



Australian Government  
Attorney-General's Department

# *Strengthening the Modern Slavery Act*

Consultation paper  
July 2025

## 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 their ongoing connection to land, sea and communities throughout Australia, and their 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.

## 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 (131 AFP) or go to the AFP website at [www.afp.gov.au](http://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, 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/](http://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](mailto: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](mailto:help@mybluesky.org.au) or visit [www.mybluesky.org.au](http://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 the Translating and Interpreting Service on 131 450. All calls are free and confidential.

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## Introduction

On 1 January 2019, Australia's [Modern Slavery Act 2018 \(Cth\)](#) (Modern Slavery Act) commenced. The Modern Slavery Act introduced, for the first time, a requirement on large businesses in Australia to report on how they identified modern slavery risks in their operations and supply chains and what they were doing to address those risks.

Since then, thousands of businesses have reported on actions they have taken to ensure the integrity of their supply chains and operations. Businesses have become more aware that modern slavery practices are embedded in the global economy and hidden in supply chains. No legitimate business wants to knowingly, or unknowingly, contribute to modern slavery practices – from the trafficking of children to the criminal exploitation of workers.

The Modern Slavery Act is a core pillar of Australia's response to modern slavery. The Australian Government (Government) is committed to strengthening the Modern Slavery Act to ensure that operations and supply chains of our goods and services are not tainted by modern slavery practices. On 2 December 2024, the Government released its [response](#) (Response) to the [Report of the statutory review of the Modern Slavery Act 2018 \(Cth\): The first three years](#) (the Review). The Response agrees in full, in part, or in principle, to 25 of the 30 recommendations from the Review. This includes consulting on the introduction of penalties for non-compliance and providing enhanced guidance to support businesses to understand and meet their obligations under the Modern Slavery Act.

Many of the recommendations are significant and complex, and require careful consideration in consultation with business and broader community stakeholders.

The Government is therefore progressing consultations in two streams:

- **Stream A** is being progressed through this **public consultation paper**, and outlines options to strengthen the transparency framework, simplify and improve reporting, and target non-compliance.
- **Stream B** will be progressed through **targeted consultations** with relevant specialists in Government, business and the non-government sectors on complex policy issues, including declarations of high-risk matters (recommendation 27) and obligations for due diligence systems (recommendation 11).

Concurrently with these consultations, the Attorney-General's Department (the department) is progressing implementation of technical and administrative changes recommended by the Review, including updates to the *Commonwealth Modern Slavery Act 2018: Guidance for Reporting Entities*<sup>1</sup> (Guidance for Reporting Entities), and exploring enhancements to the [Modern Slavery Statements Register](#) (Register).

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<sup>1</sup> To access the Guidance for Reporting Entities, visit [modernslaveryregister.gov.au/resources/](https://modernslaveryregister.gov.au/resources/) select the 'Guidance Material' drop down, and download 'Official Modern Slavery Act Guidance'.



## Have your say

You can respond to this consultation paper by visiting our [Consultation hub](#) and clicking ‘Make a submission’.

We encourage you to respond to the questions in this consultation paper by completing our survey.

If you would like to provide us with additional information to supplement your response, or if you prefer to provide a written submission containing the entirety of your response, you can also do so via our Consultation hub.

We note the options for change outlined in this consultation paper draw on and respond to the consultation feedback received from the Review.

The options outlined in this paper have not received Government approval and are not yet law. The options outlined in this consultation paper are also subject to change, following feedback from stakeholders and Government consideration.

You are welcome to answer only those questions that are relevant to you or your organisation.

The consultation period closes at midnight (AEST) on Monday, 1 September 2025.

We will publish written submissions on our Consultation hub, where we have your permission to do so. Please refrain from including personal information about other individuals in your responses. We may redact parts of published submissions if appropriate.

We will treat any personal information shared through the consultation process in accordance with the *Privacy Act 1988* (Cth). For more information on how we collect, store and use personal information, read our [Privacy policy](#).

# Overview

## The Modern Slavery Act

The Modern Slavery Act commenced on 1 January 2019 and complements Australia's comprehensive response to modern slavery. Under the Modern Slavery Act, large entities based, or operating, in the Australian market with an annual consolidated revenue of at least A\$100 million are required to submit annual modern slavery statements (statements) describing their actions to assess and address modern slavery risks in their domestic and global operations and supply chains. Under the Modern Slavery Act, the Government is also required to submit annual Commonwealth statements.

Statements are published on the online Register. As at May 2025, there are over 12,500 mandatory statements published on the Register, covering more than 20,600 entities headquartered in over 64 countries. Over 5.1 million searches have been performed on the Register.

The department is responsible for the operation of the Modern Slavery Act, which includes:

- examining statements to assess compliance with the Modern Slavery Act
- engaging with the business community about reporting obligations and modern slavery risks
- managing the Register
- developing and publishing administrative guidance documents
- convening the Modern Slavery Expert Advisory Group to provide expert advice on the operation of the Modern Slavery Act.

The department also has policy responsibility for the Modern Slavery Act, which includes developing and implementing any potential reforms to the Modern Slavery Act.

## Statutory review of the Modern Slavery Act

Section 24 of the Modern Slavery Act required a statutory review be undertaken of the first three years of the operation of the Modern Slavery Act. The Review, led by Professor John McMillan AO, was tabled in Parliament on 25 May 2023.

The Review found that the Modern Slavery Act has had a positive impact in raising awareness of modern slavery amongst the business community. However, to strengthen the Modern Slavery Act, the Review made 30 recommendations for Government consideration, including:

- introducing penalties for specific non-compliance
- amending the mandatory reporting criteria
- amending the Modern Slavery Act to require entities to have a due diligence system in place
- expanding administrative guidance
- proposing functions for the Australian Anti-Slavery Commissioner in relation to the Modern Slavery Act.

## Government response to the statutory review of the Modern Slavery Act

The Government released its Response on 2 December 2024 and agreed, in full, in part, or in principle, to 25 of the 30 recommendations, and noted 5 recommendations.

The Government is progressing its Response under the following focus areas:

An effective compliance and enforcement framework	An uplifted regulatory framework would level the playing field for reporting entities by more effectively targeting instances of non-compliance. An enhanced framework will better support the regulator <sup>2</sup> to take a risk-based approach and be able to respond proportionately to non-compliance.
Increased clarity and simplicity	Simplifying the reporting framework would provide clarity to reporting entities on their obligations, ensuring the framework is easily understood by investors, civil society, academia, consumers, and interested members of the community.
Enhanced guidance and support	Enhanced guidance and support would assist entities to better understand their obligations and support the preparation of statements, with the aim of building the capability of reporting entities, promoting good-practice responses, and assisting entities in understanding changes to the framework following any reforms.
Continuous improvement	Continuous improvement of the Modern Slavery Act would ensure it remains fit for purpose into the future. Supporting continuous improvement includes considering the use of delegated legislation to provide flexibility to respond to new and emerging issues and the potential introduction of due diligence obligations on reporting entities.

**Figure 1** (page 8) outlines the phased approach of work that Government is taking to implement its Response to strengthen the Modern Slavery Act.

<sup>2</sup> For the purposes of this consultation paper, references to the ‘regulator’ will refer to the entity that undertakes any regulatory functions under the Modern Slavery Act, including compliance and enforcement activity.

Figure 1: Strengthening the Modern Slavery Act – A phased approach

Phase 1: Consultations	Phase 2: Progress legislative reforms	Phase 3: Guidance and administrative changes
<p><b>Stream A: Public consultations</b></p> <p>Issue a public consultation paper and conduct workshops on options to uplift the existing transparency framework.</p> <ul style="list-style-type: none"> <li>• <i>Rec 8 (amending the mandatory reporting criteria)</i></li> <li>• <i>Rec 9 (mandatory criteria in a rule or regulation)</i></li> <li>• <i>Rec 17 (clarifying difficulties with joint reporting)</i></li> <li>• <i>Rec 18 (notice requirements for voluntary entities)</i></li> <li>• <i>Rec 20 (introduction of penalties)</i></li> <li>• <i>Rec 21 (notification requirements for reporting entities)</i></li> </ul>	<p>Subject to outcomes from the consultation process and Government decisions, progress relevant legislative reforms to the Modern Slavery Act.</p> <ul style="list-style-type: none"> <li>• <i>Rec 26 (legislative amendments related to guidance)</i></li> <li>• <i>Other recommendations subject to consultations and Government consideration</i></li> </ul>	<p>Following any legislative change and enhancements to the Modern Slavery Act, release new and enhanced comprehensive guidance to support reporting entities.<sup>3</sup></p> <ul style="list-style-type: none"> <li>• <i>Rec 6 (clarity on whether an entity is a reporting entity)</i></li> <li>• <i>Rec 10 (revising guidance on reporting criteria)</i></li> <li>• <i>Rec 15 (introducing a mandatory coversheet)</i></li> <li>• <i>Rec 16 (further guidance on approval and signature requirements)</i></li> </ul>
<p><b>Stream B: Targeted consultations</b></p> <p>Conduct targeted consultations with relevant specialists to assist with progressing more complex issues, including declarations of high-risk matters and obligations for a due diligence system. These consultations will scope how these issues interact with the existing framework. Broader consultations may occur in due course.</p> <ul style="list-style-type: none"> <li>• <i>Rec 11 (introducing obligations for a due diligence system)</i></li> <li>• <i>Rec 27 (declarations of high-risk matters)</i></li> </ul>		
<p><b>Concurrent work:</b> Progress further scoping of recommendations, enhancements to the Register, minor guidance updates and other administrative changes, consultations with Commonwealth Government agencies, and any impact analysis processes.</p> <ul style="list-style-type: none"> <li>• <i>Rec 1 (discussions on defining ‘modern slavery’)</i></li> <li>• <i>Rec 2 (Appendix to the Modern Slavery Act regarding definitions)</i></li> <li>• <i>Rec 3 (definition of modern slavery in guidance)</i></li> <li>• <i>Rec 5 (guidance for small and medium-sized entities)</i></li> <li>• <i>Rec 7 (reviewing the terms operations and supply chains)</i></li> <li>• <i>Rec 13 (developing an optional template)</i></li> <li>• <i>Rec 19 (Commonwealth Modern Slavery Statement review)</i></li> <li>• <i>Rec 23 (compliance by reporting entities)</i></li> <li>• <i>Rec 24 (complaints procedure regarding entity reporting)</i></li> <li>• <i>Rec 25 (forward work program for updating guidance)</i></li> <li>• <i>Rec 28 (enhancements to the Register)</i></li> <li>• <i>Rec 29 (further review of the Modern Slavery Act)</i></li> </ul>		
<p><b>Completed work to date:</b></p> <ul style="list-style-type: none"> <li>• <i>Rec 22 (annual list of entities that have submitted statements)<sup>4</sup></i></li> </ul>		

