



Australian Government

Australian Government response
to the review report of the
Modern Slavery Act 2018 (Cth)

Acknowledgements

We acknowledge Aboriginal and Torres Strait Islander peoples as custodians of Australia and pay our respects to Elders, past and present. We also acknowledge the ongoing connection to land, sea and communities throughout Australia, and the contributions to the lives of all Australians.

We acknowledge the victims and survivors of modern slavery crimes.

We also acknowledge and thank everyone who works tirelessly to combat these crimes, including people with lived experience.

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Help and Support

Help is available for any person experiencing, or at risk of, modern slavery.

If you have immediate concerns for your safety, the safety of another person, or there is an emergency, call Triple Zero (000).

You can contact the Australian Federal Police (AFP) on 131 237 (131AFP) or go to the AFP website at www.afp.gov.au for help. The AFP can keep you safe, provide advice and refer you to other services that provide accommodation, financial support, counselling, and legal and immigration advice.

The Salvation Army and specialist partner organisations can provide free and confidential support to help you understand your rights and options, offer free legal advice about your experience of modern slavery, and help with your immediate needs and refer you to the Support for Trafficked People Program if eligible. For more information go to www.salvationarmy.org.au/additional-referral-pathway/ or call 1800 000 277.

Anti-Slavery Australia provides free, confidential legal and migration services to people who have experienced, or are at risk of, modern slavery in Australia. If you have experienced modern slavery, or you are worried about someone in this situation, contact Anti-Slavery Australia for free and confidential legal advice and support. Call (02) 9514 8115 (9am – 5pm AEST, Monday to Friday), or email ASALegal@uts.edu.au.

If you are in, or at risk of, forced marriage, you can contact My Blue Sky, Australia's national forced marriage service. Call (02) 9514 8115, text +61 481 070 844 (9am – 5pm AEST, Monday to Friday), email help@mybluesky.org.au or visit www.mybluesky.org.au for support and free, confidential legal advice.

Free interpreter services are available to help any person communicate with service providers in their own language. Call Translating and Interpreting Service on 131 450. All calls are free and confidential.

Introduction

Modern slavery practices rob an individual of their freedom and control over their lives. From the trafficking of children, to the criminal exploitation of workers, to an individual forced into servitude – these practices are major violations of human rights and have devastating impacts on their victims.¹ The extent of modern slavery globally is alarming – the 2023 Global Slavery Index estimates there are 50 million people living in modern slavery, an increase of 10 million over five years.² We know no nation is free from the pervasive issue of modern slavery – including Australia.

There is increasing awareness of the risk that products and services are produced or delivered by people trapped in modern slavery. Consequently, there has been significant global attention on the role of business in responding to modern slavery. For example, consumers increasingly want to know the products they are buying are not made with forced or child labour and investors look for companies with ethical, sustainable and reputable practices. The European Union's (EU) Corporate Sustainability Due Diligence Directive has now passed, requiring large companies in all 27 EU countries to identify and address adverse human rights and environmental impacts in their operations. Noting these recent developments, it is likely global focus on these issues will only continue to increase.

In May 2023, the Australian Government (Government) tabled the 'Report of the statutory review of the *Modern Slavery Act 2018* (Cth): *The first three years*' (the Review). The Government has carefully considered the recommendations made in the Review. The Government is committed to combating modern slavery in all its forms and to protecting and respecting the dignity and human rights of every individual. Many of the recommendations are consistent with the Government's 2022 modern slavery election commitments, including the commitment to consult stakeholders on the introduction of penalties for non-compliance. The Review affirms a number of the Government's commitments and paves the way forward for a strengthened response. The Government appreciates the efforts of all stakeholders who informed the comprehensive Review. The Government would also like to thank Professor John McMillan AO for his diligent leadership of the Review, thoughtful consideration of stakeholder feedback, and detailed report.

The Government's response to the Review (the Response) outlines its position on the 30 recommendations contained in the Review. The Response sets out our steps towards a strengthened *Modern Slavery Act 2018* (Cth) (Modern Slavery Act), which will be important in driving further action to address modern slavery in global supply chains and operations.

¹ Modern slavery describes situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery can include: human trafficking; slavery; servitude; forced labour; debt bondage; forced marriage; and the worst forms of child labour.

² Walk Free, [Global Slavery Index](#) (2023).

The Response also builds on the Government's delivery of the *Modern Slavery Amendment (Australian Anti-Slavery Commissioner) Act 2024* [Cth] which establishes the inaugural Australian Anti-Slavery Commissioner (Anti-Slavery Commissioner). The Anti-Slavery Commissioner will be an independent pillar in Australia's response and will further strengthen the work undertaken across Government, business, and civil society to prevent and respond to modern slavery. This will include actions to support business to address the risk of modern slavery practices in their operations and supply chains. A strengthened Modern Slavery Act, and ongoing collaboration with business, civil society, the independent Anti-Slavery Commissioner and other stakeholders, will be crucial in this next phase of Australia's response to these crimes – it is only together in partnership that we can work towards a world without modern slavery.

Overview

Modern Slavery Act

The Modern Slavery Act was introduced to enhance transparency of modern slavery risks in the global operations and supply chains of Australia's goods and services. It entered into force on 1 January 2019, setting a standard for business action on modern slavery. Under the Modern Slavery Act, certain large entities based or operating in the Australian market with an annual consolidated revenue of at least A\$100 million are required to provide an annual modern slavery statement to the Minister. The Government is also required to prepare annual modern slavery statements covering all non-corporate Commonwealth entities.

The Modern Slavery Act is a transparency framework that aims to mitigate the risks of modern slavery in reporting entity operations and supply chains through public accountability. Statements provided under the Modern Slavery Act must describe the reporting entity's actions to assess and address modern slavery risks in their global operations and supply chains, and meet seven mandatory criteria. The mandatory criteria draw on terminology and concepts from the United Nations Guiding Principles on Business and Human Rights, the recognised global standard for preventing and addressing business-related human rights harm.

As at September 2024 there are over 11,500 statements, covering more than 18,400 entities, published on Australia's public [Modern Slavery Statements Register](#) (Register). These statements cover entities headquartered in over 60 countries. The Register was launched in July 2020 and is a world-first, Government hosted online register administered by the Attorney-General's Department. It houses all modern slavery

statements provided under the Modern Slavery Act. As at September 2024, over 5.1 million searches have been conducted on the Register.

Statutory review of the Modern Slavery Act

On 25 May 2023, the Review was tabled in Parliament. The Review is a thorough analysis of the operation of the Modern Slavery Act in its first three years. The Review was informed by an extensive public consultation period, involving 38 targeted consultations with 285 government and non-government organisations, including from business, civil society, and academia.

The Review found that the Modern Slavery Act has had a positive impact in raising awareness of modern slavery amongst the business community. However, it found a need for:

- greater clarity around what is expected in modern slavery reporting
- practical amendments to the Modern Slavery Act
- further expanding guidance material
- a broader regulatory mix of compliance and enforcement powers to incorporate specific penalties for non-compliance with reporting requirements.

