



CLEANING CONTRACTORS

MODERN SLAVERY GUIDANCE (v1.0)



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Overview of CAF's modern slavery guidance

Cleaning has been recognised as a key risk area for modern slavery in Australia by the [Department of Home Affairs](#). Withholding of wages, immigration-related coercion and threats, deceptive recruitment, excessive overtime, debt bondage, confiscation of personal and travel documents, and dangerous and substandard working conditions are all practices that are found in the cleaning industry in Australia.

CAF has been recognised as a leading anti-slavery in supply chains initiative by [business and human rights](#) and [corporate social responsibility](#) experts.

This guidance provides detail on how modern slavery occurs in the cleaning industry, including some case studies drawn from real life examples. The guidance highlights the risk factors for modern slavery in this industry, and points out some of the visible and hidden indicators of modern slavery. It then outlines the compounded modern slavery risk presented by the COVID-19 epidemic.

The guidance then explains how our members, through their involvement in CAF building certification, are addressing modern slavery for cleaners in Australia through the promotion of decent work, and the benefits of this undertaking. The importance of empowering workers to prevent modern slavery is outlined in a section on worker voice.

Modern slavery in the cleaning industry

MODERN SLAVERY AND THE CONTINUUM OF EXPLOITATION

The term modern slavery is only used to describe serious exploitation. It does not include practices like substandard working conditions or underpayment of workers. However, these practices are also illegal and harmful and are frequently present in situations of modern slavery. When left unchecked, these practices may also escalate into modern slavery.¹ Numerous parliamentary inquiries over the past five years have drawn attention to the pervasiveness of labour exploitation and modern slavery.

The vulnerability of workers in the cleaning industry stems from a particular set of industry and workforce features including:

- complex supply chain structures
- opaque and negligent contracting practices
- insufficient resources to monitor and enforce compliance
- dangerous work
- low barriers to entry
- high proportion of temporary migrant workers whose immigration status is precarious
- workers with low English language competency, lack of social networks, lack of knowledge about workplace rights, and very little power to obtain redress when they experience exploitation at work.

These problems have been well documented in successive parliamentary inquiries, Fair Work Ombudsman inquiries, and academic research. See, for instance Commonwealth of Australia (2016) [*A National Disgrace: The Exploitation of Temporary Work Visa Holders*](#); Commonwealth of Australia (2017) [*Hidden in Plain Sight*](#); Commonwealth of Australia (2018) [*Wage theft? What wage theft?!*](#)

These Senate inquiries, and the testimonies of victims of exploitation and modern slavery that instigated them, are what has ultimately led to Australia legislating the [*Modern Slavery Act 2018*](#) and imposing the expectation that business will act to prevent labour rights violations in their operations and supply chains.

¹ Chapter 1, Page 8, Point 3 – Home Affairs Modern Slavery Reporting Guidance

CAF's approach to addressing modern slavery is founded on the promotion of decent work. The CAF 3 Star Standard is based on minimum legal standards relating to wages and entitlements, safe and secure work, respect in the workplace, and freedom of association.

The graphic below situates decent work on the continuum of exploitation that encompasses modern slavery and dangerous or substandard working conditions.

The Continuum of Exploitation



DECENT WORK

- Workers' rights are respected
- Workers are free to refuse or cease work
- Workers are paid fairly and receive their full entitlements
- Workplace is safe



DANGEROUS OR SUBSTANDARD WORKING CONDITIONS

- Workers can refuse or cease work but doing so may be detrimental
- Workers are not paid fairly and does not receive some or all entitlements
- Workers may be required to work excessive hours
- Workplace is unsafe



MODERN SLAVERY

- Workers are paid little or nothing and do not receive their entitlements
- Workers cannot refuse or cease work because of coercion or threats
- Workers may have been manipulated into debt or had their identity documents confiscated so are unable to refuse or cease work
- Workers may be deprived of personal freedom

Adapted from the Department of Home Affairs (2019) Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities.

CASE STUDIES: WHAT CAN MODERN SLAVERY LOOK LIKE IN THE CLEANING INDUSTRY?

Below are some hypothetical case studies based on real-life examples.