<sup>3</sup> Subject to the outcomes of consultations, recommendations 6, 10, 15 and 16 may be better progressed after any legislative reforms.

<sup>4</sup> To access registered statements by year, visit [modernslaveryregister.gov.au/resources/](https://modernslaveryregister.gov.au/resources/) and select the ‘Registered Statements by Year’ drop down.



## Public consultation paper

This consultation paper seeks views on changes to implement **Phase 1, Stream A** proposals from the Review, which aim to:

- refine, clarify and expand the existing mandatory reporting criteria (recommendations 8 and 9)
- respond to difficulties encountered with joint reporting (recommendation 17)
- streamline reporting for voluntary entities (recommendation 18)
- strengthen the current compliance and enforcement framework in the Modern Slavery Act (recommendation 20)
- improve oversight of reporting entities by introducing requirements to notify the regulator when ceasing to be a reporting entity (recommendation 21).

A summary of the potential changes is outlined in the table on pages 10-11.

## Targeted consultations

Targeted consultations will occur as part of **Phase 1, Stream B** to further scope:

- A model for written declarations of high-risk matters (recommendation 27). The Government plans to first consult with relevant specialists, including Government agencies and the Australian Anti-Slavery Commissioner, to ensure a model for written declarations takes into account international law obligations, and potential implications for Australia's economy, trade, national security, and foreign policy objectives. The Government will then conduct consultations with other stakeholders as appropriate.
- How the Modern Slavery Act could be amended to enhance its due diligence requirements (recommendation 11). The Government will consult with relevant specialists in Government, business, and the non-government sectors given the significant complexities involved with due diligence requirements. Broader consultations may occur in due course.

## Summary table of potential changes

	Current law	Options for change
1. Changes to mandatory reporting criteria	<p>The mandatory reporting criteria are outlined in subsection 16(1) of the Modern Slavery Act and summarised below:</p> <ul style="list-style-type: none"> <li>a) identify reporting entity</li> <li>b) describe structure, operations and supply chains</li> <li>c) describe risks of modern slavery practices</li> <li>d) describe actions, including due diligence and remediation processes, to assess and address risks</li> <li>e) describe how effectiveness is assessed</li> <li>f) describe process of consultation</li> <li>g) include any other information as relevant.</li> </ul>	<p><b>Clarify, refine and expand the reporting criteria.</b></p> <p>This could include:</p> <ul style="list-style-type: none"> <li>• <b>Amending criterion (a)</b> to additionally require a statement to identify entities owned or controlled by the reporting entity.</li> <li>• <b>Consolidating and clarifying criteria (d) and (e)</b> to require an entity to report on its actions to address modern slavery risks, including due diligence. This includes actions to: <ul style="list-style-type: none"> <li>– identify and assess risks of modern slavery practices</li> <li>– address modern slavery risks</li> <li>– monitor the implementation and effectiveness of its actions.</li> </ul> </li> <li>• <b>Inserting a new criterion</b> to require an entity to report on grievance mechanisms.</li> <li>• <b>Inserting a separate criterion</b> to require an entity to report on its processes and actions to remediate modern slavery incidents.</li> <li>• <b>Clarifying criterion (f)</b> to note the process of consultation is in relation to the preparation of the statement.</li> </ul>
2. Compliance and enforcement powers	<p>Section 16A of the Modern Slavery Act provides for the following powers:</p> <ul style="list-style-type: none"> <li>• The Minister may make a written request for an entity to provide an explanation for failure to comply, and request specified remedial action.</li> <li>• If the Minister is reasonably satisfied that an entity has failed to comply with a request, the Minister may publish information relating to the request.</li> </ul>	<p><b>Enhance regulatory powers</b> in line with regulatory best practice and to enable the regulator to respond proportionately to non-compliance.</p> <p>This could include:</p> <ul style="list-style-type: none"> <li>• Expanding the current power to request an entity to provide an explanation to a broader information-gathering power that allows the regulator to request information or documents relevant to the operation of the Modern Slavery Act.</li> <li>• Introducing new regulatory powers related to enforceable undertakings, infringement notices, redaction powers, and a power to apply for a civil penalty order.</li> </ul>

	Current law	Options for change
3. Penalties for non-compliance	The Modern Slavery Act currently contains no penalties for non-compliance with mandatory requirements.	<p><b>Consider strengthening the enforcement framework by introducing civil penalties</b> for non-compliance.</p> <p>This could include penalties for:</p> <ul style="list-style-type: none"> <li>• failing to submit a statement</li> <li>• providing false or misleading information</li> <li>• failing to comply with a request for remedial action.</li> </ul>
4. Joint reporting	<p>Under section 14 of the Modern Slavery Act, entities can submit a joint statement covering multiple entities.</p> <p>Joint statements may also be made on behalf of unrelated entities.</p>	<p><b>Respond to difficulties encountered with joint reporting procedures.</b></p> <p>This could include replacing joint reporting procedures with <b>corporate group reporting</b>. Under this option, a parent entity would be responsible for submitting a statement on behalf of a corporate group, where the consolidated revenue of the group meets the reporting threshold. Entities could apply to the regulator for an exemption, which would alter default corporate reporting arrangements by:</p> <ul style="list-style-type: none"> <li>• having another entity report on their behalf (<b>nominee reporting entity</b>), or</li> <li>• having an entity within the corporate group report individually (<b>subsidiary reporting entity</b>).</li> </ul>
5. Amendments to voluntary reporting	<p>Under subsection 6(1) of the Modern Slavery Act, an entity can volunteer to comply with the reporting requirement by providing written notice to the Minister before the end of the relevant reporting period.</p> <p>Under subsection 6(3), an entity may revoke a notice given under subsection 6(1), by giving written notice to the Minister <u>before the start</u> of the reporting period.</p>	<p><b>Streamline reporting for voluntary entities.</b></p> <p>This could include <b>allowing voluntary entities to revoke their status</b> as a voluntary reporting entity <b>at any time</b> by providing notice.</p>
6. Require entities to provide notice when they will no longer be providing a statement	There are no requirements for reporting entities to provide notice that they will not be providing a statement in a year following the earlier lodgement of a statement.	<p><b>Improve oversight of reporting entities by introducing requirements to notify the regulator when ceasing to be a reporting entity.</b> This could include a requirement for entities to provide an explanation as to why they will no longer be reporting (for example, the entity's revenue has fallen below the reporting threshold).</p>

## The role of the Australian Anti-Slavery Commissioner

On 2 December 2024, the inaugural Australian Anti-Slavery Commissioner (Commissioner), Mr Chris Evans, commenced his five-year term.

The Commissioner's functions are set out in the Modern Slavery Act. In relation to the operation of the Modern Slavery Act, the Commissioner has the following functions:

- promoting compliance with the Modern Slavery Act
- supporting 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 Commissioner also has a broad range of functions to address modern slavery, including:

- supporting victims of modern slavery
- raising awareness of modern slavery
- advocating to the Government for continuous improvement on modern slavery.

The Review discussed the range of functions which may be given to a Commissioner and acknowledged that current functions of the department in administering the Modern Slavery Act could be transferred to the Commissioner.

The Review discussed strong stakeholder support for the Commissioner to play a leadership and regulatory role in overseeing the operation of the Modern Slavery Act, and acknowledged suggestions made that the Commissioner have access to a full mix of regulatory powers to ensure compliance with the reporting requirement. However, the Review supported the current Commonwealth arrangement in which the department continues to play a substantial administrative, coordination and leadership role, noting the significant workload involved.

The Review noted that decisions regarding administration of the Modern Slavery Act are a matter for the Government. The Government will further consider the administration of the Modern Slavery Act, following the outcomes of this public consultation process.

In its Response to the Review, the Government also committed to consulting with the Commissioner on a number of key recommendations from the Review. The Commissioner will be invited to a range of public and targeted consultation activities associated with strengthening the Modern Slavery Act.

## NSW modern slavery legislation

The *Modern Slavery Act 2018* (NSW) (NSW Act) establishes the NSW Anti-slavery Commissioner and their functions, and also requires NSW state owned corporations to make voluntary statements (if they are not already required to do so).

The NSW Government and the NSW Anti-slavery Commissioner will therefore also be invited to a range of public and targeted consultation activities associated with strengthening the Modern Slavery Act.