It concluded that legislative changes to the Modern Slavery Act, complemented by administrative enhancements to the Register and an enhanced *Commonwealth Modern Slavery Act 2018: Guidance for Reporting Entities* (Guidance for Reporting Entities), would strengthen the framework. The Review made 30 recommendations for change, many of which are significant, complex, and interconnected, and required careful consideration.

Overview of the Response

The Response agrees, or agrees in principle, to 25 of the 30 recommendations contained in the Review and notes 5 recommendations. A table summarising the Response can be found below. Implementation of the Response by Government, and further consideration of reforms to the Modern Slavery Act, will progress under four focus areas:

1. An effective compliance and enforcement framework

The Review recommended the introduction of penalties for non-compliance with the Modern Slavery Act on the basis that it is incongruous to have a reporting duty on a matter of fundamental human rights importance, with no robust compliance procedure to ensure this duty is performed. The introduction of penalties, and related compliance and enforcement powers, would level the playing field for reporting entities by effectively targeting entities that do not comply with the express requirements of the Modern Slavery Act. It would also promote the transparency objectives of the Modern Slavery Act by seeking to address failures to lodge a statement and deter reporting entities from including false and misleading information. The Government committed to strengthening the Modern Slavery Act and will consult with stakeholders on the introduction of penalties for non-compliance (**Recommendation 20**). The Government will progress consultation as a priority.

2. Increased clarity and simplicity

The Government recognises the Modern Slavery Act regulates a large number of businesses. The Government is committed to ensuring the framework is as clear as possible for reporting entities, investors, civil society, academia, consumers, and all interested members of the community.

The Review underlined the importance of clear mandatory reporting criteria in achieving the transparency objectives of the Modern Slavery Act, particularly noting the variable quality of statements lodged during the first three years of its operation. The Government will therefore explore the desirability of amending the mandatory reporting criteria as recommended by the Review (**Recommendation 8**), in close consultation with stakeholders. Any amendments to the criteria will be intended to provide clarity to reporting entities and assist with the comparability of statements year on year. While these reforms are under consideration, the Government will not lower the reporting threshold to A\$50 million (**Recommendation 4**), but will reconsider the appropriate threshold at the next review of the Modern Slavery Act.

A number of recommendations are technical, relating to administrative enhancements to the Modern Slavery Act (including **Recommendations 18, 21, and 26**). The Government recognises administrative changes can enhance the operation of the Modern Slavery Act and will implement necessary changes recommended by the Review. Any changes will be complemented by enhanced guidance (see below).

3. Enhanced support and guidance

The Review found that the Guidance for Reporting Entities is a valuable publication that is relied upon by reporting entities when preparing modern slavery statements.

The Government is strongly committed to continuing to provide relevant, clear and easily accessible guidance to help reporting entities understand their obligations and responsibilities under the Modern Slavery Act. A number of recommendations (including **Recommendations 3, 5, 6, 7, 10, 16, and 25**) relate to the review of, or new and expanded content for, the Guidance for Reporting Entities. The Government will work with stakeholders and the Anti-Slavery Commissioner to progress these enhancements to the Guidance for Reporting Entities.

The Government recognises that reporting entities would benefit from a mechanism such as a high-risk declaration (**Recommendation 27**) that would aid and encourage businesses to identify, assess and respond to modern slavery risks. The Government will consult with stakeholders and the Anti-Slavery Commissioner on a model for declarations taking into account international law obligations, and potential implications for Australia's economy, trade, national security and foreign policy objectives.

To further support reporting entities and to streamline the preparation of statements, the Government will develop an optional template for statements (**Recommendation 13**). The optional template will provide a standardised format for statements and outline information that should be included in statements. The Government will develop the optional template alongside consideration of enhancements to the Register (**Recommendations 14, 22, and 28**) and the potential introduction of a mandatory coversheet (**Recommendation 15**), which would require entities to list where in their statement they have addressed the mandatory reporting criteria.

4. Continuous improvement

The Government is committed to continuous improvement of the Modern Slavery Act. The Government will carefully consider and consult with stakeholders on the introduction of a due diligence system (**Recommendation 11**), taking into account the evolving regulatory environment in which mandatory due diligence is becoming a key tool in some jurisdictions to mitigate modern slavery and broader human rights and environmental concerns. The Government will also conduct a future review of the Modern Slavery Act (**Recommendation 29**), which is expected to be undertaken after the delivery of key reforms to the Modern Slavery Act arising from the Response. This will ensure that the framework remains fit-for-purpose well into the future.

The Government recognises a range of additional approaches to combat modern slavery are being taken internationally. The Government will continue to closely monitor these developments as it progresses implementation of the Response.

Next steps

The Attorney-General's Department will lead the next stage of implementation and further consideration of reforms arising from the Response which will involve:

- consultation on amended reporting criteria
- consultation on the introduction and operation of penalties, and related regulatory powers
- consultation on a model for high-risk declarations
- enhancements to the Guidance for Reporting Entities and supplementary guidance material
- consideration of enhancements to the Register
- engagement with stakeholders on the introduction of a requirement for a due diligence system.

The Attorney-General's Department will also provide further advice to Government on:

- the outcomes of consultation
- reforms required to strengthen the Modern Slavery Act, including legislative amendments
- funding requirements associated with any reforms.

The Government acknowledges that the Review recommendations are significant and complex, and may have wide-reaching impacts on entities with reporting obligations under the Modern Slavery Act. The Government is committed to ensuring affected stakeholders have a meaningful opportunity to contribute to the development of reforms. Consultation opportunities will be published on the Attorney-General's Department's Consultation Hub website:

<https://consultations.ag.gov.au>.

Summary table of Response to recommendations

No.	Recommendation	Response
1	The Australian Government – either through or in consultation with the Anti-Slavery Commissioner – initiate discussion with other jurisdictions in Australia and internationally on options for defining ‘modern slavery’ for the purpose of mandatory reporting laws such as the <i>Modern Slavery Act 2018</i> . A report on those discussions should be provided to any later review of the Act.	Agree
2	The Modern Slavery Act be amended to include, in an Appendix to the Act, the terms of Article 3 of the Trafficking Protocol (defining ‘trafficking in persons’) and Article 3 of the Worst Forms of Child Labour Convention (defining ‘the worst forms of child labour’).	Agree in principle
3	The Attorney-General’s Department review the <i>Guidance for Reporting Entities</i> to ensure that the description of modern slavery in Appendix 1 of the Guide accurately represents the terms of the <i>Criminal Code</i> .	Agree
4	The Modern Slavery Act s 5(1)(a) be amended to provide that a ‘reporting entity’ is an entity that has a consolidated revenue of at least \$50 million for the reporting period.	Note
5	The Attorney-General’s Department, in consultation with the Anti-Slavery Commissioner, amend the <i>Guidance for Reporting Entities</i> to provide tailored guidance to small and medium-sized entities on complying with the reporting requirements of the Modern Slavery Act, either on a voluntary basis or as required by the Act under a lowered reporting threshold.	Agree
6	The Attorney-General’s Department examine the matters discussed in Chapter 5 of this report as to difficulties that have been encountered in deciding whether an entity is a ‘reporting entity’ for the purposes of the Modern Slavery Act. The Department should consider the desirability of amending the <i>Guidance for Reporting Entities</i> or the Modern Slavery Act.	Agree

