

Authors:

Michaela Young

Senior Consultant, Ndeivr Human Rights
michaela.young@ndeivr.com.au

Roohi Ghelani

Consultant, Ndeivr Human Rights
roohi.ghelani@ndeivr.com.au

Ndeivr Human Rights supports clients responding to the *Modern Slavery Act 2018 (Cth)* and offers human rights services to reduce risk, protect stakeholders, and access value-add opportunities.

Modern Slavery Action Tracker

Issue 3 | March 2021

This Report provides analysis of key statistics and performance relating to Modern Slavery Reporting in Australia based on the data provided through the Australian Government's Online Register for Modern Slavery Statements. It is the third such issue.



Modern Slavery Action Tracker

All organisations in Australia with an annual consolidated revenue of more than AU\$100 million must publish a statement assessing and addressing, modern slavery risks in their operations and supply chains to comply with the [Modern Slavery Act 2018 \(Cth\)](#) (MSA). **The first deadline for submission of Modern Slavery Statements (determined by an entity's financial year) passed on 31 December 2020, and the next prominent deadline of 31 March 2021 is fast approaching.**

This is our third issue tracking Modern Slavery reporting in Australia, based on data provided through the Government's public [Modern Slavery Online Register](#) (the Register). In addition, this report provides Ndevr Human Rights' independent analysis of the data and highlights notable reporting practices. Our aim is to provide consolidated information for those interested in following Australia's Modern Slavery response and a resource for organisations required to publish their own Modern Slavery Statements and response strategies.

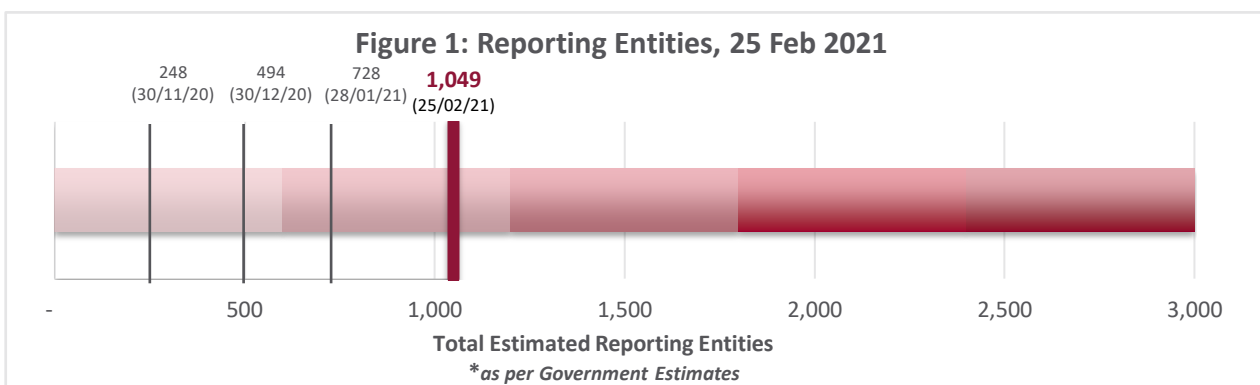
Total Reporting Effort & Progress

As of 25 February 2021, 501 statements covering 1,049 reporting entities were submitted and uploaded to the Government's Register.

Based upon the Commonwealth's initial estimate of total reporting entities, 35% of the total have now reported, leaving 65% outstanding. This shows an 11% increase since December 2020 when 24% had reported.

When subtracting voluntary statements from the reporting effort, based on the assumptions we discussed in [Issue 2](#) of our Action Tracker Report, it is possible that **closer to 80% of entities legally required to report are yet to do so.**

This analysis suggests that while there is steady progress in reporting under the MSA, there may

