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ALHR calls for formal consultation on the NSW modern slavery supply chain reporting regulations

Last week the NSW Parliament passed the Modern Slavery Act 2018 (NSW), ahead of similar legislation expected to be introduced to Commonwealth Parliament this week.

ALHR strongly supports the introduction of a comprehensive suite of new national laws to combat the issue of modern slavery. The Walk Free Foundation [estimates there are 45.8 million slaves worldwide](#) and at least 4,300 slaves in Australia). Lauren Zanetti, Co-Chair of ALHR's Business and Human Rights Subcommittee said, "ALHR particularly welcomes the establishment of a NSW Anti-Slavery Commissioner under the NSW Act and the requirement that the Government report annually on steps taken to ensure its procurement is not tainted by modern slavery."

Another key aspect of the new NSW Act is a supply chain transparency reporting requirement for commercial entities with employees in NSW and an annual turnover of \$50 million or more.

Ms Zanetti said, "A central question around the new NSW Act is its interaction with the pending Commonwealth Modern Slavery Bill, which is expected to provide for a similar supply chain reporting requirement for commercial entities with a turnover threshold of \$100m. The NSW Act effectively provides that commercial entities that are subject to the expected Commonwealth supply chain reporting legislation will not also be subject to the similar supply chain reporting requirement in the NSW Act."

"While ALHR applauds the spirit of the supply chain reporting initiative in the NSW Act, in its feedback on the NSW Bill it expressed concern that without sufficient Government resourcing for education of business, monitoring and enforcement of the supply chain reporting requirement, it risks being ineffective."

"Importantly, the current provisions in the NSW Act around the supply chain reporting requirement, including the annual reporting criteria and the turnover threshold for reporting entities, all remain subject to regulation," Ms Zanetti said.

"ALHR is calling on the NSW Government to ensure there is formal consultation with business and civil society in relation to the detail of the supply chain reporting requirement. In particular consideration should be given to harmonising the NSW supply chain reporting criteria with the upcoming Commonwealth reporting criteria. This may help avoid unnecessary regulatory burden and complexity in Australia's emerging anti-modern slavery landscape."

"Unfortunately, the NSW Act does not have a key feature of the expected Commonwealth supply chain reporting regime, being a central, government-run, public repository of both the entities required to report and their annual supply chain reporting statements. Lauren Zanetti explained, "this means the NSW Act is missing an important ingredient for effective supply chain reporting, which would have allowed business, consumers and civil society to monitor and compare the steps being taken by businesses to combat modern slavery."

“Rather, the NSW Act provides for the Anti-Slavery Commissioner to run a register of commercial entities that have disclosed in a modern slavery statement that their goods or services may involve modern slavery and outlines the steps taken to address this concern” Ms Zanetti said.

“This sort of ‘dirty list’ style initiative fails to recognise that most, if not all, commercial organisations will have modern slavery risks in their supply chains. It also raises some concerns with respect to the importance of avoiding measures that lead to perverse incentives for business to avoid detecting and disclosing modern slavery risks.”

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ALHR was established in 1993 and is a national association of Australian solicitors, barristers, academics, judicial officers and law students who practise and promote international human rights law in Australia. ALHR has active and engaged National, State and Territory committees and specialist thematic committees. Through advocacy, media engagement, education, networking, research and training, ALHR promotes, practices and protects universally accepted standards of human rights.