No.	Recommendation	Response
7	The Attorney-General's Department, as part of the forward work program proposed in Recommendation 25, commence a review of how the terms 'operations' and 'supply chains' are explained in the <i>Guidance for Reporting Entities</i> . The review could suitably be done in stages, commencing with a review of how those terms apply to the financial sector. The review should include public consultation.	Agree
8	<p>The Attorney-General's Department consider the desirability of amending the mandatory reporting criteria in s 16 of the Modern Slavery Act:</p> <ul style="list-style-type: none"> • to replace the phrase 'operations and supply chains' in ss 3, 11 and 16 with the phrase 'operations and supply networks' • to revise criteria 3, 4, 5 and 6 in the manner discussed in Chapter 6 of this report, and • to add new mandatory reporting criteria that would require an entity to report on: <ul style="list-style-type: none"> – modern slavery incidents or risks identified by the entity during the reporting year – grievance and complaint mechanisms made available by the entity to staff members and other people, and – internal and external consultation undertaken by the entity during the reporting year on modern slavery risk management. 	Agree in principle
9	The Attorney-General's Department consider the desirability of amending the Modern Slavery Act to provide that the mandatory reporting criteria can be prescribed in a rule or regulation made under the Act, and deal with specified matters, rather than listed in s 16 of the Act as at present.	Agree in principle
10	The Attorney-General's Department, as part of the forward work program proposed in Recommendation 25, give consideration to the matters raised in Chapter 6 of this report regarding revision of the <i>Guidance for Reporting Entities</i> .	Agree
11	<p>The Modern Slavery Act be amended to provide that a reporting entity must:</p> <ul style="list-style-type: none"> • have a due diligence system that meets the requirements mentioned in rules made under s 25 of the Act, and • in the entity's annual modern slavery statement, explain the activity undertaken by the entity in accordance with that system. <p>This duty should not apply to an entity with a consolidated annual revenue of between \$50-100M until two years after the entity has become subject to the reporting requirements of the Act.</p>	Note

No.	Recommendation	Response
12	The Modern Slavery Act be amended to provide that an entity has the option of submitting every three years a modern slavery statement that addresses all requirements of the Act, and in the intervening two years to submit a report that updates the information in the full statement. The procedure for reporting along these lines should be spelt out in rules made under s 25 of the Act.	Note
13	The Attorney-General's Department develop a template for optional use by reporting entities for preparing and submitting an annual modern slavery statement in compliance with the Modern Slavery Act.	Agree
14	The Attorney-General's Department facilitate the submission of an online modern slavery statement (using the template referred to in Recommendation 13) through an online portal on the Online Register for Modern Slavery Statements.	Note
15	The Modern Slavery Act be amended to require that all modern slavery statements submitted under the Act include a coversheet that addresses specified matters.	Agree in principle
16	The Attorney-General's Department review the <i>Guidance for Reporting Entities</i> to consider inclusion of clearer guidance, including an optional template, for use by entities to record that they have complied with the approval and signature requirements in the Modern Slavery Act ss 13(2) and 14(2).	Agree
17	The Attorney-General's Department seek further clarity regarding criticisms discussed in Chapter 8 of this report about difficulties encountered in joint reporting.	Agree
18	The Modern Slavery Act be amended by removing the requirement that an entity that has notified the Minister that it will submit a voluntary modern slavery statement under s 16 of the Act can only revoke that notice by notifying the Minister before the start of the reporting period in which the entity would otherwise report.	Agree in principle
19	The Attorney-General's Department establish a formal arrangement for annual review of the Commonwealth Modern Slavery Statement, and to consider the role of the Anti-Slavery Commissioner in that review.	Agree in principle

No.	Recommendation	Response
20	<p>The Modern Slavery Act be amended to provide that it is an offence for a reporting entity:</p> <ul style="list-style-type: none"> • to fail, without reasonable excuse, to give the Minister a modern slavery statement within a reporting period for that entity • to give the Minister a modern slavery statement that knowingly includes materially false information • to fail to comply with a request given by the Minister to the entity to take specified remedial action to comply with the reporting requirements of the Modern Slavery Act • to fail to have a due diligence system in place that meets the requirements set out in rules made under s25 of the Act. <p>The penalty offence provisions should not apply to an entity with a consolidated annual revenue of between \$50-100M until two years after the entity has become subject to the reporting requirements of the Act.</p>	Agree in principle, in part
21	The Modern Slavery Act be amended to provide that an entity that will not be lodging a modern slavery statement in a year following the earlier lodgement of a statement, will notify the Minister before the end of the reporting year, with an explanation as to why a statement will not be lodged that year.	Agree in principle
22	The Attorney-General's Department compile, and publish on the Modern Slavery Statements Register, an annual list of entities that have submitted statements that are published on the Register.	Agree
23	The Attorney-General's Department examine the practicability of making additional information available regarding reporting entities' compliance with the reporting requirements of the Modern Slavery Act.	Agree
24	The Attorney-General's Department examine the practicability of establishing a procedure for the receipt and investigation of complaints from the public regarding entity reporting under the Modern Slavery Act.	Agree
25	The Attorney-General's Department, in consultation with the Anti-Slavery Commissioner, develop and publish a forward work program for reviewing and updating the <i>Guidance for Reporting Entities</i> and other guidance material.	Agree in principle
26	The Modern Slavery Act be amended to provide (expressly) that the Minister shall arrange for guidelines to be published on the reporting requirements in Part 2 of the Act, and that reporting entities shall be encouraged to have regard to any such guidelines.	Agree

No.	Recommendation	Response
27	<p>The Modern Slavery Act be amended to provide that:</p> <ul style="list-style-type: none"> the Minister or the Anti-Slavery Commissioner may make a written declaration of a region, location, industry, product, supplier or supply chain that is regarded as carrying a high modern slavery risk, and the declaration may prescribe the extent to which reporting entities must have regard to that declaration in preparing a modern slavery statement under the Act. 	Agree in principle
28	The Attorney-General's Department have regard to options discussed in Chapter 11 of this report for improving the Online Register for Modern Slavery Statements.	Agree in principle
29	The Modern Slavery Act s 24 be amended to provide that a further review of the kind described in that section be undertaken in another three years by a person appointed by the Minister, who may be the Anti-Slavery Commissioner.	Agree in principle
30	The legislation establishing the office of the Anti-Slavery Commissioner provide expressly that a function of the Commissioner is to issue guidelines on special issues relating to the reporting requirements in Part 2 of the Modern Slavery Act. Any guidelines must not be inconsistent with guidelines that the Minister has arranged to be published under the Act.	Note

Response to recommendations

Recommendation 1 – Defining modern slavery

The Australian Government – either through or in consultation with the Anti-Slavery Commissioner – initiate discussion with other jurisdictions in Australia and internationally on options for defining ‘modern slavery’ for the purpose of mandatory reporting laws such as the *Modern Slavery Act 2018*. A report on those discussions should be provided to any later review of the Act.

The Government **agrees** to this recommendation.