Case study 1:

Big Build is a for-profit, Australian property company that builds and leases office space in major capital cities. Big Build uses a facilities management company, Middle Management, to procure and manage cleaning services at its office buildings. Middle Management was under instruction to keep cleaning costs down for Big Build, so the cleaning contract at 123 Big Street was awarded to Squeaky Clean, who put in one of the lowest bids. Big Build used the cost savings from this contract to improve end of trip facilities for tenants.

The cleaners employed by Squeaky Clean to work at 123 Big Street are all on temporary work visas and speak limited English. Most of the cleaners come from the same region and were recruited and promised accommodation by the supervisor before they arrived in Australia. At 123 Big Street, the supervisor closely monitors and directs cleaners' activities and prevents them from speaking to the Middle Management facilities manager or to tenants of the building. Unbeknownst to Big Build or Middle Management, Squeaky Clean's supervisor has confiscated the cleaners' passports and is claiming the majority of their wages in a cash back scam as "payment" for inflated debts incurred during their travel to Australia and for their accommodation.

One tenant suspected something was wrong when he overheard the supervisor yelling at some cleaners one night when he was working late at the office and asked Middle Management to check that these workers were being treated fairly. When approached by Middle Management, Squeaky Clean's area manager provided paperwork that suggested everything was in order: valid work visas, pay slips, bank transfers of wages for all cleaners registered to work at 123 Big Street. Middle Management was satisfied that no modern slavery was occurring.

Shortly thereafter, the tenant who suspected modern slavery noticed that the cleaners and the supervisor had disappeared and that a new group of cleaners had replaced them.

There will be no access to justice for these workers.

Case study 2:

A reputable cleaning company, Polish Power, has held the contract to provide cleaning services to a suburban shopping centre owned by Massive Malls for seven years. The contract price with Massive Malls has not increased in five years and has ceased to be profitable for Polish Power, and it is in fact being delivered at a loss, given that the cost of cleaners' wages has increased by on average 2.5% per year. Polish Power decides to subcontract the work to a smaller company, Mop That. Mop That signs a statutory declaration to say that they can deliver the service to the specifications required while respecting Australian workplace laws. Polish Power is glad to no longer be delivering a service at a loss.

Polish Power receives monthly statutory declarations from Mop That to confirm contract and labour standards compliance. No active monitoring of compliance is taking place, as Polish Power is satisfied that it is not their responsibility as the service has been subcontracted.

After 6 months, Massive Malls calls Polish Power to say that the cleaning quality has drastically reduced, that the cleaners on site are working 2 hour shifts rather than 4-hour shifts. The cleaners do not speak any English and so the owner cannot be sure what other legal breaches of workplace laws and other human rights abuses may be taking place, but he mentions that the cleaners seem afraid to speak to him, and that they appear to not know how to handle chemicals properly and are not wearing the appropriate personal protective equipment.


Polish Power's contract with Massive Malls is terminated. Polish Power has been involved in poor procurement and contract management practices that have directly led to labour rights violations for vulnerable workers. **The extent of these abuses, and whether or not they meet the narrow definition of modern slavery are not known, however the workers' behaviour presents clear indicators of modern slavery.**

Workers who experience this type of modern slavery rarely have access to justice, as the workers are too afraid to come forward if they have worked more than the allowed hours. In many cases, they simply do not know who to approach. Some of these cases come to the attention of United Workers Union via referral from Church-based charities that migrant workers contact for foodbank assistance and can be assisted by the union, but most cases remain hidden.

Modern slavery is difficult to identify and remedy in supply chains because the multi-level contractual separation between those performing the work and the beneficiaries of their labour impedes transparency and accountability, leaving victims hidden in plain sight.

It is significant to note that these practices start at the point of procurement, with tender processes that encourage undercutting resulting in contracts being awarded at prices that do not allow for the payment of minimum wages and entitlements and safe productivity limits. Poor oversight of contractor compliance with labour standards, and a workforce that does not feel safe to speak up, are also key risk factors for modern slavery.


