

**INQUIRY INTO MODERN SLAVERY ACT 2018 AND
ASSOCIATED MATTERS**

Organisation: The Freedom Fund

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Re: Inquiry into the Modern Slavery Act 2018 and associated matters

To: The Legislative Council Standing Committee on Social Issues

The Freedom Fund, a leader in the global movement to end modern slavery, fully supports the introduction and implementation of the Modern Slavery Act 2018 (NSW) (NSW Act). In particular, in its requirements on mandatory reporting, we believe that the Act represents a significant step forward in preventing modern slavery in global supply chains, building off the progress achieved through the transparency in supply chains provisions of the UK Modern Slavery Act (2015) and the Commonwealth Modern Slavery Act (2018) (Cth Act).

Supply chains legislation is a critical tool in the fight to eradicate modern slavery, by imposing a positive obligation on companies to address this scourge. In our experience as a member of the Advisory Committee to the Modern Slavery Registry – a central repository of company modern slavery statements under the UK Modern Slavery Act – we know that disclosure requirements can drive corporate action. Globally, businesses are under growing pressure to demonstrate that they are proactively tackling modern slavery, resulting in the development of policies and adoption of due diligence processes to address these risks.

The scope of modern slavery reporting proposed under the NSW Act is leading the way in terms of legislative action to prevent modern slavery in corporate supply chains, going further than similar disclosure laws in the UK and Australia. In particular, we welcome the inclusion of penalties for non-compliance with the provisions of s.24 of the NSW Act. Meaningful sanctions for companies that fail to produce a modern slavery statement are vital to incentivizing corporate action. In comparison, the absence of effective enforcement measures has limited the impact of the transparency in supply chains provisions of the UK Modern Slavery Act, with an estimated 40 per cent of eligible companies not complying with the legislation at all.

By introducing a lower reporting threshold than the Cth Act, the NSW Act will also play an important role in increasing the number of companies required to report on their efforts to address modern slavery in their supply chains. Furthermore, we support the Government's effort to align key areas of the NSW Act with the Cth Act, as the implementation of a coherent and consistent regime across jurisdictions will help to ensure corporate compliance.

We commend the NSW Government for its proposed recommendations to amend and improve the Act. However, delays in its implementation are likely to have a considerable impact both on businesses and on the prevention of modern slavery. Therefore following this inquiry, we strongly encourage the Government to take decisive and swift action to enact the legislation.

Regards,

Nick Grono. CEO, The Freedom Fund