The Government recognises there is no international legal definition of ‘modern slavery’ and acknowledges that businesses operating in Australia may have reporting obligations under modern slavery reporting laws in different jurisdictions. The Government acknowledges the importance of ensuring there is a clear understanding of the term ‘modern slavery’ for the purposes of mandatory reporting laws and notes discussions with jurisdictions on the definition of modern slavery are already occurring. The Government will continue to engage in these discussions and promote greater consistency in definitions. The Anti-Slavery Commissioner will be consulted on these discussions. Information relevant to such discussions will be provided to the future review of the Modern Slavery Act.

Recommendation 2 – Appendix to the Modern Slavery Act regarding definitions

The Modern Slavery Act be amended to include, in an Appendix to the Act, the terms of Article 3 of the Trafficking Protocol (defining ‘trafficking in persons’) and Article 3 of the Worst Forms of Child Labour Convention (defining ‘the worst forms of child labour’).

The Government **agrees in principle** to this recommendation.

The Government recognises that the current definition of ‘modern slavery’ in the Modern Slavery Act is not self-contained but requires references to Division 270 and 271 of the *Criminal Code* (Cth) (Criminal Code) and to two international instruments.

While the current approach to the definition in the Modern Slavery Act aligns with modern drafting practices, the Government agrees with the intention of this recommendation to make the definitions contained in the relevant international instruments easier to access.

As an alternative to including those extracts as an appendix to the Modern Slavery Act, the Attorney-General’s Department will consider the inclusion of these extracts, and further explanation about the international instruments, in guidance material.

Recommendation 3 – Definition of modern slavery in guidance

The Attorney-General's Department review the *Guidance for Reporting Entities* to ensure that the description of modern slavery in Appendix 1 of the Guide accurately represents the terms of the Criminal Code.

The Government **agrees** to this recommendation.

The Attorney-General's Department will review the Guidance for Reporting Entities, alongside stakeholder feedback from the Review, to ensure the description of modern slavery practices in Appendix 1 aligns with the terms of the Criminal Code.

Recommendation 4 – Lowering the threshold for reporting

The Modern Slavery Act s 5(1)(a) be amended to provide that a 'reporting entity' is an entity that has a consolidated revenue of at least \$50 million for the reporting period.

The Government **notes** this recommendation.

The Government has considered the Review's exploration of retaining, lowering or altering the current reporting obligation, which places a reporting duty on certain entities that have an annual consolidated revenue of at least A\$100 million in a reporting year.

The Government does not consider it appropriate at this stage to lower the revenue threshold to A\$50 million given the need to first consider other recommendations that would impact reporting requirements. This recommendation will be given further consideration once additional scoping on other key recommendations has progressed. This approach will avoid entities, with an annual consolidated revenue between A\$50-99 million, having to develop new systems and processes to comply with the current requirements of the Modern Slavery Act, while further changes are under active consideration that may require substantial changes to those processes.

In the interim, the Attorney-General's Department, in consultation with the Anti-Slavery Commissioner, will develop tailored guidance for small and medium-sized entities on complying with the reporting requirements of the Modern Slavery Act on a voluntary basis, in line with *Recommendation 5 – Tailored guidance for small and medium-sized entities*.

Recommendation 5 – Tailored guidance for small and medium-sized entities

The Attorney-General's Department, in consultation with the Anti-Slavery Commissioner, amend the *Guidance for Reporting Entities* to provide tailored guidance to small and medium-sized entities on complying with the reporting requirements of the Modern Slavery Act, either on a voluntary basis or as required by the Act under a lowered reporting threshold.

The Government **agrees** to this recommendation.

The Government acknowledges that the number of small and medium-sized entities voluntarily reporting under the Modern Slavery Act is increasing. The Attorney-General's Department, in consultation with the Anti-Slavery Commissioner, will develop tailored guidance for small and medium-sized entities to support them to comply with reporting requirements.

Entities reporting on a voluntary basis will also be supported through the development of an optional template to assist those reporting entities in preparing statements (see response to *Recommendation 13 – Developing an optional template*).

In addition, the Government notes a function of the Anti-Slavery Commissioner is to support entities based or operating in Australia, regardless of size or revenue, to address risks of modern slavery practices in their operations and supply chains.

Recommendation 6 – Clarity on whether an entity is a reporting entity

The Attorney-General's Department examine the matters discussed in Chapter 5 of this report as to difficulties that have been encountered in deciding whether an entity is a 'reporting entity' for the purposes of the Modern Slavery Act.³ The Department should consider the desirability of amending the *Guidance for Reporting Entities* or the Modern Slavery Act.

The Government **agrees** to this recommendation.

The Government acknowledges the importance of ensuring clarity around whether an entity has reporting obligations under the Modern Slavery Act. The Attorney-General's Department will therefore examine the matters discussed in Chapter 5 of the Review regarding difficulties in determining whether an entity falls within the definition of a 'reporting entity' under the Modern Slavery Act.

Subject to the findings of that examination, the Attorney-General's Department will consider options for providing greater clarity on whether entities fall within the legislative definition of 'reporting entity', including whether amendments should be made to the *Guidance for Reporting Entities* or the Modern Slavery Act.

³ The text of Recommendation 6 from the Review report references 'Chapter 4'. It is understood this is a typographical error and it should reference 'Chapter 5'.

Recommendation 7 – Reviewing the terms operations and supply chains

The Attorney-General's Department, as part of the forward work program proposed in Recommendation 25, commence a review of how the terms 'operations' and 'supply chains' are explained in the *Guidance for Reporting Entities*. The review could suitably be done in stages, commencing with a review of how those terms apply to the financial sector. The review should include public consultation.

The Government **agrees** to this recommendation.

The Government recognises the importance in providing reporting entities with sufficient and appropriate guidance to support their compliance with the obligations in the Modern Slavery Act and enable the production of high-quality modern slavery statements.

The Government acknowledges that the operations and supply chains of reporting entities can vary significantly between sectors, impacting the types of modern slavery risks encountered. The Review also highlighted the challenges in understanding the reporting expectations on what are variously described as allied, customer-related or downstream risks.

The Attorney-General's Department will undertake a review of the terms 'operations' and 'supply chains' in consultation with relevant stakeholders, to inform whether amendments are required to the Guidance for Reporting Entities or the Modern Slavery Act to provide greater clarity around these terms (as proposed by *Recommendation 8 – Amending the mandatory reporting criteria*).

Recommendation 8 – Amending the mandatory reporting criteria

The Attorney-General's Department consider the desirability of amending the mandatory reporting criteria in s 16 of the Modern Slavery Act:

- to replace the phrase 'operations and supply chains' in ss 3, 11 and 16 with the phrase 'operations and supply networks'
- to revise criteria 3, 4, 5 and 6 in the manner discussed in Chapter 6 of this report, and
- to add new mandatory reporting criteria that would require an entity to report on:
 - modern slavery incidents or risks identified by the entity during the reporting year
 - grievance and complaint mechanisms made available by the entity to staff members and other people, and
 - internal and external consultation undertaken by the entity during the reporting year on modern slavery risk management.

The Government **agrees in principle** to this recommendation.

The Government is committed to upholding the Modern Slavery Act's objectives of promoting transparency in supply chains, and acknowledges the importance of clear and effective mandatory reporting criteria in meeting this goal.