## Part A – Mandatory reporting criteria

### Overview of the current reporting criteria

The mandatory reporting criteria (reporting criteria) are set out in subsection 16(1) of the Modern Slavery Act and require a statement to:

- a) identify the reporting entity
- b) describe the reporting entity's structure, operations and supply chains
- c) describe the risks of modern slavery practices in the reporting entity's operations and supply chains, and any entities that the reporting entity owns or controls
- d) 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
- e) describe how the reporting entity assesses the effectiveness of these actions
- f) describe the process of consultation with any entities that the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the joint statement)
- g) provide any other relevant information.

The reporting criteria apply to single entity statements, joint statements, and the Commonwealth statement covering all non-corporate Commonwealth entities.

The reporting criteria were developed following extensive consultations with business and civil society between 2017 and 2018, and draw on terminology and concepts used in the business and human rights context, particularly the 2011 *United Nations Guiding Principles on Business and Human Rights* (UN Guiding Principles)<sup>5</sup> – the recognised global standard for preventing and addressing business-related human rights harm.

The reporting criteria aim to support business to identify and address their modern slavery risks and maintain responsible and transparent supply chains. The reporting criteria also seek to ensure useful information is made available through reporting entities' statements to consumers, investors, academia, civil society, Government, business partners, and the broader community.

### Challenges with the current reporting criteria

#### Need for increased clarity and simplicity

The Review's comprehensive consideration of the reporting criteria, compliance data gathered over the past five reporting cycles and the department's engagement with reporting entities indicate a need for increased clarity and simplicity in the reporting criteria.

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<sup>5</sup> United Nations, *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, Office of the High Commissioner on Human Rights, 2011 ('UN Guiding Principles on Business and Human Rights'). <<https://www.ohchr.org/en/publications/reference-publications/guiding-principles-business-and-human-rights>>.

### *The Review's consideration of the reporting criteria*

The Review acknowledged there was general agreement in consultations that the reporting criteria address fundamentally important elements of modern slavery risk management. Consistent with this sentiment, the Review noted that most reform proposals were to refine, clarify, or extend the reporting criteria rather than rethink the architecture of the Modern Slavery Act.

Recommendation 8 of the Review therefore recommended the department consider the desirability of amending the criteria as follows:

- replace the phrase 'operations and supply chains' in sections 3, 11 and 16 with the phrase 'operations and supply networks'
- revise criteria (c), (d), (e), and (f) in the manner discussed in Chapter 6 of the report<sup>6</sup>
- add new criteria requiring entities 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
  - internal and external consultation undertaken by the entity during the reporting year on modern slavery risk management.

Further to recommendation 8, the Review noted some stakeholder feedback related to the reporting criteria may be addressed by amending the Guidance for Reporting Entities (recommendation 10).

Recommendation 9 of the Review also recommended the department consider moving the reporting criteria to delegated legislation.<sup>7</sup> Section 25 of the Modern Slavery Act already provides the power for the Minister to make rules prescribing matters required or permitted by the Modern Slavery Act to be prescribed by the rules, or necessary or convenient to be prescribed for carrying out or giving effect to the Modern Slavery Act. The Minister has not made rules under this provision to date.

The Review acknowledged that there was broad agreement in consultations that having reporting criteria in the Modern Slavery Act itself was beneficial and has created a minimum baseline for mandatory reporting. However, the Review noted that having the reporting criteria in the Modern Slavery Act means that the reporting criteria are 'relatively brief and static'. The Review noted that moving the reporting criteria to delegated legislation would allow flexibility in revising the reporting criteria over time (given the process for making and amending delegated legislation is more efficient than primary legislation which must be passed by both Houses of Parliament), and would enable the inclusion of more detailed reporting criteria.

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<sup>6</sup> Chapter 6 explored re-ordering criteria (c) and (d) (risks, and actions to assess and address risks) and reducing the compound structure of the criteria; clarifying the requirements of criterion (e) relating to effectiveness; and revising criterion (f) (consultation) to require a statement that covers more than one entity to describe the governance processes adopted by the entity to manage modern slavery risks.

<sup>7</sup> Delegated legislation (also known as subordinate legislation) is made by the executive government, by ministers and other executive office-holders, without parliamentary enactment. It can only be made under the authority of an Act of the Parliament, and has the effect of law. Delegated legislation (such as regulations or rules) is generally made to work out the application of the law in greater detail within the principles set out in the relevant statute.

### Compliance trends and engagement with reporting entities

The Modern Slavery Act has been in operation for six years, and the majority of reporting entities have completed a number of reporting cycles. The most recent Annual Report on Implementing the Modern Slavery Act (Annual Report) notes compliance with the reporting criteria has trended in a positive direction throughout the first three full reporting cycles (1 July 2020 – 30 June 2023).<sup>8</sup> The Annual Report notes this may reflect reporting entities' increased clarity or understanding of the requirements as maturity increases.

The department liaises with reporting entities to improve understanding of compliance obligations under the Modern Slavery Act and to promote good practice. This includes directly engaging with entities, developing additional publicly available guidance materials and undertaking awareness-raising activities.

However, a significant proportion of reporting entities continue to submit statements that are assessed to be likely non-compliant, indicating difficulty in addressing certain criteria. The most common criterion that entities fail to meet is criterion (f) ('describe the process of consultation'), followed by criterion (e) ('describe how the reporting entity assesses the effectiveness').<sup>9</sup> There has also been a trend towards non-compliance with criterion (c) ('describe the risks').

## Options for change

### Overview of proposed amendments to the reporting criteria

Existing subsection 16(1) provision	Proposed amendments (specific language to be settled following public consultations)
(a) identify the reporting entity	<b>Retain criterion</b> and <b>add requirement</b> for a statement to identify the entities owned or controlled by the reporting entity.
(b) describe the structure, operations and supply chains of the reporting entity	<b>Retain criterion.</b>
(c) 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	<b>Retain criterion.</b>

<sup>8</sup> Australian Government, Implementing the *Modern Slavery Act 2018* (Cth): The Australian Government's Annual Report 1 January 2023 – 31 December 2023, Australian Government, 2024 ('Annual Report (2023)'), p 21.

<sup>9</sup> Annual Report (2023), pp 21-22.

Existing subsection 16(1) provision	Proposed amendments (specific language to be settled following public consultations)
<p>(d) 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</p>	<p><b>Consolidate and clarify criteria (d) and (e).</b></p> <p>Amend to require a reporting entity to <b>report on its actions, and its owned or controlled entities' actions, in relation to modern slavery risks, including due diligence.</b></p> <p>This includes actions to:</p> <ul style="list-style-type: none"> <li>• <u>identify and assess risks</u> of modern slavery practices</li> <li>• <u>address</u> modern slavery risks</li> <li>• <u>monitor the implementation and effectiveness</u> of its actions.</li> </ul> <p><b>Delegated legislation</b> may require entities to report on <b>specific actions</b> in relation to modern slavery risks, which may include:</p> <ul style="list-style-type: none"> <li>• internal governance processes</li> <li>• organisational policies to address modern slavery</li> <li>• training for staff about modern slavery</li> <li>• engagement with internal and external stakeholders.</li> </ul> <p><b>Insert new criterion</b> to require an entity to report on its grievance mechanisms.</p> <p><b>Insert new criterion</b> require an entity to report on its processes and actions to remediate modern slavery incidents. Specific reporting requirements related to reporting on grievance mechanisms and remediation (including their effectiveness) could be outlined in delegated legislation.</p>
<p>(e) describe how the reporting entity assesses the effectiveness of such actions</p>	<p>See above, regarding consolidation of criteria (d) and (e).</p>
<p>(f) describe the process of consultation with:</p> <ol style="list-style-type: none"> <li>any entities that the reporting entity owns or controls; and</li> <li>in the case of a reporting entity covered by a statement under section 14—the entity giving the statement</li> </ol>	<p><b>Amend criterion</b> to specify that a reporting entity that owns or controls entities, and/or that is submitting a joint statement, must describe its process of consultation with those entities in relation to the <u>preparation of the statement</u>.</p> <p>Should corporate group reporting be introduced (see <a href="#">Part C</a> of this paper), <b>repeal criterion</b>, as the parent entity would be submitting a statement <u>on behalf</u> of its owned or controlled entities.</p>
<p>(g) include any other information that the reporting entity, or the entity giving the statement, considers relevant.</p>	<p><b>Retain criterion.</b></p>
<p>Note under s 16(1)</p> <p>Example: For paragraph (d), actions taken by an entity may include the development of policies and processes to address modern slavery risks, and providing training for staff about modern slavery.</p>	<p><b>Repeal note</b> – as above, delegated legislation may specify actions that entities need to report on.</p>



As detailed in the table on pages 15-16, the department proposes that the core reporting criteria remain in the Modern Slavery Act, given the reporting criteria are central to the scheme. It is proposed that a range of additional matters relating to the reporting criteria may be included in delegated legislation. The purpose of this would be to provide further detail and clarification on the information that should be provided under a particular reporting criterion.

