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Australian Anti-Slavery Commissioner (the Commissioner)

Via email: <a href="mailto:contact@antislaverycommissioner.gov.au">contact@antislaverycommissioner.gov.au</a>

**Dear Commissioner** 

## Anti-Slavery Commissioner's Strategic Plan 2025-2028

Thank you for the opportunity to provide a submission on the development of the Anti-Slavery Commissioner's Strategic Plan (the **Strategic Plan**), as required by the *Modern Slavery Act 2018* (the **Act**).

The Australian Institute of Company Directors' (AICD) mission is to be the independent and trusted voice of governance, building the capability of a community of leaders for the benefit of society. The AICD's membership of 53,000 reflects the diversity of Australia's director community, comprised of directors and leaders of not-for-profits (NFPs), large and small and medium enterprises (SMEs) and the government sector.

The AICD has participated in government's previous consultations on the Act. This includes supporting the Act's introduction and draft guidance for reporting entities, the review of the Act led by Professor McMillan AO (McMillan Review), as well as the establishment of the Anti-Slavery Commissioner.<sup>1</sup>

The AICD has been a strong and consistent supporter of the establishment of an independent Anti-Slavery Commissioner. We consider that the Commissioner is uniquely positioned to play a pivotal leadership role in driving improved compliance with the Act by supporting reporting entities meet their reporting obligations through a range of initiatives.

The AICD's submission focuses on questions in the consultation paper most relevant to directors – specifically, those relating to the Commissioner's priority areas (Question 1) and key actions the Commissioner should take to implement these priorities (Question 3). Where relevant, we have also identified areas and actions that we believe should be prioritised in the early phase of the Commissioner's Strategic Plan.

<sup>&</sup>lt;sup>1</sup> AICD Submission, Review of Australia's Modern Slavery Act 2018, available <u>here;</u> AICD Submission, Modern Slavery Amendment (Australian Anti-Slavery Commissioner) Bill 2023, available <u>here</u>.

## **Priority areas**

The AICD considers that a pivotal role for the Commissioner will be to support entities to meet their reporting obligations under the Act through a range of initiatives to assist entities in monitoring and remediating identified risks of modern slavery (section 20C(b) of the Act) that sets out the Commissioner's functions).

As highlighted in the AICD's <u>submission</u> to the McMillan Review<sup>2</sup>, our consultation with directors suggests there is significant demand for further guidance, codes of practice for suppliers, training, Government advice and support on identifying and addressing modern slavery risks, both here in Australia and abroad.

Key priorities for the Commissioner in the period 2025-2028 should include the following:

- Development of codes of practice and certification measures for suppliers to reduce duplicative supplier due diligence and verification processes within sectors, and to provide greater certainty and assurance for entities regarding supply chain compliance.
  - Currently, individual companies are required to assess supply chain risks across what can, in some industries, be a common pool of suppliers. There are also limitations to the verifications that internal audit within organisations can carry out due to the specialised nature of the risk and limited personnel capabilities.
  - o In our view, there is an opportunity to reduce the regulatory burden on companies through the development of sector-based codes of practice which could be used as a basis for certification of suppliers (e.g. where supplier compliance with the code is assessed and verified by the office of the Commissioner).
  - o By developing sector-based codes of practice and a corresponding supplier certification framework, the Commissioner can support a more consistent and effective approach to identifying and mitigating modern slavery risks across supply chains. This approach would reduce the duplication of supplier audits by enabling entities to rely on pre-certified suppliers, allowing for more targeted and meaningful risk assessments. It would also increase assurance and transparency, particularly in high-risk sectors, by ensuring that supplier compliance is independently verified against clear, industry-recognised standards. Ultimately, this would strengthen due diligence processes, build capability across sectors, and help drive systemic change to reduce the prevalence of modern slavery in corporate supply chains.
- Publishing an annual list of high risk regions, locations industries, products, suppliers or supply chains to serve as a reference point for entities in undertaking due diligence activities.
  - o As recommended by the McMillan Review, the Commissioner should issue written declarations identifying specific regions, locations, industries, products, suppliers, or supply chains that are regarded as carrying a high modern slavery risks. We understand that the government agreed in principle with this recommendation in its response to the McMillan Review. We strongly encourage this initiative to be prioritised by the Commissioner.