The Review recognised that stakeholders considered that the mandatory reporting criteria address fundamentally important elements of modern slavery risk management. However, the Government notes criticism that the current criteria are not sufficiently robust to identify and address modern slavery risks in supply chains, and notes the Government's 2022 election commitment which pledged to consult on changes to mandatory reporting requirements.

The Government recognises any changes to the mandatory reporting criteria would impact businesses. The recommended changes to the mandatory reporting criteria will be considered collectively to ensure there is a clear understanding of the effect of all potential amendments on reporting entities and other stakeholders. The Attorney-General's Department will undertake further consultation with stakeholders to understand the social, business and financial impacts that may result from the proposed changes.

Replacement of the phrase 'operations and supply chains' in ss 3, 11 and 16 with 'operations and supply networks'

The Government acknowledges the diverse range of sectors that reporting entities represent, meaning their operations and supply chains, and associated modern slavery risks, can vary significantly. As noted above in response to *Recommendation 7 – Reviewing the terms operations and supply chains*, the Attorney-General's Department will review the phrase 'operations and supply chains' in the Guidance for Reporting Entities and the Modern Slavery Act, in consultation with relevant stakeholders, to determine whether any updates or amendments are required.

Revision of criteria 3, 4, 5 and 6 in the manner discussed in Chapter 6

Criterion 3 requires reporting entities to describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls. The Review noted criticism of weak or inadequate identification of risks in modern slavery statements.

Criterion 4 requires reporting entities to describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes. The Review noted there were challenges with the multiple elements of criterion 4, and that entities often consider the same material under both criteria 3 and 4. The Review recommended re-structuring of the criteria to address these concerns, and the introduction of a separate due diligence system obligation, as discussed in *Recommendation 11 – Introducing obligations for a due diligence system*.

The identification of modern slavery risks, and description of actions taken to address those risks, is central to the transparency objectives of the Modern Slavery Act. The Government will therefore consider revision of criteria 3 and 4, in conjunction with updates to the Guidance for Reporting Entities (see in particular *Recommendation 10 – Revising guidance on reporting criteria*) and consideration of *Recommendation 11 – Introducing obligations for a due diligence system*.

Criterion 5 requires reporting entities to describe how they assess the effectiveness of the actions they have taken (outlined under criterion 4) to assess and address risks of modern slavery practices. The Review highlighted that stakeholders and reporting entities indicated it was difficult to respond to and comply with this criterion. It was suggested that enhanced guidance via a framework, measurement standards, or metrics, would support measurements of effectiveness. The Government will consider the desirability of amending criterion 5 alongside criteria 3 and 4.

Criterion 6 requires reporting entities to describe the process of consultation with (i) entities that the reporting entity owns or controls and (ii) entities that are covered by a joint statement. The Review highlighted a high non-compliance rate with this criterion, with reporting entities being uncertain as to what information they are required to provide. The Government agrees there is a need to clarify and strengthen the consultation requirements and will review criterion 6.

Addition of new criterion that would require an entity to report on modern slavery incidents or risks identified by the entity during the reporting year

The Review highlighted that some stakeholders suggested a new criterion should be added requiring reporting entities to provide details of modern slavery incidents or actual risks identified during the reporting period, and of cases referred to law enforcement or other regulatory bodies. The Government agrees there is a greater need for transparency in this area. This will be explored in conjunction with the other recommended changes to the mandatory reporting criteria.

Addition of new criterion that would require an entity to report on grievance and complaint mechanisms made available by the entity to staff members and other people

The Government acknowledges the importance of access to remedies, and the role that grievance and complaint mechanisms can play in addressing risks and facilitating remediation of harm.

The Review highlighted that a number of stakeholders suggested a new criterion be added requiring reporting entities to report on grievance, complaints or hotline mechanisms put in place by the entity to receive notifications from its staff, the staff of suppliers, or members of the public. The Government will consider if a new criterion requiring explicit reporting on grievance and complaint mechanisms would enhance efforts to address modern slavery risks.

Addition of new criterion that would require an entity to report on internal and external consultation undertaken by the entity during the reporting year on modern slavery risk management

The Government agrees that combating modern slavery is a challenge that requires collaboration. The Guidance for Reporting Entities acknowledges that collaboration with stakeholders such as civil society groups, workers, and their representatives can be an important way for an entity to strengthen their response to modern slavery.

The Review highlighted that a number of stakeholders suggested criterion 6 should be amended to require reporting entities to report on consultation undertaken by the entity with staff on modern slavery risks, and with external bodies such as industry and civil society groups, unions, and representatives of vulnerable communities. The Government will consider the merits of a revised criterion 6 that both clarifies reporting on internal consultation and expands the criterion to require reporting on external consultation.

Recommendation 9 – Mandatory reporting criteria in a rule or regulation

The Attorney-General's Department consider the desirability of amending the Modern Slavery Act to provide that the mandatory reporting criteria can be prescribed in a rule or regulation made under the Act, and deal with specified matters, rather than listed in s 16 of the Act as at present.

The Government **agrees in principle** to this recommendation.

The Government will consider the desirability of amending the Modern Slavery Act to provide that the mandatory reporting criteria be prescribed in delegated legislation rather than the Modern Slavery Act, together with consideration of amending the reporting criteria itself (see *Recommendation 8 – Amending the mandatory reporting criteria*).

Recommendation 10 – Revising guidance on reporting criteria

The Attorney-General's Department, as part of the forward work program proposed in Recommendation 25, give consideration to the matters raised in Chapter 6 of this report regarding revision of the *Guidance for Reporting Entities*.

The Government **agrees** to this recommendation.

The Government acknowledges the importance of guidance in supporting entities to understand their requirements and work towards good practice compliance. The Attorney-General's Department will therefore consider the various matters raised in Chapter 6 (The Reporting Criteria) regarding revision of the *Guidance for Reporting Entities*.

Recommendation 11 – Introducing obligations for a due diligence system

The Modern Slavery Act be amended to provide that a reporting entity must:

- have a due diligence system that meets the requirements mentioned in rules made under s 25 of the Act, and
- in the entity's annual modern slavery statement, explain the activity undertaken by the entity in accordance with that system.

This duty should not apply to an entity with a consolidated annual revenue of between \$50-100M until two years after the entity has become subject to the reporting requirements of the Act.

The Government **notes** this recommendation.

The Government agrees with the importance of due diligence frameworks as a mechanism to identify, prevent, and manage modern slavery risks. The Modern Slavery Act already requires entities to describe the actions taken by the reporting entity and any entities it owns or controls to assess and address modern slavery risks, including due diligence and remediation processes.⁴ These concepts are based on recognised global standards from the United Nations Guiding Principles on Business and Human Rights.

The Attorney-General's Department will undertake consultations to identify how the Modern Slavery Act could be amended to enhance its due diligence requirements. This will include consideration of how enhanced due diligence requirements on modern slavery would align with broader global developments towards human rights due diligence.

The Government also recognises a due diligence obligation in the Modern Slavery Act would need to take into account whether reporting entities may have due diligence reporting obligations across multiple jurisdictions. The Government is committed to engaging with all relevant stakeholders on this issue.