In summary, the proposed amended reporting criteria comprise the following requirements (*italics* indicate a requirement that may be outlined in delegated legislation, such as rules):

1. identify the reporting entity, and if applicable, the entities owned or controlled by the reporting entity
2. describe the entity's structure, operations and supply chains
3. describe the risks of modern slavery practices in the operations and supply chains of the entity, and its owned or controlled entities
4. describe the entity's (and if applicable, its owned or controlled entities') actions in relation to modern slavery risks, including due diligence. This includes:
  - a. actions taken to identify and assess risks of modern slavery practices
  - b. actions taken to address modern slavery risks
    - i. *internal governance processes*
    - ii. *organisational policies*
    - iii. *training of staff*
    - iv. *engagement with internal and external stakeholders*
  - c. actions to monitor the implementation and effectiveness of its actions undertaken in relation to 4(a) and 4(b)
5. provide information about the entity's (and if applicable, its owned or controlled entities') grievance mechanisms
6. provide information about the entity's (and if applicable, its owned or controlled entities') processes and actions to remediate modern slavery incidents
7. describe the process of consultation in the preparation of the statement with any entities the reporting entity owns or controls (and, in the case of a reporting entity covered by a joint statement, with the entity giving the statement)
8. include any other relevant information.

Further information on the options to amend the reporting criteria are outlined in the rest of this chapter.

## Identification of the reporting entity

Retain criterion, and add requirement for a statement to identify the entities owned or controlled by the reporting entity (if applicable).

The department proposes to **retain** the requirement that a statement must identify the reporting entity, and to **add a requirement** for reporting entities that own or control other entities to identify those entities in the statement.

Under the existing reporting criteria, reporting entities that own or control other entities must also describe in their statement: 1) the risks of modern slavery practices in the operations and supply chains of those entities, and 2) actions taken by those entities to address those risks (irrespective of the revenue of those entities). However, currently, there is no legislative requirement to identify those owned or controlled entities within the statement itself. This proposed amendment means entities would have to identify in the statement its owned or controlled entities along with describing those entities' risks and actions.

The department considers this proposed amendment would:

- further the transparency objectives of the Modern Slavery Act by ensuring a statement lists all entities captured by a statement
- support effective compliance action by providing the regulator clear visibility of which entities are captured by a statement.

## Terminology of 'operations' and 'supply chains'

No legislative amendments proposed.

The Review recommended that the department conduct a review of how the terms 'operations' and 'supply chains' are explained in the Guidance for Reporting Entities (recommendation 7) – which was accepted by Government. The Review also recommended that the department consider replacing the term 'supply chains' in the Modern Slavery Act with 'supply networks'. The Review recommended against defining the terminology in the Modern Slavery Act, considering extensive guidance more suitable. This is consistent with the Explanatory Memorandum to the Modern Slavery Bill 2018 which states this approach provides flexibility by ensuring terms can be applied to entities with varying structures.

The Review also considered that the adoption of new terminology needs to be examined against the backdrop of support for international harmonisation. Comparable legislation in the United Kingdom (UK) and Canada use the terminology 'supply chains'.<sup>10</sup>

At this point in time, the department **does not propose legislative amendments** to the terminology 'operations' and 'supply chains' in the Modern Slavery Act. The department will conduct targeted consultations on this topic to inform revisions to guidance to address issues highlighted by the Review.

<sup>10</sup> See for example *Modern Slavery Act 2015* (UK) and *Fighting Forced Labour and Child Labour in Supply Chains Act* (S.C. 2023 c. 9).

## Description of risks of modern slavery practices in operations and supply chains

Retain requirement to describe risks of modern slavery practices.

The department proposes to **retain** the requirement for a statement to describe the risks of modern slavery practices in the operations and supply chains of the reporting entity. Risks in this context are focused on risks to people (that is outward-facing and a ‘people focused’ approach), rather than risks to an entity such as legal, financial, or reputational risks (noting people and entity risks will often intersect).

For example, a clothing company may outline garments produced in a specified region as a risk area for the entity, due to the company’s reduced visibility of sub-contracted facilities, poor worker protections in certain countries in that region, and the use of higher risk materials such as cotton.

## Actions to address modern slavery risks

Amend existing criteria (d) and (e) to require a reporting entity to report on its actions in relation to modern slavery risks, including due diligence. This includes actions to:

- identify and assess risks of modern slavery practices
- address modern slavery risks
- monitor the implementation and effectiveness of its actions.

Delegated legislation may require entities to report on specific actions in relation to modern slavery risks, such as:

- internal governance processes
- organisational policies to address modern slavery
- training for staff about modern slavery
- engagement with internal and external stakeholders.

The department proposes to amend existing criteria (d) and (e) to:

- **consolidate** the two criteria into an overarching requirement for an entity to report on its actions to address modern slavery risks, including due diligence
- **specify** an entity must describe its actions in relation to identifying and assessing risks (noting describing actions to assess risks is already required in existing criterion (d))
- **specify** an entity must describe its actions to address risks (noting describing actions to address risks is already required in existing criterion (d))
- **specify** an entity must describe its actions in relation to monitoring the implementation and effectiveness of its actions (noting an entity must already describe how it assesses the effectiveness of its actions in existing criterion (e)).

## Actions in relation to modern slavery risks

The UN Guiding Principles recognise the responsibility of business enterprises to exercise ‘due diligence’ by identifying, preventing, and mitigating the adverse impacts of their operations on human rights and by accounting for how they address those impacts.<sup>11</sup> The Organisation for Economic Cooperation and Development’s (OECD) Due Diligence Guidance for Responsible Business Conduct<sup>12</sup> is an internationally recognised framework that draws on the UN Guiding Principles and sets out the following practical steps in a due diligence process:

1. embed responsible business conduct into policies and management systems
2. identify and assess adverse impacts in operations, supply chains and business relationships
3. cease, prevent or mitigate adverse impacts
4. track implementation and results
5. communicate how impacts are addressed
6. provide for, or cooperate in, remediation when appropriate.

The existing criteria, in particular criteria (d) and (e), intentionally align closely with the recognised steps in a due diligence process (in particular steps 2, 3, and 4 outlined above). Existing criterion (d) presently requires entities to outline their actions, including due diligence processes, to assess and address risks. The Explanatory Memorandum to the Modern Slavery Bill 2018 notes due diligence is intended to refer to an entity’s ‘ongoing management processes to identify, prevent, mitigate and account for how they address incidences of modern slavery’.

The Review separately recommended that the Modern Slavery Act be amended to introduce an obligation for reporting entities to have a due diligence system, and that the activities undertaken by the entity in accordance with that system be explained in the entity’s annual statement (recommendation 11). The Government noted this recommendation and intends to undertake targeted consultations on this matter as part of Phase 1, Stream B consultations (see Figure 1, page 8). It should be noted the introduction of an obligation to have a due diligence system in place goes beyond reporting (that is it would impose a duty on entities to take effective action and track performance).

In the interim, noting stakeholder feedback to the Review and broader global developments towards human rights due diligence, the department proposes to **retain the existing requirement to report on due diligence**. Given due diligence is actions-based, under the revised criterion, entities would be required to report on their actions in relation to modern slavery risks, including due diligence, comprising:

- a) actions to identify and assess modern slavery risks
- b) actions to address modern slavery risks
- c) actions to monitor the implementation and effectiveness of actions outlined in response to a) and b) above.

<sup>11</sup> The concept of due diligence is also embedded in the recommendations of the International Labour Organization’s Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.

<sup>12</sup> Organisation for Economic Cooperation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, OECD, 2018. <<https://mneguidelines.oecd.org/due-diligence-guidance-for-responsible-business-conduct.htm>>.



## Actions to identify and assess risks

The Review noted there was regular criticism in consultations of weak or inadequate identification of risks in statements. The department has observed a number of statements seeking to address the risk criterion with a statement of risk level, rather than engaging in a description of risk. This is exemplified by a trend towards non-compliance with existing criterion (c), with 30% of non-compliant statements failing to meet this criterion in the first half of reporting cycle 4 – an increase of 11% from reporting cycle 3.<sup>13</sup>

Existing criterion (d) comprises multiple elements – it requires an entity to report on how it is assessing and addressing risks and its due diligence remediation processes. Submissions to the Review suggested existing criterion (d) be amended to reduce its compound structure, and that the information about how an entity *addresses* risks be separate from how it *assesses* risks. Under the proposed changes, entities would need to describe under separate sub-criteria:

- their actions to identify and assess modern slavery risks
- their actions to address modern slavery risks.

In the new proposed sub-criterion related to describing actions to identify and assess modern slavery risks, entities would be required to include information about their risk identification and assessment processes and methodology. This would enhance transparency by requiring reporting on *how* an entity came to identify and assess the risks disclosed in existing criterion (c). It would also encourage entities to take a more tailored approach, in response to feedback that some entities take a generalised, sector-based approach to risk identification.

## Actions to address risks

Under this new sub-criterion, entities would be required to outline the actions they are taking to address the risks of modern slavery practices occurring in their operations and supply chains. ‘Addressing’ risks may include actions to cease, prevent or mitigate modern slavery.<sup>14</sup> Delegated legislation may outline specific actions an entity must report on, such as:

- **Internal governance processes**
  - This could include, for example, a cross-functional modern slavery working group or committee comprising of members from different business units, board engagement (such as standing agenda items), senior management ‘champions’ and internal audits.
  - The inclusion of this action would be in line with the Review, which recommended consideration be given to requiring a reporting entity to explain its group-wide framework to manage modern slavery risks.
- **Organisational policies**
  - The development and implementation of modern slavery policies can articulate an entity’s commitment to addressing this issue, and ensure appropriate action is taken specific to an entity’s operating environment, risk profile, and supply chains.
  - At present, the note under subsection 16(1) includes ‘the development of policies and processes’ as an example of an action that an entity might take.
  - The inclusion of this action would align with comparable supply chain reporting legislation in the UK and Canada, which seek information about an entity’s policies in relation to modern slavery.

<sup>13</sup> Annual Report (2023), p 21.

<sup>14</sup> See UN Guiding Principles on Business and Human Rights.

