the shopfronts in Australia, cancelled their orders, you know, back down the supply chain, and 10s of 1000s of people at the end of those supply chains were impacted by those decisions that were made. So that's just an example of how interconnected we all are, and how what happens is in our supply chains really matters.

Helga Svendsen 16:49

Good reminder, again about because there's compliance with modern slavery act, and I'm going to ask you about some of those requirements that what boards need to do in a moment about what compliance means. But there's also thinking beyond that, and get into, you know, for those for those organisations that made the decision to stop the supply. You know, shops weren't open, of course, that was their business decision to do that. But maybe what else could those organisations be doing to build an ecosystem that is one that cares for a global economy in a global society? So there's what we need to do under the act. But there's also what else could we do to make sure that this is working well, for everybody in the supply chain? So let's just start with the requirements, though. Can you give us a bit of an overview, what are boards need to think about? Who does it apply to? What do they need to do? What are the steps and so on? And then let's, let's talk about what's beyond that, as well.

Sarah Morse 17:38

So when we're thinking about who has to comply with the modern slavery act, entities in Australia who have more than \$100 million gross annual revenue. So that's the main criteria to that could even apply to companies who are overseas who have part of their entity here in Australia, so \$100 million revenue. And the New South Wales Act has just recently been amended as well to include state procurement also. So But what a lot of people don't think about is that they might think, Okay, well, I'm well under the 100 million dollar revenue. But if you're supplying to one of those larger companies, you're then part of their supply chain. So if they're having to comply, what's happening is those large companies who have been going down their supply chain, and they're saying, Well, can you provide us proof of your finance and your transparency in your supply chain, because they need to know. So while it only technically applies to those entities who have more than \$100 million in revenue, it really is within everybody's best interest, if anyone is supplying to any of those entities to actually start looking at their compliance process. You know, we have small business toolkit for, you know, for people who are way under the threshold, but who are needing to meet those compliance requirements as well. So that's who needs to apply. And then, so who needs to comply? We've sort of developed a little outline of the modern slavery act, because, you know, as with any new compliance piece, there's pages and pages and pages of legislation. And obviously, you know, people need to read those to comply. But just to give you a little outline, we created what we call the STOP slavery model. So STOP. So S is for stating the risks. T is for take action, O is for outline the consultation process, and P is to propose an improvement plan. And so STOP slavery. So those are the main areas that the modern slavery act is asking people to look at.

Helga Svendsen 19:35

As you say there are requirements under the Act there is the requirements for 100 mil and above but as we've heard, also for smaller organisations, because they will end up in the supply chain, but what about this beyond compliance aspect of it for boards? What does it mean to lead beyond compliance?

Sarah Morse 19:53

That's a great question. So that's another thing that we like to talk about and unchained is leading beyond compliance. Some organisation seems just like to tick boxes, there's plenty of people who are just submitting their modern slavery statements. And it's very clear that they're just going through and ticking the boxes. So, but what's coming through and some of the trends is that even those people who aren't ticking, the boxes aren't ticking them accurately anyway. So some of the things that are missing, so far, in risk statements, that it's actually not getting signed off by the board, or people aren't indicating who is the governing body responsible for signing off there. So the requirement of the Act is that it's signed off at board level, but a lot of people, a lot of companies aren't doing that. Secondly, people aren't necessarily getting consultations. So it's about consultation within the entity itself. So how are we consulting up and down within the entity but also to seek expert advice on how we need to lead beyond compliance. And then also some things

that are missing, our people are focusing on the risk just in the supply chains, but failing to look at the risks and opportunities that are here on shore. And so for me, that's where the leading beyond compliance piece sets is looking at the risks to our onshore operations as well, but also thinking about the opportunities. So it's not just about identifying risk, it's about thinking, Okay, so for example, we've worked with a few universities. So it's one thing to analyze your supply chain in terms of the goods and services that your university is using, but what about you have a body of 60,000 students? So what about if you educate all of our students about modern slavery, their responsibility, you know, these are going to be the future leaders of business, these are going to be the future leaders of health of law of all the sectors that are intersecting with the modern slavery act. So why not educate as part of your leading beyond compliance piece, you could have a compulsory subject for all 60,000 of your students, that is actually going to think about this and how we respond as consumers but then also as future leaders as well, you know, a free example for for health organisations thinking through not only again, their supply chains, which health supply chains are one of the most opaque industries in Australia, we don't have much transparency at all, and health supply chains. We know that the NHS just this week has announced that the whole of NHS in the UK is going slave free on their supply chains for procurement of all of their goods. And that's a result of numbers of decades of people campaigning for that. So I'd like to see Australia heading in that same direction. But we're very far from that at the moment. But not just thinking about our supply chains. But thinking about, you know, there are people in situations of modern slavery and exploitation here in Australia, and the stats from the UK are showing us that 80% of people who are in situations of modern slavery have actually come into contact with a health professional. So thinking through like, how do we train our health professionals? Then how do we have policies that not only look at the supply chain and operations of our health institutions, but also a policy which says, okay, somebody comes into emergency department, we think that they might be in a situation of modern slavery, what do we do? You know, and the answer is complex. I mean, it's like domestic violence. It's, there's no, there's no clear answer. But that's an example of thinking beyond compliance, where we're not just complying with the act, we're thinking about, what do we have in our hand to do? And how can we actually make an impact for good with that?