⁴ Under the United Nations Guiding Principles on Business and Human Rights, the term 'due diligence' refers to an ongoing management process to identify, prevent, mitigate, and account for how an entity addresses actual and potential adverse human rights impacts, including modern slavery, in their operations and supply chains. Entities that identify that they have caused or contributed to adverse impacts such as modern slavery should provide for, or cooperate in, the remediation of that impact.

Recommendation 12 – Amending reporting timeframes

The Modern Slavery Act be amended to provide that an entity has the option of submitting every three years a modern slavery statement that addresses all requirements of the Act, and in the intervening two years to submit a report that updates the information in the full statement. The procedure for reporting along these lines should be spelt out in rules made under s 25 of the Act.

The Government **notes** this recommendation.

The requirement to report annually under the Modern Slavery Act encourages entities to regularly assess their modern slavery risks and improve their response over time, which is particularly important at a time when entities are developing and maturing their responses to modern slavery risks. The Review highlighted that annual reporting underpins continuous scrutiny and improvement and that annual reporting is now a familiar corporate process. Annual reporting also assists with the comparability of statements year on year, promoting the transparency objective of the Modern Slavery Act.

The Government considers it preferable to retain the current annual reporting requirement at this time while it considers changes to the mandatory reporting criteria and the impact of those potential changes (*Recommendation 8 – Amending the mandatory reporting criteria*).

The Government acknowledges concerns raised by stakeholders that the current annual reporting requirement can be resource intensive. To support entities to streamline annual reporting requirements, the Attorney-General's Department will produce an optional template (see *Recommendation 13 – Developing an optional template*).

The Government remains committed to supporting entities to achieve meaningful compliance with the requirements of the Modern Slavery Act. The Government therefore proposes that a future review of the Modern Slavery Act explore whether it is desirable to reconsider this recommendation.

Recommendation 13 – Developing an optional template

The Attorney-General's Department develop a template for optional use by reporting entities for preparing and submitting an annual modern slavery statement in compliance with the Modern Slavery Act.

The Government **agrees** to this recommendation.

The Government recognises an optional template will support better reporting under the Modern Slavery Act by enabling the provision of more specific advice on what must be included in modern slavery statements. The template will also enhance comparability of statements by standardising the format of information provided by reporting entities who choose to use the template.

Recommendation 14 – Online portal to submit modern slavery statements

The Attorney-General's Department facilitate the submission of an online modern slavery statement (using the template referred to in Recommendation 13) through an online portal on the Online Register for Modern Slavery Statements.

The Government **notes** this recommendation.

The Government understands that implementing this recommendation would allow reporting entities to upload text directly to the Register. At present, entities are required to upload a document to the Register containing their modern slavery statement.

The Government is committed to streamlining the submission of statements for reporting entities and simplifying administration processes for compliance and management of reporting entities. However, it is important to ensure that reporting entities have sufficient flexibility in drafting their modern slavery statements and the opportunity to provide additional information beyond the mandatory reporting criteria. The additional information might reflect the reporting entity's efforts to address modern slavery and/or enable the entity to address reporting criteria in other jurisdictions (for example, the Canadian [*Fighting Against Forced Labour and Child Labour in Supply Chains Act*](#)) within the same statement.

The Government notes implementation of this recommendation would require significant updates to the Register and will examine this recommendation further alongside *Recommendation 13 – Developing an optional template*, *Recommendation 15 – Introducing a mandatory coversheet*, and *Recommendation 28 – Enhancements to the Register*.

Recommendation 15 – Introducing a mandatory coversheet

The Modern Slavery Act be amended to require that all modern slavery statements submitted under the Act include a coversheet that addresses specified matters.

The Government **agrees in principle** to this recommendation.

The Government acknowledges that introducing a coversheet to modern slavery statements will assist with the comparability of statements, and direct reporting entities to essential matters that must be addressed.

Given this recommendation, if implemented, would impose a mandatory requirement that all modern slavery statements include a coversheet that addresses specified matters, the Attorney-General's Department will first consult with key stakeholders to understand the impacts of such a change on reporting entities.

A document is presently available on the Register, titled 'Modern Slavery Statement Annexure'. Reporting entities may wish to utilise this document whilst this recommendation is under consideration. The 'Modern Slavery Statement Annexure' has been prepared to assist reporting entities to demonstrate clearly where in their statement they have addressed the mandatory reporting criteria set out in the Modern Slavery Act, in addition to the relevant approval and signature requirements.

Recommendation 16 – Further guidance on approval and signature requirements

The Attorney-General's Department review the *Guidance for Reporting Entities* to consider inclusion of clearer guidance, including an optional template, for use by entities to record that they have complied with the approval and signature requirements in the Modern Slavery Act ss 13(2) and 14(2).

The Government **agrees** to this recommendation.

The Review highlighted that the approval and signature requirements were 'universally applauded' during consultations. The requirements ensure management teams take responsibility for, and an active interest in, modern slavery statements and that statements are subject to internal scrutiny.

As the Review noted, there are existing documents available within the resources tab of the Register which demonstrate how entities should show the approval of their principal governing body, and the signature of a responsible member, in their modern slavery statements. These documents are titled 'Supplementary Guidance – Principal Governing Body Approval' and 'Supplementary Guidance – Signature of a Responsible Member'.

The Attorney-General's Department will explore how this guidance can be made clearer or more accessible to improve compliance with reporting requirements. This work will be undertaken alongside work to progress *Recommendation 13 – Developing an optional template*.

Recommendation 17 – Clarifying difficulties with joint reporting

The Attorney-General's Department seek further clarity regarding criticisms discussed in Chapter 8 of this report about difficulties encountered in joint reporting.

The Government **agrees** to this recommendation.

The Modern Slavery Act provides entities the option of submitting a joint statement that covers one or more entities. This enables a joint statement that covers a corporate group or collection of entities.

The Government notes feedback from stakeholders about the difficulties encountered in joint reporting, including queries around which entities in a corporate structure are required to report. The Attorney-General's Department will seek further clarity from relevant reporting entities about the operation of this process. Outcomes from discussions with reporting entities will support the review and update of the *Guidance for Reporting Entities*.

The Government also notes criticism that joint reporting may reduce transparency across multi-divisional business structures with complex supply chains. The Attorney-General's Department will consider this feedback further, to ensure an appropriate balance between the transparency objectives of the Modern Slavery Act and streamlining reporting processes for reporting entities.

Recommendation 18 – Notice requirements for voluntary reporting entities

The Modern Slavery Act be amended by removing the requirement that an entity that has notified the Minister that it will submit a voluntary modern slavery statement under s 16 of the Act can only revoke that notice by notifying the Minister before the start of the reporting period in which the entity would otherwise report.

The Government **agrees in principle** to this recommendation.

The Government acknowledges there may be challenges for voluntary reporting entities in revoking their notification to the Minister *before* the start of the reporting period in certain circumstances. However, there are benefits to understanding which entities are reporting under the scheme at any given time. The Government will accordingly further consider alternative notification requirements to streamline the requirements to exit the scheme for voluntary entities. This includes ensuring alignment with the notification requirements for mandatory reporting entities (see *Recommendation 21 – Notification requirements for reporting entities*).