- **Training for staff**
  - Training can support staff (and suppliers) to understand what constitutes modern slavery and how to identify, assess and address risks. It is also a key tool to disseminate organisational policies on modern slavery.
  - The note under subsection 16(1) also states that providing training for staff may be an example of an action taken by an entity to assess and address modern slavery risks.
  - The inclusion of this action would align with comparable supply chain reporting legislation in the UK and Canada, which seek information about the training provided by an entity to staff in relation to modern slavery.
- **Engagement with internal and external stakeholders**
  - Engagement with internal and external stakeholders, including workers and their representatives, and civil society organisations, is recognised as a core component of effective risk management.
  - The UN Guiding Principles provide that business enterprises should consult with any potentially affected stakeholders and credible, independent experts (including from governments, civil society, national human rights institutions and relevant multi-stakeholder initiatives) and draw on expertise and cross-functional consultation within the enterprise.
  - The inclusion of this action would be in line with the Review, which recommended consideration be given to requiring entities to describe any engagement with stakeholders undertaken by the reporting entity on modern slavery risk management.

### Effectiveness of actions

Compliance with the effectiveness criterion has been poor throughout all reporting cycles, as noted in the Government's annual reports on implementing the Modern Slavery Act, feedback to the Review, and independent studies of modern slavery reporting.

A key issue observed in submissions to the Review is that the existing criterion is framed ambiguously: it is unclear whether the criterion requires a reporting entity to describe the method it used to assess effectiveness (a matter of form) or the entity's opinion on how effective its own actions have been (a matter of substance). The report indicates further consideration should be given to clarifying amendments either in the Modern Slavery Act or the Guidance for Reporting Entities. The Review did not suggest any specific legislative amendments, and noted alternative ways to address concerns could be sector-specific guidance, and for the Commissioner to encourage collaboration and awareness-raising forums.

It should be noted the Guidance for Reporting Entities outlines that this criterion only requires an entity to explain *how it assesses* the effectiveness of its actions, and the actions of any entities it owns or controls. It does not require an entity to determine whether their actions *are effective*. This criterion seeks to ensure entities commit to ongoing review and tracking of their actions. Entities are encouraged to consider whether the actions in place are appropriate, and to identify further actions to improve their modern slavery response over time.

It is proposed that the new sub-criterion clarify entities should provide information about their actions to monitor the implementation and effectiveness of their actions to identify, assess and address risks. This retains flexibility for entities to develop their own measures for tracking effectiveness, such as measurement standards or metrics, while reducing ambiguity by removing the word 'assesses', and clarifying entities should monitor both the implementation and effectiveness of

their actions outlined in the preceding sub-criteria. The department proposes this potential change would be supplemented by revised guidance.

#### New criterion on grievance mechanisms

Insert a new criterion to require an entity to provide information about its grievance mechanisms.

The Review recommended consideration be given to adding a new criterion to require entities to report on grievance, complaint or hotline mechanisms put in place by an entity to receive notifications from its staff, the staff of suppliers or possibly members of the public.

While good practice statements often contain information about an entity's grievance and complaints mechanisms, a number of submissions to the Review advocated for an explicit requirement for entities to report on this matter. Submissions also noted the clear connection between grievance and complaints mechanisms, and remediation processes, given a grievance mechanism can provide the referral pathway to activate a remedy system.

The UN Guiding Principles provide that business enterprises should establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted by a business enterprise.

In line with analysis from the Review, it is proposed a separate criterion be introduced to require entities to report on any grievance mechanisms. Delegated legislation may outline specific requirements, such as the number of modern slavery-related grievances received, the availability of such mechanisms to staff and suppliers, and how effective the mechanism has been.

The department proposes that guidance be developed to support this potential new criterion, including the factors that make a grievance mechanism effective (such as accessibility, transparency, and predictability).

#### Elevation of remediation reporting requirements

Insert a new criterion to require an entity to provide information about its processes and actions to remediate modern slavery incidents.

Currently, criterion (d) requires entities to describe the actions taken by them to assess and address modern slavery, including remediation processes. The department has observed that generally, entities focus on their actions to address risk and do not include specific information relating to remediation.

The Review received submissions that noted the prominence given to this issue in the UN Guiding Principles, which contains a separate section on 'Access to Remedy'. The UN Guiding Principles provide that where business enterprises identify that they have caused or contributed to adverse impacts, they should provide for, or cooperate in, their remediation through legitimate processes.

In line with analysis from the Review and the importance of remediation, it is proposed a separate criterion be introduced to require entities to provide information about its processes and actions to remediate modern slavery incidents. Delegated legislation could specify additional reporting requirements, such as the number and types of modern slavery matters remediated, and how effective the remediation processes have been. The department proposes that guidance be developed to support this potential new criterion.

## Clarification of consultation requirements

Amend criterion to specify that a reporting entity that owns or controls entities, and/or that is submitting a joint statement, must describe its process of consultation with those entities *in the preparation of the statement*.

Should corporate group reporting be introduced (see [Part C](#) of this paper), repeal criterion, as the parent entity would be submitting a statement *on behalf* of its owned or controlled entities.

As outlined in the Guidance for Reporting Entities, the existing criterion (f) is intended to ensure that:

- a reporting entity takes a collaborative approach to combating modern slavery with any entities it owns or control, including by ensuring those entities are aware of what actions they need to take and that modern slavery risks relating to these entities have been identified, assessed and addressed, and
- relevant entities are involved in the preparation of the statement.

Criterion (f) is only applicable to reporting entities that own or control other entities and/or are submitting a joint statement with another reporting entity. However, as drafted, this requirement does not appear to be well-understood by entities, and compliance with this criterion continues to be problematic. In the online survey for the Review, 44% of respondents said they experienced difficulty in deciding what information to provide. The Annual Report notes that across all reporting cycles, criterion (f) has been the most common criterion entities failed to meet.<sup>15</sup>

The department proposes to **amend** criterion (f) to require an entity to describe its process of consultation with those entities to *prepare the statement*. The amendments will clarify that:

- the requirement in criterion (f) is only applicable if the entity owns or controls other entities and/or if the reporting entity is submitting a joint statement with other entities
- the requirement applies in relation to the preparation and development of the statement (entities could separately outline any other engagement with internal stakeholders under their actions to address modern slavery risks).

This requirement would continue to ensure statements accurately reflect the risks of modern slavery practices within the operations and supply chains of entities covered by a statement.

The department proposes guidance updates would supplement this change. This could include clarifying that consultation between business units would be acceptable in circumstances in which business units have responsibility for multiple entities within a corporate structure.

As outlined in [Part C](#) of this consultation paper, should corporate group reporting be introduced, the consultation criterion would be repealed. That is because, in that circumstance, the parent entity would be submitting the statement *on behalf* of its owned or controlled entities (which is distinct from the current requirement to include information *about* those entities).

<sup>15</sup> Annual Report (2023), p 21.



## Consultation questions

1. Do you support the potential changes to the reporting criteria? Are any further changes needed to the reporting criteria?
2. Do you support the matters the department proposes to include in delegated legislation (such as rules)? If not, what changes are needed?
3. Are there any challenges associated with including details about reporting criteria in delegated legislation? If so, what are they?
4. Should additional guidance be developed to assist reporting entities to comply with the proposed changes to the mandatory reporting criteria? If so, what topics should be addressed by new guidance?
5. Should a new criterion be added that requires entities to report on key actions or changes since their previous statement?
6. Should reporting entities be required to report information about grievance mechanisms? If so, what specific information about grievance mechanisms should entities be required to report on?
7. Are there any sensitivities with requiring an entity to report on grievance mechanisms? Please consider any sensitivities relating to quantitative or qualitative information about grievance mechanisms that might be captured.
8. Should reporting on remediation be a separate mandatory reporting criterion? If so, what specific information about remediation actions and processes should entities report on? Notably, the Review explored requiring entities to report on the number of matters referred to law enforcement or other bodies, as well as to report on details of modern slavery incidents or actual risks.
9. Are there any sensitivities with requiring an entity to report on remediation, noting information about remediation may include quantitative or qualitative information?
10. Are there any specific safeguards we should consider to protect workers in relation to reporting on grievance mechanisms and remediation?
11. Do the proposed changes to the consultation criterion address the lack of clarity currently experienced by reporting entities?

## Part B – Compliance and enforcement framework

### Overview of the current compliance framework

Current compliance powers are contained in section 16A of the Modern Slavery Act:

- Where an entity fails to comply with their obligations under the Modern Slavery Act, the Minister may request the entity to explain within 28 days why the entity has not complied with the reporting requirement, or request the entity to take specified remedial action to ensure compliance.
- Where an entity fails to comply with this request, the Minister may publish information relating to the non-compliance on the Register.

Over the first few reporting cycles, the department has focused on working with reporting entities to ensure they understand their obligations under the Modern Slavery Act. Where instances of non-compliance have been identified, the department has engaged with non-compliant entities to ensure they understand their obligations and provide relevant support to enable them to reach compliance. This focus on education and awareness raising activities has improved compliance over each reporting period since the Modern Slavery Act's commencement (see **Figure 2** below).

However, the Review identified that the non-compliance rate is still high. To date, approximately 25% of statements have been assessed as likely non-compliant with the Modern Slavery Act.