INDICATORS OF MODERN SLAVERY TO LOOK OUT FOR




MODERN SLAVERY:

VISIBLE INDICATORS

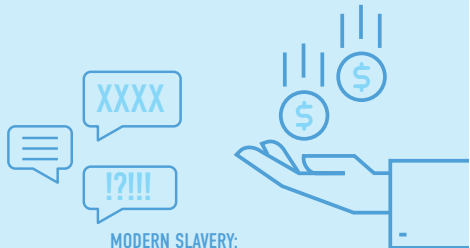
- Workers seem afraid to speak
- Workers appear to be closely monitored and controlled by a supervisor
- Unsafe working conditions



- Restriction of movement and confinement to the workplace or to a limited area
- Working excessive overtime
- High turnover of workers



- Debt bondage – where a person works to pay off a debt or loan, and is not paid for their services
- Confiscation of identity/travel documents
- Have to pay back a portion of their wages in cash to an employer representative, a recruiter, or a migration agent
- Discrimination against workers who talk to the union, join the union, or advocate on behalf other others in union



MODERN SLAVERY:

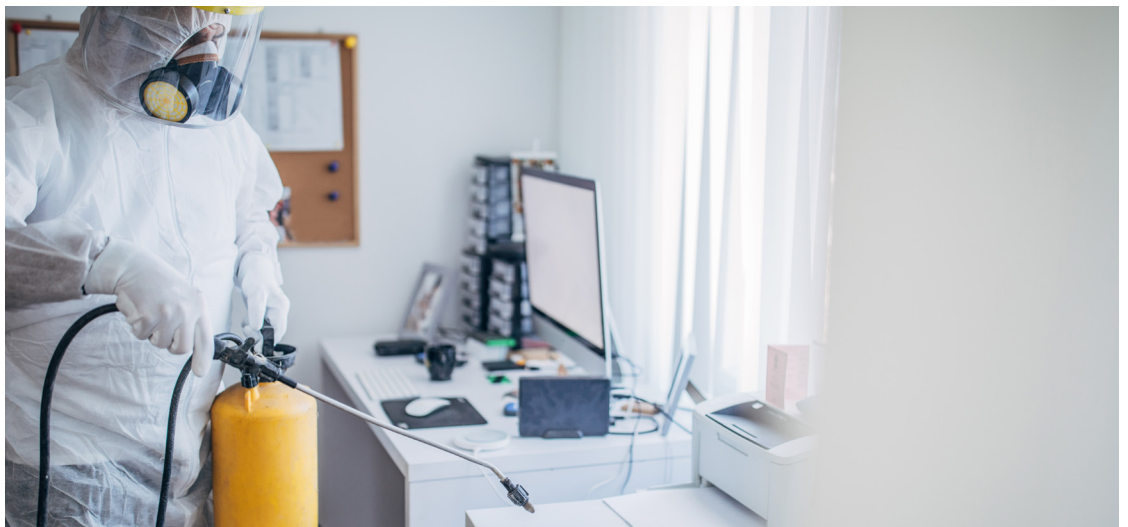
INVISIBLE INDICATORS

- Union prevented from talking to workers
- Workers are intimidated or threatened
- Workers are not being paid correctly
- Bullying, harassment and/or sexual abuse

See CAF's victim support stakeholder matrix on page 13 for guidance on which stakeholders are best equipped to identify and support victims and potential victims of modern slavery.

RISK FACTORS FOR MODERN SLAVERY

- Under-priced contracts
- Subcontracting and labour hire
- Procurement practices that are not transparent
- High turnover of workers
- Human rights due diligence not performed by the procurer
- Contractor compliance with labour standards is not monitored



COVID-19 AND MODERN SLAVERY RISK

COVID-19 has placed cleaners at greater risk of modern slavery.

Reductions to cleaning services and sudden changes to supply chain structures can increase vulnerable workers' exposure to modern slavery and other forms of exploitation. Loss of income or fear of loss of income, low awareness of workplace rights, requirements to work excessive overtime to cover capacity gaps, or the inability to safely return to home countries increase the vulnerability of some workers to modern slavery.

The loss of jobs in some sections of the cleaning industry relating to lockdowns and economic contraction has also meant that some workers have been displaced into highly exploitative sections of the labour market where the risk of modern slavery is increased.

Addressing modern slavery in the cleaning industry

TACKLING MODERN SLAVERY THROUGH THE PROMOTION OF DECENT WORK

CAF takes a preventative approach to modern slavery: ensuring that workers are receiving fair pay, are working safely, and have the ability to speak up helps prevent slavery-like practices from occurring.