The Attorney-General's Department will ensure relevant guidance is provided on notification requirements for small and medium-sized entities as part of work undertaken in response to *Recommendation 5 – Tailored guidance for small and medium-sized entities*.

Recommendation 19 – Commonwealth Modern Slavery Statement review

The Attorney-General's Department establish a formal arrangement for annual review of the Commonwealth Modern Slavery Statement, and to consider the role of the Anti-Slavery Commissioner in that review.

The Government **agrees in principle** to this recommendation.

The Government is committed to leading by example in its efforts to address modern slavery risks in Government operations and procurement, as demonstrated by the Government's commitment of A\$2.5 million in the 2024-25 Budget to deliver on the election commitment to undertake a review of Government procurement procedures and supply chains. The Government has drawn on expert advice during the development of Commonwealth Modern Slavery Statements. Future Commonwealth Modern Slavery Statements will continue this approach with a view to ongoing transparency of risks of modern slavery in Government supply chains.

The Government will consider options to formalise a review mechanism for the Commonwealth Modern Slavery Statement, including the potential role of the Anti-Slavery Commissioner in that mechanism.

Recommendation 20 – Introduction of penalties

The Modern Slavery Act be amended to provide that it is an offence for a reporting entity:

- to fail, without reasonable excuse, to give the Minister a modern slavery statement within a reporting period for that entity
- to give the Minister a modern slavery statement that knowingly includes materially false information
- to fail to comply with a request given by the Minister to the entity to take specified remedial action to comply with the reporting requirements of the Modern Slavery Act
- to fail to have a due diligence system in place that meets the requirements set out in rules made under s25 of the Act.

The penalty offence provisions should not apply to an entity with a consolidated annual revenue of between \$50-100M until two years after the entity has become subject to the reporting requirements of the Act.

The Government **agrees in principle, in part** to this recommendation, and highlights the Government's 2022 election commitment, which pledged to consult on the introduction of penalties for non-compliance with the Modern Slavery Act.

The Government agrees with the need to strengthen the compliance and enforcement framework in the Modern Slavery Act, given the Modern Slavery Act plays a fundamental role in the fight against modern slavery in Australia and abroad.

The introduction of penalties, as part of a comprehensive compliance and enforcement framework, will also level the playing field for reporting entities, by more effectively targeting entities who are non-compliant with the Modern Slavery Act. It would also provide certainty to reporting entities that their efforts to comply with the requirements under the Modern Slavery Act are being recognised.

In addition, a comprehensive compliance and enforcement framework that promotes the Modern Slavery Act's objectives of transparency will align the Modern Slavery Act with regulatory best practice. The Review highlighted that it is customary in Australian legislation that duties to submit reports to Government are accompanied by offence provisions for failing to report or for submitting false information.

The Attorney-General's Department will consult on the introduction and operation of civil penalties for:

- failing to submit a modern slavery statement
- providing false information in a modern slavery statement
- failing to comply with a request for specified remedial action.

Affected stakeholders, including business and civil society, will be consulted on the potential introduction of penalties in the Modern Slavery Act. Further investigation of the administration of a proposed penalty framework will also be undertaken to scope the appropriate legislative changes and administration systems required for a penalty framework to be effective. The introduction and form of administration of a penalty framework would be subject to a future decision of Government.

The Government notes penalties exist on a spectrum of associated regulatory powers and therefore consultation on penalties will include consideration of complementary and best practice regulatory powers. Many Commonwealth regulatory frameworks contain a range of regulatory powers, including powers to issue an infringement notice or enter into an enforceable undertaking, and information-gathering powers. These powers allow a regulator to proportionally respond to an instance of non-compliance and may provide an alternative to court proceedings. The Attorney-General's Department will consult on how new regulatory powers could promote accountability for non-compliant entities and assist in proactive identification and engagement with entities who are not lodging statements under the Modern Slavery Act, despite meeting the reporting threshold. Consultations will also explore any additional guidance and education required to support entities to understand and comply with their obligations.

The Government **notes** the recommendation of a penalty for failing to have a required due diligence system. The introduction of such a penalty is subject to work undertaken in response to *Recommendation 11 – Introducing obligations for a due diligence system*.

Recommendation 21 – Notification requirements for reporting entities

The Modern Slavery Act be amended to provide that an entity that will not be lodging a modern slavery statement in a year following the earlier lodgement of a statement, will notify the Minister before the end of the reporting year, with an explanation as to why a statement will not be lodged that year.

The Government **agrees in principle** to this recommendation.

The Government agrees that entities who no longer meet the reporting threshold should provide notification to the Minister if they will no longer be reporting. Presently, only some of these reporting entities voluntarily advise the Attorney-General's Department of their change in circumstance.

The Government recognises that the proposed amendment in Recommendation 21 would provide a formal mechanism for reporting entities to advise that they no longer meet the reporting threshold and will not be providing a statement for that reporting period. This proposed amendment would provide clarity around who is a reporting entity. This would support effective operation of the Modern Slavery Act and targeting of compliance activities.

The Attorney-General's Department will give further consideration as to how this notification would occur in practice, including any necessary changes to the Register.

Recommendation 22 – Annual list of entities that have submitted statements

The Attorney-General's Department compile, and publish on the Modern Slavery Statements Register, an annual list of entities that have submitted statements that are published on the Register.

The Government **agrees** to this recommendation.

The Government recognises publication of statements on the Register promotes the transparency objectives of the Modern Slavery Act, and supports the business community to inform consumers, investors, and other interested bodies about their efforts to address modern slavery. It also facilitates scrutiny of modern slavery statements to drive continuous improvement by the business community.

The Modern Slavery Act provides reporting entities with flexibility in terms of their reporting period. For example, an entity may report by calendar year, financial year, or another annual accounting period applicable to the entity. Given this flexibility, there are challenges in producing a single 'annual' list of entities that have submitted statements. However, users of the Register can download all statements published per calendar year by accessing the 'website archive' section under the resources tab.

Recent enhancements have also been made to the Register to enable users to access a standalone file of the metadata of statements published per calendar year (which summarises key information about the statements, including the entity, their revenue, sector, country headquarters, overseas obligations, and statement period dates). This can be found under the new 'Registered Statements by Year' section under the resources tab.

The Register also has an advanced search function that facilitates exporting data from the Register, which can be refined through search filters. Users are able to search by entity name, keyword or unique business identifier. The advanced search function filters utilise basic information provided by entities to allow users to sort by a reporting period.

Recommendation 23 – Compliance by reporting entities

The Attorney-General's Department examine the practicability of making additional information available regarding reporting entities' compliance with the reporting requirements of the Modern Slavery Act.

The Government **agrees** to this recommendation.

Additional information regarding reporting entities' compliance with reporting requirements may support the community to better scrutinise modern slavery statements, and provide further reputational incentives for business to engage in meaningful compliance.

The Attorney-General's Department will consider the practicability of making additional high-level information available regarding reporting entities' compliance with the requirements of the Modern Slavery Act.

Recommendation 24 – Complaints procedure regarding entity reporting

The Attorney-General's Department examine the practicability of establishing a procedure for the receipt and investigation of complaints from the public regarding entity reporting under the Modern Slavery Act.

