

## **Australian Modern Slavery Bill 2018**

Firstly, may I thank all concerned starting with the initial process of consultation by the senate sub-committee of inquiry into an Australian Modern Slavery Act and to all concerned regarding the drafting and tabling of the bill. Konica Minolta is currently without an Ethical Sourcing Manager, with our previous incumbent moving to a larger organisation and her replacement not commencing until August 1<sup>st</sup>. Hence, I have elected to write in a private capacity. I have not added anything new to the previous debate except to perhaps provide some reflections:

### **1. Penalties versus non-penalties.**

I believe the current position is that there will not be penalties, at least in the first three years of the legislation being in force, prior to a review at the end of that period. Although I do understand this position it feels a little counter-intuitive to me that it would be possible for a company to be in breach of new legislation, potentially for three consecutive years, without some form of sanction.

If I have understood correctly the logic is that this whole area of modern slavery is new to most companies and it is preferable to gain their participation by a 'race to the top' approach with companies effected being motivated by concern for their reputations and potentially by pressure from shareholders including institutional investors. My understanding is that reports from those companies who comply will be uploaded and publicly accessible. However, in the absence of a list of who does sit above the \$100 million threshold, and is required to report, it will not be possible for interested parties to know who *hasn't* reported. I am concerned that the public reporting of slavery in a supply chain could disadvantage a participating organisation over a competitor who fails to report.

Hence to drive real change amongst organisations who may be reluctant to report, or who are simply apathetic, I believe it is important for the Government to create a definitive list of all organisations thought to be above the threshold, write to them allowing a reasonable response period to show cause why they shouldn't be included and then publish both the list of entities required to report and those, following the initial cut off period, who have. Only then can the 'court of public opinion' create pressure on non-compliant entities.

### **2. Creation of an Independent Commissioner of Modern Slavery**

I believe the current structure being proposed is for the creation of a Business Engagement Unit within Government. I believe this will be headed up by an SES Level 1 executive. I believe the proposal to contain the support mechanism within government is based on the business community being more comfortable with this structure than with the appointment of an independent role. If this conclusion has been reached after widely consulting on this specific point (I believe general consultation has been excellent) then this may well be the best way forward. However, I would have thought that the corporate sector would be less concerned with where the support mechanism sits and more with issues of credibility, resourcing levels, responsiveness and understanding.

Therefore, I believe it is worth considering an independent commission, *drawn from the business community itself*. This has the benefit of both having someone who is seen as fully understanding the perspective of reporting entities and demonstrates complete objectivity as regards liaising with Government Departments, who themselves are required to report.

Kind regards

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