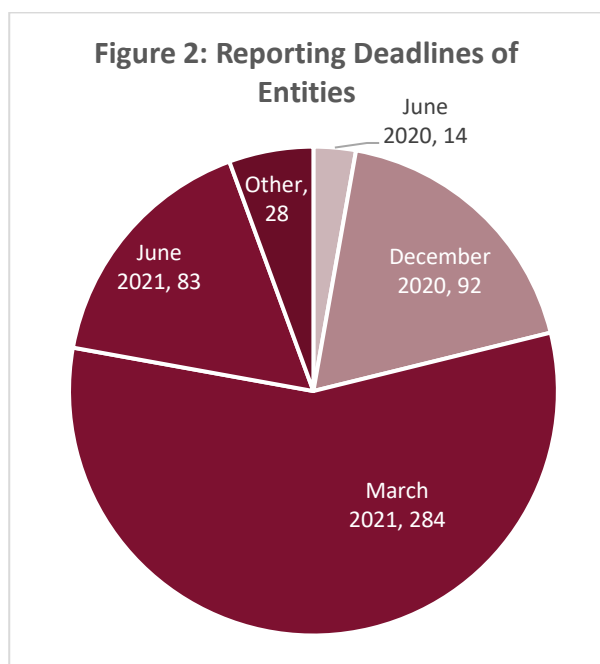


In the period between 28 January and 25 February 2021, an additional 321 reporting entities submitted a joint or stand-alone statement. This includes 80 voluntary statements, up by 13 from 67 in January. This is a larger jump in reporting entities than the increase between the December to January update to the Government's Register, which recorded an increase in reporting entities of 234. Given the prominence of the 31 March reporting deadline, a much more substantial increase was expected with this update.

still be a significant number of entities that are not aware of their reporting obligations or that have simply not yet submitted their statements.

Based on the Government estimate of reporting entities, we should expect the number of reporting entities to more than double. Relying on the current entity-per-statement ratio of 2.09 (up from 1.86 entities per statement in January), this would translate into an estimated 1,220 more statements before the end of the first reporting season.

As shown in Figure 2 below, 284 entities have a reporting deadline of March 2021. The previous update to the Register reflected 236 statements in this category. Therefore, only an additional



48 statements were submitted by entities that report against the extended March deadline. This means that the rest of the additional 110 statements in the Register primarily came from entities with a 30 June 2021 deadline submitting early (53 new statements), entities with a 31 December 2020 deadline submitting late or revised statements (8 new statements), or entities with more unusual reporting deadlines as

Reporting Entities

As shown by Figure 4 on the next page, of the 1,049 entities that have submitted statements to-date, most are large with an annual consolidated revenue of more than AU\$1 billion (131 statements, up from 97 in January) or entities with an 'Unknown' revenue bracket.

Submissions for several of the smaller revenue brackets have significantly increased since January, including for the AU\$100-150 million; AU\$150-200 million; and AU\$200-250 million brackets. The least active reporting entities are mid-sized organisations between AU\$300 million – AU\$1 billion.