**Figure 2: Levels of compliance with the Modern Slavery Act over the first 4 reporting cycles**

		Reporting Cycle 1	Reporting Cycle 2	Reporting Cycle 3	Reporting Cycle 4	Reporting Cycle 5 (to Feb 2025)
<i>Non-Publishable</i>	<b>Total non-Publishable<sup>16</sup></b>	27%	17%	12%	11%	12%
<i>Publishable</i>	<b>Total Publishable</b>	73%	83%	88%	89%	88%
	Compliant	59%	71%	74%	88%	83%
	Non-Compliant <sup>17</sup>	41%	29%	26%	12%	17%

<sup>16</sup> A statement is assessed as non-publishable where it fails to meet approval and signature requirements.

<sup>17</sup> A statement is considered non-compliant where it fails to address the mandatory reporting criteria.

## The importance of responsive regulation

The Review highlighted the commonly used approach of responsive regulation, where a regulator will have access to a range of different powers that allow them to take a flexible and responsive approach to a particular instance of non-compliance.<sup>18</sup> This approach typically promotes voluntary compliance as a starting point, before accessing ‘mid-range’ compliance powers including infringement notices and enforceable undertakings. Penalties imposed by a court are generally only ordered where higher level intervention is needed, for example due to a situation of repeated non-compliance. **Figure 3** below provides an example of a risk-based regulatory approach.<sup>19</sup>

**Figure 3: Example of a risk-based regulatory approach**



<sup>18</sup> Professor John McMillan AO, *Report of the statutory review of the Modern Slavery Act 2018 (Cth): The first three years*, report to the Australian Government, 2023 ('the Review'), p 86.

<sup>19</sup> Department of Finance, *Regulatory Policy, Practice & Performance Framework*, Australian Government, 2024. <<https://www.regulatoryreform.gov.au/sites/default/files/Regulatory-Policy-Practice-and-Performance-Framework.pdf>>.

Submissions to the Review noted that many other Commonwealth statutes reflect theories of responsive regulation and that the Modern Slavery Act should be strengthened by alignment with this widely respected and endorsed approach to business regulation in Australia.

The Review also recommended the introduction of penalties (recommendation 20), in recognition that the Modern Slavery Act imposes a reporting requirement on a matter of fundamental global human rights importance, without a robust procedure to ensure that duty is performed.

It is important that the Modern Slavery Act is underpinned by an effective compliance framework that holds non-compliant entities to account and promotes a level playing field amongst entities who are meeting their reporting requirements. By failing to report, or not meeting reporting requirements, entities operating in the Australian market may be failing to assess and address risks of modern slavery in their supply chains. While the first few reporting cycles have been impactful in raising awareness of modern slavery in the business community, it is important that reporting under the Modern Slavery Act continually improves, and the regulator is able to appropriately respond to instances of non-compliance, to ensure there are consequences for failing to meet mandatory requirements.

### Options for change: An enhanced compliance framework

To ensure a measured response to instances of non-compliance, the department is seeking views on options for an enhanced compliance framework, with expanded or additional regulatory powers, to more effectively target entities who are non-compliant with the Modern Slavery Act and allow the regulator to respond proportionally to instances of non-compliance.

Enhanced or new powers would assist the regulator to proactively identify and engage with reporting entities who are not engaging with the Modern Slavery Act, to respond to data analysis undertaken by the department, and feedback to the Review, that many entities remain unaware of their reporting obligations. An enhanced framework would send a strong message to reporting entities that non-compliance would be dealt with effectively.

The *Regulatory Powers (Standard Provisions) Act 2014* (Cth) (Regulatory Powers Act) provides for a standard suite of provisions in relation to monitoring and investigation powers, as well as enforcement provisions through the use of civil penalties, infringement notices, enforceable undertakings and injunctions. New or amending Acts that require monitoring, investigation or enforcement powers of the kind available under the Regulatory Powers Act should be drafted to trigger the relevant provisions of that Act, unless there are compelling policy reasons to the contrary.<sup>20</sup>

The table on pages 29-30 provides an outline of a range of common regulatory powers and their potential or existing application to the Modern Slavery Act.

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<sup>20</sup> Attorney-General's Department, *Regulatory powers*, Attorney-General's Department Website, n.d. <<https://www.ag.gov.au/legal-system/administrative-law/regulatory-powers>>.

## Outline of range of regulatory powers

Regulatory power	Potential application in a Modern Slavery Act context	Interaction with current legislation
<b>Information gathering powers</b>	<p>If the regulator is reasonably satisfied that an entity has information or documents relevant to the operation of the Modern Slavery Act, the regulator may issue a notice to produce information or documents.</p> <p>These notices, for example, could relate to:</p> <ul style="list-style-type: none"> <li>• confirming an entity's status as a reporting entity where there is suspected non-compliance</li> <li>• clarification of a matter or information in a statement</li> <li>• information about methodology or development of the statement</li> <li>• requesting documents and information as part of an investigation to determine whether there is evidence that there is a contravention of provisions relating to false and misleading information in statements.</li> </ul>	Broader power than existing power to request an explanation under section 16A
<b>Request for remedial action</b>	<p>A request for remedial action would be a written notice issued to an entity to request they remediate an instance of non-compliance with the Modern Slavery Act.</p> <p>A request for remedial action would outline how an entity has contravened the Modern Slavery Act and what is needed to remediate the issue.</p> <p>If an entity does not address the issue outlined in the request for remedial action, an escalated enforcement approach may be pursued.</p>	Existing power to request remedial action already under section 16A
<b>Infringement notice</b>	<p>If there are reasonable grounds to believe an entity has breached a provision of the Modern Slavery Act, an infringement notice may be issued.</p> <ul style="list-style-type: none"> <li>• Upon receiving the infringement notice, the entity can pay the infringement penalty amount outlined in the notice as an alternative to court proceedings.</li> <li>• Payment of an infringement notice is not an admission of guilt.</li> <li>• If an infringement notice is not paid, proceedings can be commenced against the entity in relation to the alleged breach.</li> </ul> <p>The entity may apply for the infringement notice to be withdrawn and the regulator may withdraw it.</p>	Does not exist in Modern Slavery Act



Regulatory power	Potential application in a Modern Slavery Act context	Interaction with current legislation
<b>Enforceable undertaking</b>	<p>An enforceable undertaking is a voluntary written agreement between the regulator and an entity, where the entity agrees to take certain action to address non-compliance with the Modern Slavery Act.</p> <p>These undertakings set out a formal commitment that the entity agrees to comply with. These undertakings enable non-compliance to be addressed without legal action. However, if the order is not complied with, the regulator could seek legal action.</p>	Does not exist in Modern Slavery Act
<b>Power to publish information</b>	The regulator would be empowered to publish information about non-compliance with the Modern Slavery Act.	Existing power under section 16A
<b>Redaction powers</b>	<p>If the regulator considers information in a statement may be contrary to the public interest, the regulator would have the power to redact information from the statement, or redact an entire statement.</p> <p>Information that may be contrary to the public interest could include information that is false or misleading, or information that breaches privacy obligations.</p>	Does not exist in Modern Slavery Act
<b>Civil penalty order</b>	<p>Where non-compliance with the Modern Slavery Act is repeated or not remediated, court proceedings may be commenced following breach of a civil penalty provision.</p> <p>Civil penalties could be introduced for:</p> <ul style="list-style-type: none"> <li>• failing to submit a modern slavery statement</li> <li>• providing false or misleading information in a modern slavery statement</li> <li>• failing to comply with a request for remedial action.</li> </ul>	Does not exist in Modern Slavery Act

## Penalties

The Review recommended that penalties be introduced for non-compliance with the Modern Slavery Act as outlined in the table below:

Non-compliance	Overview
Failure to submit a modern slavery statement	<ul style="list-style-type: none"> <li>• This would enable action to be taken against entities that meet the reporting threshold but who fail to lodge a statement.</li> </ul>
Providing false or misleading information	<ul style="list-style-type: none"> <li>• This would enable action to be taken against entities who provide false or misleading information in their statement.</li> <li>• For example, an entity could provide information in their statement that paints a false picture of the actual actions they have taken to address modern slavery risks in that reporting period.</li> </ul>

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Failure to comply with a request for remedial action

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- This would enable action to be taken against an entity who fails to comply with a request from the regulator.

Should civil penalties be introduced, it is proposed that legislation would:

- include a transition period before civil penalty provisions take effect
- outline internal and external review processes for actions taken by the regulator
- outline maximum civil penalties for an individual and a body corporate.

### Complaints regarding entity reporting

A member of the public may wish to provide information or make a complaint about an entity's statement. The Government has agreed to 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 (recommendation 24 from the Review).

Following the outcomes from the consultations related to an enhanced compliance framework, the Government will consider the role of a complaints procedure and how this might support any new regulatory powers.

### Consultation questions

12. To date, the regulator has not used its power to request remedial action or publish information regarding non-compliance, focusing instead on education. Would additional or enhanced guidance be sufficient to address current non-compliance?
13. Will the use of these existing compliance powers be sufficient to address current non-compliance?
14. Should the existing compliance powers be amended? If so, how?
15. Under section 16A of the Modern Slavery Act, the regulator can request an entity provide an explanation for the failure to comply with reporting requirements. Would broader information gathering powers be more effective to address non-compliance?
16. Should additional regulatory tools be introduced into the Modern Slavery Act to penalise non-compliance?
17. If yes, which of the following additional regulatory tools should be introduced to respond proportionately to non-compliance?
  - a) Infringement notices
  - b) Enforceable undertakings
  - c) Redacting a statement
  - d) Other [please specify]
18. Should civil penalties be introduced into the Modern Slavery Act?
19. If yes, which of the following civil penalties should be introduced into the Modern Slavery Act?
  - a) Failure to submit a modern slavery statement
  - b) Providing false or misleading information
  - c) Failure to comply with a request for remedial action
20. Should any defences, such as mistake of fact, be considered for any proposed civil penalties?