Companies that advance decent work in their operations and supply chains are contributing to the UN's sustainable development goals (SDGs) agenda.

Ensuring decent work for cleaners will:

- Reduce inequality and increase resilience in society
- Contribute to inclusive societies
- Improve working conditions and opportunities for all
- Allow individuals and families to meet their economic needs and have financial resources to spend in the local economy
- Increase tax revenues for Governments so they can fund investments in education, training, capacity building, infrastructure development and health, ensuring skilled workers and a sustainable working environment
- Support the growth and development of companies, including small and medium-sized enterprises, so that they can hire more workers, improve their pay as well as working and living conditions while also strengthening local and national economies.²

For a breakdown of cleaning contractor's responsibility to mitigate modern slavery risk for cleaners, see page 12.

² Adapted from the UN Global Compact Decent Work Toolkit for Sustainable Procurement, <https://sustainableprocurement.unglobalcompact.org>



ADDRESSING MODERN SLAVERY IN YOUR CLEANING SUPPLY CHAIN IS GOOD FOR BUSINESS

There are clear risks to businesses that do not take action to address modern slavery in their supply chains, and clear benefits for those that do. As the Department of Home Affairs' Modern Slavery [Reporting Guidance](#) explains,

Taking action to address modern slavery in your entity's operations and supply chains is also good business sense. It can protect against possible harm to your business, improve the integrity and quality of your supply chains, increase profitability, improve investor and consumer confidence and financing opportunities, improve your relationships with your workers and local communities, and lead to greater access to business opportunities.

Addressing modern slavery risk will **increase productivity and client satisfaction**: "Where workers are ethically recruited and treated with respect and dignity there is evidence that workforce productivity increases, retention and absenteeism rates improve, and there are fewer accidents."³ When cleaners are being paid correctly, are working safely, are treated with respect and have a voice at work, quality cleaning ensues, leading to high tenant satisfaction, a reduced rate of accidents, and a safe and hygienic environment.

When a building is CAF-certified, cleaners, cleaning companies, property owners, tenants, and investors benefit from fair and transparent pricing, quality cleaning and employment practices that eliminate the risk of exploitation, unfair competition, and investment risk.

³Managing Risks Associated with Modern Slavery, p. 23, accessible at: <https://www.ifc.org/wps/wcm/connect/5e5238a6-98b3-445e-a2d6-efe44260b7f8/GPN%20Managing-Risks-Associated-with-Modern-Slavery.pdf?MOD=AJPERES&CVID=mR5Bx5h>



How does CAF address modern slavery?

CAF certification involves a process to address modern slavery risk by working with entities at the top of the supply chain to undertake human rights due diligence with regard to procurement, management and delivery of cleaning services; and to engage the entire supply chain in remediation processes where labour rights violations are identified. We focus on the top of the supply chain because procurers of cleaning services have significant power to determine the working conditions of cleaners, despite not being in an employment relationship with them.

CAF's assessment of labour standards at a building is centered on identifying dangerous or substandard working conditions and implementing best practice employment practices and supply chain conduct, therefore identifying indicators of modern slavery that may require investigation and remediation. Our assessment also includes a targeted process to identify the presence of modern slavery through worker engagement. The CAF modern slavery diagnostic process includes questions to workers about recruitment fees and debts, deceptive recruitment, coercive practices, and threats of deportation. Through the holistic engagement CAF conducts with workers in conjunction with United Workers Union, we are also able to determine if workers appear to be being controlled and fearful about speaking up, which can be a warning sign that workers are being subjected to slavery-like practices.