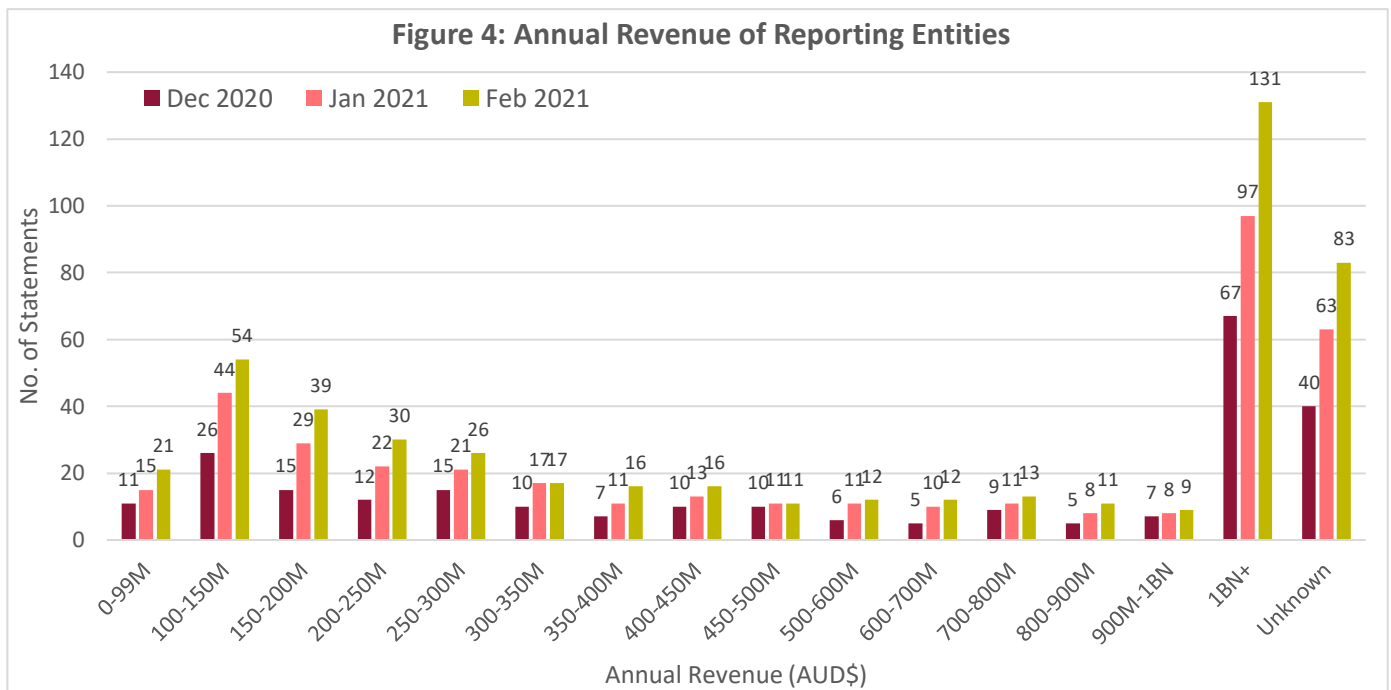
Figure 3: Change in Entities Reporting Under Various Deadlines



determined by their respective financial years.

As more entities submit their statements, we will continue to highlight not only most recent updates but will also provide analysis on longer-term trends visible over multiple releases of Register data.

Notable entities submitting statements with 'Unknown' annual revenues include large multinational entities such as *Dell, Toshiba, Alinta Energy, ALDI, Mitsubishi, Zara, Oracle*. Many, if not most, of the entities in this revenue category would be entities that trigger the reporting requirement of the MSA.



