



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

29 November 2022

Review of Australia's Modern Slavery Act 2018

The Attorney-General's Department

3/5 National Circuit

Barton ACT 2600

via email: ModernSlaveryActReview@ag.gov.au

Dear Sir/Madam,

Review of Australia's Modern Slavery Act 2018

Thank you for the opportunity to comment on the review of Australia's *Modern Slavery Act 2018* (the Act). We recommend that clear guidance be given to reporting entities on what can be expected from small businesses in relation to the reporting entities' obligations under the Act. This will assist in ensuring the 'flow through' requirements are 'right sized' for the size and complexity of small businesses making up the supply chain of larger reporting entities.

We note the Act excludes businesses with an annual turnover of less than \$100 million from reporting requirements. However, small and family business stakeholders have identified a significant burden for the sector in seeking to meet the 'flow through' requirements placed on them by reporting entities and procuring agencies.

For example, we are aware of a large business conducting an audit of their supply chain that required a small business supplier to confirm that employees through their entire supply chain had access to their identity documents. When the supplier advised that they were unable to demonstrate that workers in their supply chain had access to their identity documents, the reporting entity required the small business to provide evidence of Modern Slavery Audits.

Some businesses who do not meet the threshold requirements of the Act are also requiring small businesses to meet onerous requirements demonstrating modern slavery prevention practices. The provision of guidance for reporting entities can help set the discussion for non-reporting entities on setting reasonable expectations for the actions small businesses can take to mitigate the risk of modern slavery.

Clear guidance should be given to small business suppliers and reporting entities on how small businesses can effectively contribute to the prevention of modern slavery. Such guidance should continue to emphasise 'right-sizing' the regulations imposed on small businesses. While we acknowledge the importance of eliminating modern slavery, it is unreasonable in many circumstances to expect a small business to comprehensively audit an extended supply chain.

If you would like to discuss this further, please contact Mr Lachlan Bayliss on 02 5114 6131 or at Lachlan.Bayliss@asbfeo.gov.au.

Yours sincerely

The Hon. Bruce Billson

Australian Small Business and Family Enterprise Ombudsman