The Government **agrees** to this recommendation.

The Government acknowledges that procedures for public complaints can promote transparency objectives through further scrutiny and accountability, and provide opportunities for identification of issues and areas for improvement.

The Attorney-General's Department will explore the practicability of establishing a procedure for the receipt and examination of complaints from the public regarding entity reporting under the Modern Slavery Act. This will include consideration as to how such a procedure might support an enhanced compliance and enforcement framework (see response to *Recommendation 20 – Introduction of penalties*).

The Government also notes there are existing means by which the public can contact the Attorney-General's Department regarding the administration of the Modern Slavery Act, including issues of concern regarding entity reporting. The Attorney-General's Department will review the suitability of current feedback processes.

Recommendation 25 – Forward work program for updating guidance

The Attorney-General's Department, in consultation with the Anti-Slavery Commissioner, develop and publish a forward work program for reviewing and updating the *Guidance for Reporting Entities* and other guidance material.

The Government **agrees in principle** to this recommendation.

The Government recognises the importance of comprehensive, accessible and up-to-date guidance for reporting entities to support compliance with the requirements of the Modern Slavery Act.

The Attorney-General's Department will take a phased, coordinated approach to reviewing and updating the Guidance for Reporting Entities and other guidance material, including to implement agreed recommendations of the Review.

The Attorney-General's Department will consult as necessary with relevant stakeholders, including the Anti-Slavery Commissioner on the revision of the guidance material and consider the merits of publishing a forward work program.

Recommendation 26 – Legislative amendments related to guidelines

The Modern Slavery Act be amended to provide (expressly) that the Minister shall arrange for guidelines to be published on the reporting requirements in Part 2 of the Act, and that reporting entities shall be encouraged to have regard to any such guidelines.

The Government **agrees** to this recommendation.

The Government is supportive of measures to promote further engagement with the Guidance for Reporting Entities and other guidance materials. The Government also acknowledges that guidance is essential to support entities to understand and comply with reporting requirements under the Modern Slavery Act.

The Government notes the intention of this recommendation is to elevate the status of the existing Guidance for Reporting Entities. In the online survey of reporting entities conducted by the Review, 85 per cent of respondents said they made use of the guidance material in preparing their latest modern slavery statement, indicating that the existing guidance is highly utilised and crucial to the success of the framework. This legislative amendment will ensure the guidance remains an authoritative and useful resource for reporting entities.

Recommendation 27 – Declarations of high-risk matters

The Modern Slavery Act be amended to provide that:

- the Minister or the Anti-Slavery Commissioner may make a written declaration of a region, location, industry, product, supplier or supply chain that is regarded as carrying a high modern slavery risk, and
- the declaration may prescribe the extent to which reporting entities must have regard to that declaration in preparing a modern slavery statement under the Act.

The Government **agrees in principle** to this recommendation.

The Government agrees with the Review that any effective strategy to combat modern slavery must involve a focus on areas where risk is greatest. The Government supports mechanisms that assist reporting entities to understand and report on risks in their supply chains and operations, including a written declaration of a region, location, industry, product, supplier or supply chain that is regarded as carrying a high modern slavery risk. Such a declaration would be consistent with the Anti-Slavery Commissioner's function to support Australian entities and entities carrying on business in Australia to address risks of modern slavery practices in their operations and supply chains, and in the operations and supply chains of entities they own or control.

The Government recognises there are a number of challenges to targeting efforts and responding to modern slavery risks.

In recognition of the challenges, the Government will consult with stakeholders and the Anti-Slavery Commissioner on a model for written declarations taking into account international law obligations, and potential implications for Australia's economy, trade, national security, and foreign policy objectives.

The Government will work with the Anti-Slavery Commissioner on a model, including providing advice on foreign policy and trade implications.

Recommendation 28 – Enhancements to the Register

The Attorney-General's Department have regard to options discussed in Chapter 11 of this report for improving the Online Register for Modern Slavery Statements.

The Government **agrees in principle** to this recommendation.

The Government notes the unanimous response of participants in the Review that the Register is a valuable service that provides transparency of actions taken to identify and address risks of modern slavery in supply chains through the publication of modern slavery statements. The Government also notes the practical feedback from participants that the access and search features of the Register could be improved, which would enhance the value of the Register to a range of users.

The Register currently enables users to filter search results by multiple criteria. These criteria include: keyword(s) in statement titles and business names; date of submission; revenue; reporting period; company headquarters; industry sector; and whether the statement is mandatory or voluntary. As noted in response to *Recommendation 22 – Annual list of entities that have submitted statements*, recent enhancements to the Register mean the advanced search function is also more visible and user-friendly.

The Attorney-General's Department will consider further options to improve the Register as outlined in Chapter 11 (Executive Administration of the Modern Slavery Act), and to support stakeholders to use the Register to its full capacity.

Recommendation 29 – Further review of the Modern Slavery Act

The Modern Slavery Act s 24 be amended to provide that a further review of the kind described in that section be undertaken in another three years by a person appointed by the Minister, who may be the Anti-Slavery Commissioner.

The Government **agrees in principle** to this recommendation.

The Government is committed to the strengthened operation and implementation of the Modern Slavery Act, and recognises that continuous improvement is a key element of an effective response to modern slavery.

A review of the Modern Slavery Act is an important tool to assess and strengthen how the Modern Slavery Act meets its objectives to address risks of modern slavery practices in the operations and supply chains of reporting entities. The Government is therefore committed to a further review of the Modern Slavery Act. It is expected a further review would occur following the implementation and operation of future reforms.

Recommendation 30 – Commissioner to issue guidelines on special issues

The legislation establishing the office of the Anti-Slavery Commissioner provide expressly that a function of the Commissioner is to issue guidelines on special issues relating to the reporting requirements in Part 2 of the Modern Slavery Act. Any guidelines must not be inconsistent with guidelines that the Minister has arranged to be published under the Act.

The Government **notes** this recommendation.

The Government considers it preferable not to separate the issuing of official guidance between the Anti-Slavery Commissioner and the Attorney-General's Department, which administers the Modern Slavery Act. This would ensure reporting entities have clarity around official guidance for reporting purposes.

The Government recognises the important role the Anti-Slavery Commissioner will play in supporting entities to address risks of modern slavery and comply with the reporting requirements under the Modern Slavery Act. This is reflected in the Anti-Slavery Commissioner's legislated functions to promote compliance with the Modern Slavery Act and support Australian entities and entities carrying on business in Australia to address risks of modern slavery practices in their operations and supply chains.

Abbreviations

Term	Abbreviation
Australian Anti-Slavery Commissioner	Anti-Slavery Commissioner
The Australian Government	Government
Australian Government response to the review report of the <i>Modern Slavery Act 2018</i> (Cth)	Response
<i>Commonwealth Modern Slavery Act 2018: Guidance for Reporting Entities</i>	Guidance for Reporting Entities
<i>Criminal Code</i> (Cth)	Criminal Code
<i>Modern Slavery Act 2018</i> (Cth)	Modern Slavery Act
Modern Slavery Statements Register	Register
Report of the statutory review of the <i>Modern Slavery Act 2018</i> (Cth): <i>The first three years</i>	Review