Cleaning contractors' responsibility to mitigate modern slavery risk for cleaners

RESPONSIBILITY


- Ensure bids for contracts are sufficient to meet the full cost of the service.
- Do not employ forced labour or trafficked persons.
- Ensure employment systems, policies and procedures are implemented to promote compliance with labour laws.
- Establish genuine worker grievance mechanisms. Monitor their use and effectiveness.
- Uphold principles of non-discrimination and equal opportunity.
- Do not discourage or restrict freedom of association and collective bargaining.
- Educate employees about their labour rights.
- Train managers and supervisors on industry-specific modern slavery risk factors.
- Engage with worker representatives


CAF MECHANISMS

- CAF Pricing Schedule
- CAF Audit
- CAF 3 Star Standard
- CAF Worker Engagement Protocol
- CAF Contractor Prequalification
- CAF Remediation Procedure
- CAF Ongoing Compliance Tool
- CAF Advisory services for members (e.g. training)
- CAF model employment policies

VICTIM SUPPORT STAKEHOLDER MATRIX

	Independence from immigration authorities	In-house community language expertise	Independence from employer	Capacity to provide legal assistance	Capacity to provide financial support to non-resident victims
Unions	Meets support dimension objective	Meets support dimension objective	Meets support dimension objective	Meets support dimension objective	Meets support dimension objective
Red Cross	Does not meet support dimension objective	Does not meet support dimension objective	Meets support dimension objective	Meets support dimension objective	Meets support dimension objective
Community legal centres	Meets support dimension objective	Does not meet support dimension objective	Meets support dimension objective	Does not meet support dimension objective	Does not meet support dimension objective
Fair Work Ombudsman	Does not meet support dimension objective	Does not meet support dimension objective	Meets support dimension objective	Does not meet support dimension objective	Does not meet support dimension objective
Department of Home Affairs	Does not meet support dimension objective	Does not meet support dimension objective	Meets support dimension objective	Does not meet support dimension objective	Does not meet support dimension objective
Department of Social Services	Does not meet support dimension objective	Does not meet support dimension objective	Meets support dimension objective	Does not meet support dimension objective	Does not meet support dimension objective
Supply chain stakeholder (e.g. building manager)	Meets support dimension objective	Does not meet support dimension objective	Does not meet support dimension objective	Does not meet support dimension objective	Does not meet support dimension objective

Meets support dimension objective 

Does not meet support dimension objective 

Why these things matter:

- Independence from immigration authorities is critical to being able to support victims of modern slavery. Many victims of modern slavery do not have a regular migration status: they may be undocumented or they may have breached the conditions of their visa. In a significant number of cases, unscrupulous employers will engineer this irregular migration status in order to obtain control over workers and prevent them from extricating themselves from a situation of modern slavery. Historically, many victims of modern slavery have been deported when they have come to the attention of government authorities. The lack of firewalls between immigration authorities and government agencies continues to pose a barrier to victims of modern slavery and exploitation coming forward.

How CAF addresses this: CAF conducts worker engagement with United Workers Union and has established relationships with non-government providers of victim support services. CAF does not disclose personal information of workers in order to protect workers' anonymity and provide them with confidence of our independence from immigration authorities.

- In-house community language expertise: Most victims and potential victims of modern slavery are migrant workers from low and middle-income countries. Many do not have English language competency and it is therefore crucial, when providing victim support, to have stakeholders who can communicate with workers in their native language. While government and non-government bodies can access interpreting services over the phone, it can put victims at ease to be speaking directly with someone who shares their language and cultural background.

How CAF addresses this: As part of CAF worker engagement, United Workers Union deploys organisers who share the language and culture of the workers they are engaging with.

- Independence from employer: Victims of modern slavery are unlikely to disclose human rights violations to representatives of entities that have a contractual relationship with their employer out of fear that disclosure will negatively impact their livelihood and/or capacity to remain in Australia.

How CAF addresses this: CAF worker engagement provides an opportunity for workers to disclose information about their working conditions to an independent third party. Remediation of labour rights violations is conducted in a manner that protects workers' anonymity.

- Capacity to provide legal assistance: Providing access to justice is essential to encouraging victims of modern slavery to come forward. Legal assistance on matters relating to the recovery of unpaid wages and immigration is core to this.

How CAF addresses this: Labour rights violations are remediated through CAF certification, providing a key pathway to justice for vulnerable workers.

- Capacity to provide financial support to non-resident victims: There are few avenues for non-resident victims to obtain financial support as they are not eligible for standard government welfare programs. The Department of Social Services does provide short-term financial support to eligible victims through the Support for Trafficked People Program, which is delivered by the Australian Red Cross.⁴

⁴ <https://www.dss.gov.au/women/programs-services/reducing-violence/anti-people-trafficking-strategy/support-for-trafficked-people-program>