

25 July 2018

Committee Secretary
Senate Legal and Constitutional Affairs Committee
PO Box 6100
Parliament House
Canberra ACT 2600
via email: legcon.sen@aph.gov.au

Dear Committee Members,

Modern Slavery Bill 2018

On behalf of the Australian Council of Superannuation Investors (ACSI), I am pleased to make this submission in relation to the *Modern Slavery Bill 2018* (Bill).

As a representative of long-term investors who invest over \$2.2 trillion in assets, ACSI strongly supports the introduction of the Bill to require entities to public disclose their actions to address modern slavery issues in their supply chains.

The introduction of a Modern Slavery Act will give investors better insights into the activities of the entities in which they invest and will allow more meaningful engagement with companies on slavery risk mitigation. Public reporting will also lead to greater accountability by companies for their management of modern slavery risks.

Further to our previous submissions to the Attorney-General's Department Consultation, we make the following comments on the Bill:

- **Consistency across jurisdictions.** With the introduction of legislation in New South Wales, we strongly support the harmonisation of modern slavery reporting requirements across Federal and State legislation. We would support modification of the Bill to adopt relevant provisions from the NSW legislation, such as reducing the revenue threshold for report.
- **Independent oversight.** We believe that the Bill should be modified to allow for the establishment of an independent Modern Slavery Commissioner to promote best practice reporting, allow for engagement with stakeholders and lead efforts to tackle modern slavery. Such a role would be equivalent to the position established in the UK market and new legislation in New South Wales.
- **Penalties for failure to report.** Entities who knowingly fail to report should be subject to financial penalties. Penalties could be applied where an entity fails to report following notification from the Modern Slavery Business Engagement Unit. We see the absence of any penalty for failure to report will significantly undermine the aims of the Bill.

- **Public Register.** We support the establishment of a public register as this will increase accountability and ensure information can be accessed by investors and other interested parties.

We will be following the progress of the Bill with interest, and would be happy to answer any questions the Committee may wish to raise regarding our submission. Please contact me or Ed John, ACSI's Executive Manager of Governance & Engagement (ejohn@acsi.org.au or 03 8677 3894) should you require any further information regarding our submission.

Your sincerely,

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

Louise Davidson
Chief Executive Officer