

16 May 2019

The Manager
Modern Slavery Business Engagement Unit
Department of Home Affairs

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Dear Sir/Madam

Modern Slavery Act 2018 Draft Guidance for Reporting Entities

Governance Institute of Australia (Governance Institute) is the only independent professional association with a sole focus on whole-of-organisation governance. Our education, support and networking opportunities for directors, company secretaries, governance professionals and risk managers are unrivalled.

Our members have primary responsibility for developing and implementing governance and risk frameworks in public listed, unlisted and private companies. They are frequently those with the primary responsibility for dealing and communicating with regulators such as the Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulation Authority (APRA). In listed companies, they have primary responsibility for dealing with the Australian Securities Exchange (ASX) and interpreting and implementing the Listing Rules. Our members have a thorough working knowledge of the Corporations Act 2001 (the Corporations Act). Our members also play an important role in the external reporting by public listed, unlisted and private companies. We have drawn on their experience in providing our feedback.

Governance Institute was involved in stakeholder engagement concerning the development of the Modern Slavery Act 2018 and provided a submission to the Consultation Paper on 10 November 2017.

Governance Institute welcomes the opportunity to comment on the Draft Guidance for Reporting Entities (Draft Guidance).

We commend the Government on the draft guidance. We consider that the draft guidance is well drafted and contains helpful examples. We also consider that it will be of considerable assistance to entities considering their obligations to report under the Act. We make the following comments on the draft guidance which we consider will improve the guidance for users:

1. Introduction

We note that the purpose of the introductory chapter is to explain the context for the Modern Slavery Reporting requirement. Rather than immediately defining modern slavery, we recommend that the introduction provide a brief overview of the requirements of the Act in order to provide context for the user. Paragraphs 20.1 and 21.1 of the Draft Guidance contain a brief description of the requirement and we recommend that these paragraphs or similar be included in the introduction.

2. General comments and text box on page 14

We consider that it is important that the guidelines clarify and consistently convey that the Act imposes an obligation to describe the risks of modern slavery practices and the actions taken by the entity to assess and address those risks, rather than an obligation to report all modern slavery practices or specific instances of slavery discovered by the entity.

By way of example, where this is not clear and confusion may be created, is the text box on page 14 which currently includes the sentence *Requires reporting all modern slavery practices, including the worst forms of child labour*. We recommend that the material in this text box be clarified to take into account this important distinction.

If you have any questions concerning this submission or would like to discuss any aspect please don't hesitate to contact our General Manager, Policy and Advocacy, Catherine Maxwell.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Motto', written in a cursive style.

Megan Motto
CEO