

# FEDERAL MODERN SLAVERY BILL INTRODUCED TO PARLIAMENT

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Legal Briefings – By **Jacqueline Wootton, Amalia Stone, Antony Crocket, Olivia Kelly and Ashleigh Barnes**

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Closely following the passage of the NSW Modern Slavery Act on 21 June 2018 (**NSW Act**), a federal Modern Slavery Bill was introduced to Parliament on 28 June 2018. Debate on the Bill has been adjourned until the next Parliamentary sittings period, which begins in August 2018. The Government has reaffirmed its commitment to pass the Bill before the end of the year.

## KEY TAKEAWAYS

The Federal Bill requires organisations based or operating in Australia, which have annual consolidated revenue of more than A\$100 million, to report annually on the risks of modern slavery in their operations and supply chains, and the actions taken to address those risks. The Federal Bill expressly extends to matters outside Australia.

All reports will be maintained in a public register, available without charge on the internet.

The Government will publish guidance for business on compliance with the reporting requirement prior to the first reporting deadline.

## REQUIREMENTS FOR MODERN SLAVERY STATEMENTS

The Federal Bill sets out mandatory reporting criteria for Modern Slavery Statements. These criteria include:

- the organisation's structure, operations and supply chains;
- the potential modern slavery risks in the entity's operations and supply chains;
- actions the entity has taken to assess and address those risks, including due diligence and remediation processes; and
- how the entity assesses the effectiveness of those actions.

The types of 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.

The requirements under the Federal Bill ensure senior management accountability for the Modern Slavery Statements, as each statement must be signed by a responsible member for the entity (such as a director) or approved by the principal governing body of the entity (such as the Board).

The reporting requirement also extends to government entities. Other entities based, or operating, in Australia may report voluntarily.

In contrast to the NSW Act, the Federal Bill does not impose any penalties for failure to comply with the reporting requirement.

## NEXT STEPS

The Bill provides that the reporting requirement will come into force on a day to be fixed by proclamation. The Government has previously indicated that it intends to allow a one year grace period from the date the Act is passed, although this was not expressly referred to when the Bill was introduced. This is to allow organisations time to identify whether they are a reporting entity and become familiar with their obligations under the Bill. Once in force, the Bill would require Modern Slavery Statements to be provided to the Minister within six months from the end of the entity's financial year.

## OTHER MODERN SLAVERY DEVELOPMENTS IN AUSTRALIA

As noted above, the introduction of the Federal Bill follows a week after the passage of the NSW Act. The state law goes beyond the federal Bill in a number of important respects, including providing penalties for non-compliance and containing a lower reporting requirement threshold (total annual turnover of at least A\$50 million, compared with A\$100 under the federal Bill). During the first reading speech, Minister Hawke said the Government would liaise with state governments to ensure a consistent and streamlined national framework. We reported on the state legislation [here](#).

We previously reported on Australia's Joint Standing Committee on Foreign Affairs, Defence and Trade's ('**Committee**') final report in its inquiry into establishing a Modern Slavery Act in Australia [here](#). The Government is expected to table its response to the Committee's report in the next Parliamentary sittings period.

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Please contact the authors or your usual Herbert Smith Freehills contacts if you have any questions or would like to discuss your organisation's compliance framework or supply chain due diligence.

## KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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