

MODERN SLAVERY BILL 2018: SECOND READING SPEECH

Background

Almost two centuries after William Wilberforce legislated for the abolition of the slave trade in the United Kingdom, the UN estimates that up to 25 million modern slavery victims are exploited in global supply chains.

This includes over 4,000 people in Australia estimated to be enduring slavery or slave-like conditions.

These victims are enslaved in mines, factories, brothels and brick kilns, and on construction sites, fishing boats and farms.

Their exploitation involves serious crimes and grave human rights abuses and taints the goods and services we use every day.

Modern slavery in supply chains also distorts global markets, undercuts responsible businesses, and poses significant legal and reputational risks for companies.

However, our current legislative framework does not directly target modern slavery in supply chains or support the business community to take action.

This Bill will address modern slavery risks in the supply chains of our goods and services by establishing a flexible, risk-based reporting framework.

This will transform the way the Australian business community responds to modern slavery.

For the first time, large businesses will be required to identify how their operations and supply chains may contribute to modern slavery and explain what they are doing to address these risks.

This increased transparency will create a level playing field for large businesses to disclose their modern slavery risks.

Critically, it will also drive a 'race to the top' as reporting entities compete for market funding and investor and consumer support.

Businesses that fail to take action will be penalised by the market and consumers and severely tarnish their reputations.

Purpose

This Bill will strengthen Australia's response to modern slavery by establishing a Modern Slavery Reporting Requirement.

This significant initiative will shine a light into the shadows of global supply chains where modern slavery thrives.

It will require large businesses to be transparent about their modern slavery risks and how they are being addressed.

The Government will also lead by example by considering possible modern slavery risks in our own procurement.

This Bill sends a clear message that modern slavery is unacceptable in the supply chains of our goods and services.

It is a key milestone in Australia's response to this heinous crime and sets an important foundation for further Government action.

The Government is carefully considering the need for additional steps based on the recommendations of the 2017 Parliamentary inquiry into an Australian Modern Slavery Act.

I thank Committee members for their important work, particularly Foreign Affairs and Aid Sub-Committee Chair Chris Crewther for his leadership in the conduct of the Inquiry and the outstanding work he did in putting together such a substantial report that will have a lasting impact.

I would also like to make special mention of Senator Linda Reynolds for her genuine passion and dedication to making a positive change in the lives of exploited and trafficked children in "for profit" orphanages around the world.

The Committee Report provides a detailed assessment of possible next steps for Australia and I expect to be in a position to table the Government response to the Report during the next sitting period.

With the International Labour Organisation estimating that 11.7 million or 56% of the global total of forced labourers occurring in the Asia Pacific region, Australia has a very important role to play on the global stage in the elimination of this practice.

The development of this Bill has been guided by one central objective – to combat modern slavery in the supply chains of our goods and services.

Key features of the Bill

The Government has worked hard to ensure this Bill is effective, practical to implement for business, and consistent with community expectations.

Under the reporting requirement, over 3,000 corporations, trusts, partnerships and other entities will need to publish annual Modern Slavery Statements.

The Bill sets a \$100 million consolidated revenue threshold for reporting. This ensures it focuses on entities that have the capacity to meaningfully comply and the market influence to clean up global supply chains.

Statements will need to address mandatory criteria set out in the Bill, including identifying the entity's key modern slavery risks and describing their actions to address these risks. These criteria will provide certainty for business about how to report and ensure statements can be easily compared.

The Bill also makes senior management accountable for the entity's modern slavery risks by requiring statements to be approved by the entity's principal governing body.

The Government will make all statements freely available online through a central, transparent, Government-run register. This world leading initiative will promote transparency and ensure the community can easily access and compare statements.

The Government also recognises that our own procurement is not immune from modern slavery risks.

This is why the Government will publish an annual consolidated Modern Slavery Statement for all non-corporate Commonwealth entities.

Commonwealth corporations and companies will publish separate statements if they meet the revenue threshold.

This world first step demonstrates the Government's commitment to taking real, serious action to combat modern slavery.

The Government also recognises the importance of supporting the business community to implement the reporting requirement.

The Government will work with business and civil society to develop detailed guidance about the reporting requirement. This guidance will be finalised before the reporting requirement enters into force.

The Government has also committed \$3.6 million through the 2018 Budget to establish a dedicated Modern Slavery Business Engagement Unit to advise and support business.

Development of the Bill

This Bill will form part of a growing international regulatory regime and builds on lessons learned in other jurisdictions.

It improves on similar legislation overseas by including mandatory reporting criteria, covering the Commonwealth Government, and establishing a Government-run register for statements.

The Government has also developed and tested this Bill through an extensive public consultation process.

These consultations involved:

- releasing a detailed public discussion paper in August 2017
- 12 consultation roundtables with over 130 business and civil society participants in September and October 2017
- over 50 additional direct meetings with stakeholders
- almost 100 written submissions, and
- targeted Exposure Draft Bill consultations with over 40 expert stakeholders in May 2018.

These consultations shaped key features of the Bill, including the definition of modern slavery, wording of the mandatory criteria and the deadline for reporting.

They have also highlighted strong support from business and civil society for this Bill.

The Government will work with states and territories to ensure a nationally consistent approach to modern slavery reporting requirements.

This will ensure we avoid multiple compliance frameworks which is critically important in providing business with certainty regarding their reporting obligations and minimising regulatory burden.

Conclusion

2018 is a landmark year in terms of tackling modern slavery in Australia.

We have a moral imperative to eradicate this practice from our supply chains and our businesses.

This Bill is an important next step in Australia's fight against this heinous practice.

It is a sensible and practical step. But above all the Government believes it will be a powerful and effective catalyst for change.

We will continue to build on the strong foundation of Government collaboration with business and civil society.

We owe the 25 million victims of modern slavery exploited in global supply chains worldwide nothing less.

I look forward to working with those opposite and those in the other place, to ensure this Bill is passed before the end of the year.

I commend the Bill to the House.