21. What key considerations should be taken into account when considering the maximum penalty units for any penalty provisions?

There are a number of key subsidiary matters to consider when exploring the introduction of additional regulatory tools, including civil penalties:

22. If additional regulatory tools are introduced, who should carry out these new functions:

- a) The current regulator who has an existing support and advisory role
- b) An independent section or body
- c) Other [please specify]

23. For the regulator to effectively identify, investigate and litigate alleged non-compliance, the regulator will require:

- a) Access to relevant information and data to identify regulated entities
- b) Sufficient powers and access to relevant information to identify false or misleading information
- c) Sufficient funding for investigation and litigation costs
- d) Other [please specify]

24. Are there any other subsidiary issues to be considered?

## Part C – Joint reporting

### Overview of the current framework for joint reporting

Section 14 of the Modern Slavery Act permits entities to submit a statement on behalf of one or more reporting entities. All reporting entities under the Modern Slavery Act are eligible to jointly report and there is no limit on how many entities a joint statement can cover. Entities that provide a joint statement may be part of the same corporate group or may be unrelated entities.<sup>21</sup>

The joint statement must address all reporting criteria for each reporting entity and must be prepared in consultation with each reporting entity covered by the statement and any entities they own or control. Entities that own or control other entities must ensure they comply with the criteria under paragraph 16(1)(c) and (d) in also describing the risks of modern slavery practices and actions taken to address those risks in the operations and supply chains of entities they own or control.

A joint statement must be approved by the principal governing body of each reporting entity covered by the statement, or, the higher entity which is in a position to influence each reporting entity covered by the statement. Alternatively, if it is not practicable to seek approval from the principal governing body of all entities or the higher entity, approval must be sought by at least one entity.

Joint reporting was included in the Modern Slavery Act to minimise the regulatory impact of the legislation by providing flexibility to entities to report in a way that is most appropriate for their circumstances, and make it easier for investors, consumers and the public to access a single statement covering a corporate group or other collection of entities.<sup>22</sup> Almost 40% of all submissions to the Register are joint statements.

### Challenges with the current framework

The Review highlighted that while flexibility of the joint statement process was generally supported, some feedback pointed to difficulties encountered in joint reporting.<sup>23</sup> This included:

- Dormant entities within a complex group structure may be required to report separately.
- Separate identification should not be required for each subsidiary within a group structure that meets the consolidated revenue threshold.
- Sign-off requirements can be complex for joint statements.

The Review noted the matter of joint reporting was a specialist matter that was best considered further by the department and recommended the department seek further clarity regarding difficulties encountered in joint reporting (recommendation 17). The department has considered joint reporting processes further and notes the flexibility that is afforded to reporting entities must be balanced with the objectives of the Modern Slavery Act. Notably, should a penalty framework or new regulatory powers be introduced, for these to operate effectively there will need to be clear accountability for a statement and designation of who any compliance and enforcement action would apply to.

<sup>21</sup> Attorney-General's Department, Commonwealth Modern Slavery Act 2018: Guidance for Reporting Entities, Australian Government, 2023, p 68.

<sup>22</sup> Explanatory Memorandum, Modern Slavery Bill 2018 (Cth), p 15.

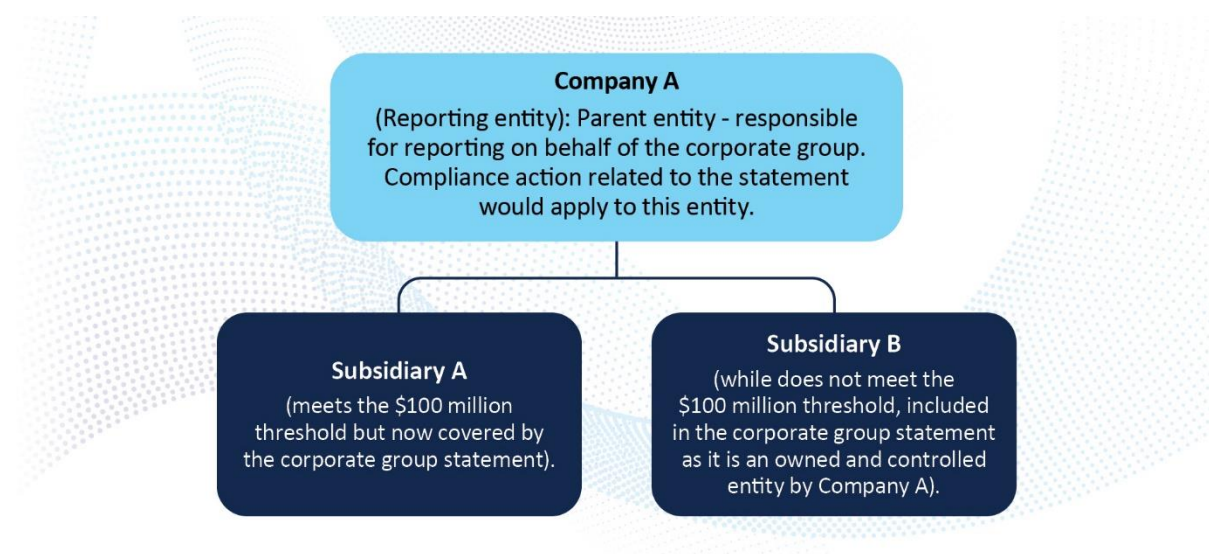
<sup>23</sup> The Review, p 77.



## Options for change: Corporate group reporting

To address the challenges with joint reporting procedures, the department has explored the proposed option of replacing current joint reporting procedures with a system for corporate group reporting. Under this option:

- One statement would be submitted by the **highest entity (parent entity) within a consolidated corporate group**, on behalf of all entities within that group.
- The highest entity would be required to **report on all owned and controlled entities** (even if they do not meet the reporting threshold), ensuring that transparency relating to additional entities within the group structure is adequately covered.
  - This is consistent with current requirements of the Modern Slavery Act (paragraph 16(1)(c) and (d)) which already require a reporting entity to report on 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; and to describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls.
- The **highest entity would identify as a reporting entity**, on behalf of the corporate group. The highest entity would submit the statement on behalf of all entities within that consolidated group. Any **compliance action would be taken against the highest entity**.
- Entities may **apply to the regulator to alter the default reporting arrangements** by:
  - having another entity report on their behalf (nominee reporting entity), or
  - having certain entities within the group report individually (subsidiary reporting entity).



**Figure 6:** This figure demonstrates a proposed situation where Company A (the reporting entity) submits a statement on behalf of Subsidiary A (an entity that meets the reporting threshold and is covered by the statement) and Subsidiary B (an entity that does not meet the reporting threshold but is part of the corporate group and as such is covered by the statement). Any compliance action on behalf of the statement would apply to Company A.

This option aims to streamline the current approach to joint reporting by replacing it with a requirement that each corporate group must be covered in a single statement, unless an application is made to seek subsidiary or nominee status (outlined further in this chapter). This would also support clear identification of the responsible parent entity, and promote accountability for the purpose of an effective compliance framework.



Providing a report that covers a corporate group would be consistent with the consolidation of entities using the Australian Accounting Standards, and would simplify the determination of consolidated revenue as this would only need to be determined for the group as a whole. Individual entities within the corporate group would not need to be specifically identified as reporting entities and therefore the revenue of individual entities would not need to be calculated.

### Exemptions to corporate group reporting

Noting the Modern Slavery Act captures a broad range of entities, there are certain circumstances when reporting as a corporate group may not be appropriate for an entity. An entity may therefore apply to be a nominee or subsidiary reporting entity.

#### *Nominee reporting entity*

- The regulator may determine, following an application from an entity, that an entity is a nominee reporting entity.
- This enables an entity, which does not meet the definition of a reporting entity, to report on itself and others (provided at least one entity it is reporting on meets the reporting threshold).
- This may be applicable in situations where, for example, a foreign holding company which does not meet the criteria of a reporting entity, but controls two Australian subsidiaries, may wish to apply to be a nominee reporting entity.

#### *Subsidiary reporting entity*

- The regulator may determine, following an application from an entity, that an entity is a subsidiary reporting entity.
- This enables an entity, which is not otherwise a reporting entity (because it is controlled by the parent entity) to apply to become a reporting entity and provide its own statement. This exemption would only be available to entities that independently meet the A\$100 million threshold.
- This may be suitable in situations where, for example, a subsidiary entity which is controlled by another entity, but in practice operates under a separate governance structure wishes to report separately.
- This may also be suitable where an entity has a strong public identity and wishes to provide an individual statement.

### Consultation questions

25. Are there any additional difficulties encountered with joint reporting under the Modern Slavery Act?
26. Does corporate group reporting adequately resolve challenges experienced by reporting entities with the current joint reporting model?
27. Are there any new challenges that may result from replacing the current joint reporting process with a corporate group reporting model (with exemptions)?
28. Should a corporate group reporting model be adopted, do the proposed exemptions (via application to the regulator) for subsidiary and nominee reporting entities provide appropriate and sufficient accommodations for different business structures?
29. Should a corporate group reporting model be adopted, should any additional exemptions be considered to alter the default reporting arrangements of corporate group reporting?
30. Are there alternative mechanisms to improve or amend the current joint reporting processes?

## Part D – Voluntary reporting

### Overview of the current framework for voluntary reporting

Any Australian entity or entity carrying on business in Australia can provide a voluntary statement. Voluntary statements allow an entity who does not meet the reporting threshold to still demonstrate their commitment to identifying and addressing modern slavery risks to customers, investors and the broader community.