Helga Svendsen 23:27

Oh, you've just prompted so many things in my brain, because as people want to Take on Board community, no, I want to help services board. And it's, yeah, that final point there about, you know, our hospital, our the Royal Women's Hospital has done a lot of work with other hospitals about strengthening hospitals response to family violence, and doing exactly that training staff to recognize and knowing what to do and how to have those conversations. Because we're a Women's Hospital, if women are pregnant, they mostly need to come into contact with a health service. And it is mostly women who are both subjected to family violence, and as you've said, also to modern slavery. So it's a I don't want to call it an opportunity, because that makes it sound quite positive. But it is an opportunity to recognize and deal with. So. Yeah, yeah. And,

Sarah Morse 24:15

You know, the way I see it is, you know, yeah, risk, risk versus opportunity, you know, opportunity to actually make an impact for good. So, yeah, so it is a positive thing, in a way, although it's a terrible thing to have to think about. It is positive to think well, we could actually, you know, just in that example that you gave, actually, just think about, okay, how can we expand our family violence training to include a component on modern slavery? Exactly.

Helga Svendsen 24:45

And look, it may well be there. I'm gonna check it out. It may well already be there because my hunch is some of the warning signs are probably similar, in a way so yeah.

Sarah Morse 24:54

And then how do we, you know, move forward with trauma informed care, how do we actually You know, build that into a policy. So it's just a matter of looking at existing policies and existing trainings and seeing where we can plug those things in as well.

Helga Svendsen 25:08

Oh, Sarah, so much gold in this conversation? What are the key points you want people to take away from the conversation that we've had today?

Sarah Morse 25:16

No, I think there's a number of things that people on boards can think about, you know, some of those are the risks and benefits of complying with the modern slavery act. So if we think about the risk of non compliance, you know, we're thinking about reputational risk, legal risk, operational risk, financial risk, continuity of business, but also risk to the people in the supply chain, if we think about it as global citizens. And then some of the benefits to business are, you know, an increase in profitability, we've actually found that people who have more transparent supply chains and people who deal directly with their suppliers actually increase their profitability over time. So there's a myth out there that compliance with modern slavery Act means it's going to be more expensive. And if we have to pay people a fair wage in Bangladesh, it's going to increase the cost of the product. But actually, research has shown and in those NHS examples, there's children in Pakistan who make our surgical equipment, right, so the blades and the all of the stainless steel surgical equipment mostly comes from Pakistan. So the factories where the NHS has invested, and created that relationship and put those things in place. It's actually it's impacted those whole communities, those kids are now going to school, you know, but it's also decreased in price, even though they're paying their people a fair wage, because the risk is decreased as well. So there's actually benefits to business there as well. It's about protecting and improving our own reputation, mitigating those financial and legal risks, and also boosting staff morale and engagement. So we've seen, you know, in a lot of places, I had

someone in a hospital in Melbourne, say to me, you know, we didn't realize that by empowering our staff to do this, we're actually giving them a sense of purpose and a view beyond themselves as well. So that's kind of thinking about some of those things. And then, if there is somebody on a board who was new to the modern slavery act, first of all, you know, have a look at it. But secondly, when taking action against modern slavery and supply chains and operations, this sort of five main questions that those in governance can ask, and I think this is probably a good takeaway is, so firstly, do we source from countries with weak labor laws? Or has slavery been found in other sectors? So? So there are apps, there are different databases that we can look at to actually map our supply chains? And think through? is the country of origin itself a country that has those weak labor laws or is at risk? Number two, and I urge government and fellow industry leaders to do or myself, whereas a board, you know, so that's again, leading beyond compliance? It's not just what we can do. But how are we actually leading our sphere to lead beyond compliance? Number three is do our procurement guidelines include anti slavery policies? And number four, do we have a zero tolerance policy with our suppliers? And five? Do we have a published policy on slavery? Again, looking at supply chains, but also looking at a local response? What does it mean, in the example of a healthcare institution? For example, what does it mean for our institution to have a local response to people in modern slavery in Australia as well? So I think those sort of five questions are good for you know, somebody's on a board just to start thinking about, but thinking through really, you know, do we need to comply? Are we supplying to people who need to comply? What does it mean for us as a board to actually take this on, on a governance level? You know, because we know that culture is shaped from the top from the board? And so how can we actually look at that from a governance perspective, and just remember that in the end, it's not just numbers on a page, you know, in the end, it is real people with real stories and real lives. And so that's a good thing to remember as we go about the process.

Helga Svendsen 28:56

Absolutely. Even before when you were sharing the story of the supply chain in Bangladesh, and Fatima and her four year old, like just saying the name makes it real, much more real, I think, for people in that thinking through the impact of some of these things as well. They're not just hypothetical. In the ether conversations, they have real world impacts for real world, people and families. Oh, okay. So is there a resource that you would like to recommend for the take on board community.

Sarah Morse 29:23

What we're talking about in slavery, the unchained website is a is full of resources to go to so we're constantly updating that with current research and engaging with our webinar as well and lots of different governance topics. So that's www.unchangedsolutions.com.au. But, you know, in terms of just in general, looking through the Sustainable Development Goals, you know, looking through how this actually applies, if we're saying as a board, we believe in diversity and equality. We have a human rights approach. You know, we were on board with the SDGs and things like that. Well, this is actually a significant part of that. So looking a bit broader as well at some of those global resources as well.

Helga Svendsen 30:07

Fantastic. And we'll make sure we put a link to your website to the unchained solution website in the show notes. So people have got it handily there as well. Sarah, thank you. That was just such a great conversation that I know board directors will take a lot from both in terms of their requirements and beyond just inverted commas, their requirements. So thank you so much for sharing your story and your wisdom with the take on board community today.

Sarah Morse 30:31

Thank you. Yeah, it's been a pleasure. And I really hope that your listeners can take some of this on board. That's

Helga Svendsen 30:40

Exactly, take on board. Beautiful Thank you. Yeah, thanks so much.