<sup>&</sup>lt;sup>2</sup> Professor John McMillan AO, Report of the statutory review of the Modern Slavery Act 2018 (Cth): The first three years, p. 107, available here

- o The AICD is of the view that publishing such a list would serve as an important reference point for entities. This would support due diligence on existing supply chains in accordance with the Act, as well as help inform decisions for organisations prior to entering into new supplier arrangements particularly where the degree of risk may be less well understood.
- Developing practical guidance for high-risk sectors, NFPs, Aboriginal and Torres Strait Islander organisations and small and medium enterprises (SMEs), including by promoting best practice and drawing on successful domestic and international examples.
  - o It is critical the Commissioner works with the Government to support these entities to ensure that the compliance burden is manageable rather than a daunting task that promotes a 'tick a box' compliance approach at best, or non-compliance at worst.
  - o Guidance could outline low cost, simple steps that entities can take to investigate their operations and supply chains and corrective actions to remediate any risks identified.
- Conducting thematic or sectoral assessments of modern slavery statements to provide real-word
  insights into current practices and highlight areas of due diligence and reporting that require
  improvement
- Facilitate stronger collaboration and engagement between industry, government, and civil
  society to address the geopolitical and systemic barriers that inhibit robust supply chain due
  diligence.
  - Reporting on identified risks and/or instances of modern slavery, as well as implementing
    measures to address those risks, are well within an organisation's operational control.
    However, due to the entrenched and globalised nature of modern slavery, tackling it
    effectively requires international coordination and cooperation.
  - o In our engagement with directors, many have highlighted serious challenges in accessing and engaging with suppliers beyond tier 1 and 2, particularly in high-risk regions.

    Geopolitical instability, limited transparency, and jurisdictional constraints are frequently cited as key barriers to effective and ongoing supply chain analysis.
  - o Given this, the AICD's recommends that a strategic priority for the Commissioner should be to work across government to support international engagement efforts aimed at improving supply chain transparency. This includes playing an active role in cross-government coordination to ensure a consistent and whole-of-government approach to addressing modern slavery. Enhanced diplomatic engagement and trade policy alignment, supported by the Commissioner, will better equip Australian businesses to meet their obligations and, more importantly, contribute meaningfully to global anti-slavery efforts.

## **Key actions**

Further to the key priorities identified, we believe the following actions should form part of the Commissioner's agenda for the period 2025–2028:

- Develop sector-based codes of practice for ethical supply chain conduct.
- Establish certification mechanisms where suppliers can be verified against the codes.

- Publish an annual list identifying high-risk regions, industries, products, suppliers, or supply chains to guide entities in their modern slavery due diligence.
- Develop practical guidance tailored to high-risk sectors, NFPs, Aboriginal and Tores Strait Islander organisations and SMEs.
- Lead and facilitate cross-sector and cross-government collaboration domestically and internationally - to address geopolitical and systemic barriers that hinder effective supply chain due diligence.

## Next steps

We hope our submission will be of assistance to the Commissioner. The AICD welcomes the opportunity to engage further with the Commissioner on the Strategic Plan and would be pleased to facilitate direct engagement with our members.

If you would like to discuss any aspects further, please contact Laura Bacon, Senior Policy Adviser, at <a href="mailto:lbacon@aicd.com.au">lbacon@aicd.com.au</a> or Christie Rourke, Senior Policy Adviser, at <a href="mailto:crourke@aicd.com.au">crourke@aicd.com.au</a>.

Yours sincerely,

**Christian Gergis** 

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