Under subsection 6(1) of the Modern Slavery Act, an entity can volunteer to comply with the reporting requirement by providing written notice to the Minister (in a manner and form approved by the Minister) before the end of the relevant reporting period. In practice, an entity notifies the department they wish to volunteer to report by completing an online form via the Register. The notification process enables the department to engage with voluntary reporting entities to support them to meet the reporting obligations under the Modern Slavery Act and is used to track the submission of voluntary statements.

Under subsection 6(3) of the Modern Slavery Act, an entity that has volunteered to report may provide written notice of their revocation as a voluntary reporting entity before the start of the reporting period.

Under section 5 of the Modern Slavery Act, an entity which has volunteered to comply with the requirements of the Modern Slavery Act is defined as a reporting entity. Voluntary statements must therefore comply with all of the requirements for statements under the Modern Slavery Act.

The Review noted that it is unclear why an entity can only discontinue reporting following notification to the Minister prior to the commencement of the reporting period, and noted inconsistencies with reporting entities who meet the mandatory reporting threshold, where no similar procedure applies. The Review accordingly recommended the Modern Slavery Act be amended to remove this requirement.

### Options for change

The department is proposing to retain the requirement in subsection 6(1) to require an entity to provide notice to the Minister if they want to voluntarily comply with the requirements of the Modern Slavery Act. Ongoing visibility of voluntary reporters enables the regulator to undertake targeted engagement sessions with voluntary entities to help them understand and comply with the obligations under the Modern Slavery Act.

The department is proposing to amend subsection 6(3) so voluntary entities would be able to provide notification that they will no longer be reporting at any time, providing more flexibility to voluntary reporters. A notification process to cease reporting:

- aligns with the proposed changes in **Part E** of this consultation paper which now proposes the introduction of a requirement for mandatory reporting entities to provide notification if they cease reporting
- provides voluntary reporters with a formal mechanism to exit the reporting scheme and have certainty they no longer have any reporting obligations.

## Application of the proposed new compliance and enforcement framework to voluntary entities

To maintain the integrity of the reporting scheme, it is important that entities who report voluntarily, like entities reporting under mandatory requirements, comply with all reporting requirements set out in the Modern Slavery Act.

However, due to the voluntary nature of their engagement with the Modern Slavery Act, it is proposed that, should new regulatory powers be introduced, the only power to apply to a voluntary reporting entity would be broad information gathering powers.

For example, if the regulator is reasonably satisfied that an entity has information or documents relevant to the operation of the Modern Slavery Act, the regulator may issue a notice to produce information or documents. These notices could, for example, relate to confirming an entity's status as a voluntary reporting entity, rather than as a mandatory reporting entity.

## Tailored guidance for small and medium-sized entities

As the number of voluntary reporting entities increases over time, the department recognises the importance of guidance for these entities, including in response to any changes to the Modern Slavery Act that have a direct impact on voluntary reporting entities. In response to recommendation 5 from the Review to provide tailored guidance to small and medium-sized entities, the Government has committed to developing guidance, in consultation with the Commissioner, to support small and medium-sized entities to comply with reporting requirements under the Modern Slavery Act.

## Consultation questions

31. Are any changes needed to the proposal to amend notification requirements for voluntary entities?
32. Should the requirement for voluntary reporting entities to notify the Minister of their intention to voluntarily report be removed altogether?
33. Are any changes needed to what potential new regulatory powers should apply to voluntary reporting entities?
34. Should the regulator be provided a new power to revoke an entity's status as a voluntary reporter (for example, to manage non-compliant voluntary statements)?
35. Will voluntary reporting entities use guidance designed to support small and medium-sized entities to engage with modern slavery risks in operations and supply chains and support compliance with the Modern Slavery Act? What topics should the guidance address and what form should it take?

## Part E – Notification requirements to cease as a reporting entity

### Overview of the current framework

There are currently no requirements in the Modern Slavery Act for a reporting entity to provide notification that they will not be providing a statement in a year following the earlier lodgement of a statement.

### Challenges with the current framework

As there is no formal mechanism for an entity to advise that they no longer meet the reporting threshold and will not be providing a statement for that reporting period, this inhibits the regulator's visibility of who is a reporting entity, which impacts the regulator's ability to undertake effective compliance action.

There are a number of reasons why an entity may no longer meet the reporting threshold. These include decreased revenue for a reporting period or acquisition by another entity.

### Options for change

In response to recommendation 21 (notification requirements for reporting entities) from the Review, the department is proposing:

- An entity must provide notification that they will not be providing a statement in a year following the earlier lodgement of a statement.
- An entity would remain as a reporting entity until they provide notification they will not be reporting, even if they no longer meet the threshold of a reporting entity under section 5 of the Modern Slavery Act.
- An entity must provide notification within 6 months following the end of the reporting period.
- An entity must provide an explanation as to why it will no longer be reporting under the Modern Slavery Act.

### Consultation questions

36. Are any changes needed to the proposal to amend the notification requirements to cease as a reporting entity?
37. Are any changes needed to the proposed requirement for an entity to provide notification they will cease as a reporting entity within 6 months following the end of the reporting period?



# Appendix A – Consolidated list of consultation questions

## Part A – Mandatory reporting criteria

1. Do you support the potential changes to the reporting criteria? Are any further changes needed to the reporting criteria?
2. Do you support the matters the department proposes to include in delegated legislation (such as rules)? If not, what changes are needed?
3. Are there any challenges associated with including details about reporting criteria in delegated legislation? If so, what are they?
4. Should additional guidance be developed to assist reporting entities to comply with the proposed changes to the mandatory reporting criteria? If so, what topics should be addressed by new guidance?
5. Should a new criterion be added that requires entities to report on key actions or changes since their previous statement?
6. Should reporting entities be required to report information about grievance mechanisms? If so, what specific information about grievance mechanisms should entities be required to report on?
7. Are there any sensitivities with requiring an entity to report on grievance mechanisms? Please consider any sensitivities relating to quantitative or qualitative information about grievance mechanisms that might be captured.
8. Should reporting on remediation be a separate mandatory reporting criterion? If so, what specific information about remediation actions and processes should entities report on? Notably, the Review explored requiring entities to report on the number of matters referred to law enforcement or other bodies, as well as to report on details of modern slavery incidents or actual risks.
9. Are there any sensitivities with requiring an entity to report on remediation, noting information about remediation may include quantitative or qualitative information?
10. Are there any specific safeguards we should consider to protect workers in relation to reporting on grievance mechanisms and remediation?
11. Do the proposed changes to the consultation criterion address the lack of clarity currently experienced by reporting entities?

## Part B – Compliance and enforcement framework

12. To date, the regulator has not used its power to request remedial action or publish information regarding non-compliance, focusing instead on education. Would additional or enhanced guidance be sufficient to address current non-compliance?
13. Will the use of these existing compliance powers be sufficient to address current non-compliance?
14. Should the existing compliance powers be amended? If so, how?
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21. What key considerations should be taken into account when considering the maximum penalty units for any penalty provisions?

There are a number of key subsidiary matters to consider when exploring the introduction of additional regulatory tools, including civil penalties:

22. If additional regulatory tools are introduced, who should carry out these new functions:
  - a) The current regulator who has an existing support and advisory role
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  - c) Other [please specify]
23. For the regulator to effectively identify, investigate and litigate alleged non-compliance, the regulator will require:
  - a) Access to relevant information and data to identify regulated entities
  - b) Sufficient powers and access to relevant information to identify false or misleading information
  - c) Sufficient funding for investigation and litigation costs
  - d) Other [please specify]
24. Are there any other subsidiary issues to be considered?

## Part C – Joint reporting

25. Are there any additional difficulties encountered with joint reporting under the Modern Slavery Act?
26. Does corporate group reporting adequately resolve challenges experienced by reporting entities with the current joint reporting model?
27. Are there any new challenges that may result from replacing the current joint reporting process with a corporate group reporting model (with exemptions)?
28. Should a corporate group reporting model be adopted, do the proposed exemptions (via application to the regulator) for subsidiary and nominee reporting entities provide appropriate and sufficient accommodations for different business structures?
29. Should a corporate group reporting model be adopted, should any additional exemptions be considered to alter the default reporting arrangements of corporate group reporting?
30. Are there alternative mechanisms to improve or amend the current joint reporting processes?

## Part D – Voluntary reporting

31. Are any changes needed to the proposal to amend notification requirements for voluntary entities?
32. Should the requirement for voluntary reporting entities to notify the Minister of their intention to voluntarily report be removed altogether?
33. Are any changes needed to what potential new regulatory powers should apply to voluntary reporting entities?
34. Should the regulator be provided a new power to revoke an entity's status as a voluntary reporter (for example, to manage non-compliant voluntary statements)?
35. Will voluntary reporting entities use guidance designed to support small and medium-sized entities to engage with modern slavery risks in operations and supply chains and support compliance with the Modern Slavery Act? What topics should the guidance address and what form should it take?

## Part E – Notification requirements to cease as a reporting entity

36. Are any changes needed to the proposal to amend the notification requirements to cease as a reporting entity?
37. Are any changes needed to the proposed requirement for an entity to provide notification they will cease as a reporting entity within 6 months following the end of the reporting period?

## Appendix B – Abbreviations

Term	Abbreviation
Australian Anti-Slavery Commissioner	Commissioner
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>Modern Slavery Act 2018</i> (Cth)	Modern Slavery Act
Modern Slavery Statement	Statement
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
United Nations Guiding Principles on Business and Human Rights	UN Guiding Principles