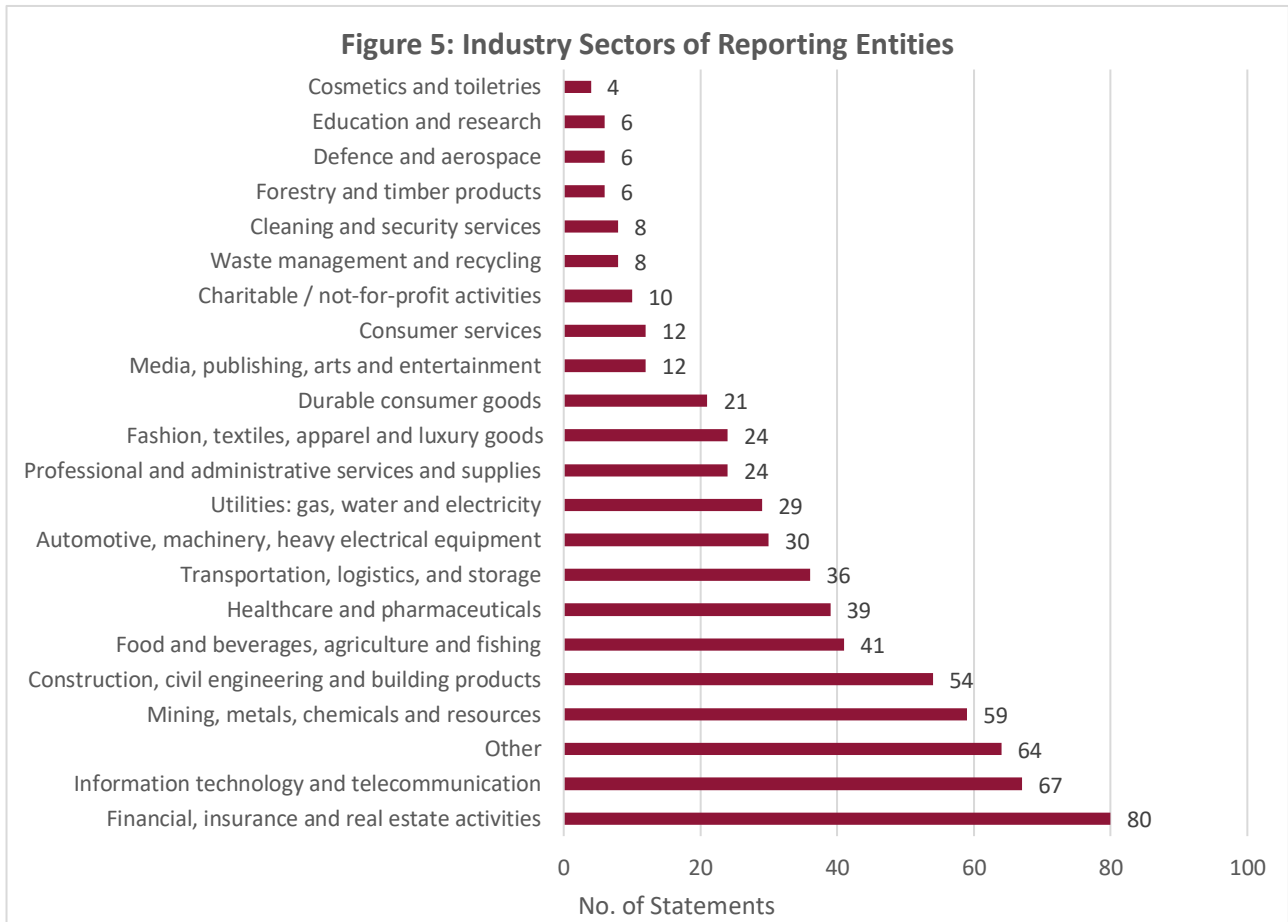
Analysis of the reporting entities’ industry sectors shows that the financial, insurance and real estate sectors continue to lead the way for statements submitted to-date (see Figure 5 on the following page). 80 statements in the Register were lodged by entities in this sector, up from 61 as of January 2021. No new industry sectors have appeared since January, but the construction, mining and information technology sectors remain in the top five industry sectors of reporting entities.

These sectors have also seen the largest number of additional statements submitted with this latest update. Outside of the top five industry sectors, the healthcare and pharmaceuticals sector, which is a sector with heightened slavery and human rights risks, has seen the largest number (10) of new statements submitted. Interestingly, while two additional statements have been added to the four submitted in the education and research sector since January, none of these are universities, meaning that the number of universities that have reported remains at one

(University of Newcastle). As reported in our previous [Action Tracker Report](#), this leaves little time for many of Australia’s large universities to submit statements.

Submissions by charitable organisations now stand at 10. This is unlikely to change drastically as only a handful of charitable organisations will trigger the AU\$100 million revenue threshold. However, we expect that many smaller charitable organisations will decide to report voluntarily in the coming years.

As more statements are lodged to the Register, we continue to see organisations trigger reporting requirements in other jurisdictions. The *UK Modern Slavery Act 2015* and the *California Transparency in Supply Chains Act 2010* continue to be the most prominently triggered overseas laws. Overall, 119 statements were lodged on behalf of entities that also face reporting obligations overseas, an increase of 23 from January. 116 of the 119 report under the *UK Modern Slavery Act 2015*.



Review of Reporting Practices

Since the previous release of the Register, independent organisations have begun to review submitted statements. One such review was conducted by the Thomas More Law School, Australian Catholic University (ACU).¹

In the coming months we expect other NGOs and academic organisations to begin analysing statements and highlighting reporting practices both poor and strong.

Ndevr Human Rights will be following these analyses and including key findings from them in our Action Tracker Reports. Focusing on the first

reporting analysis by ACU, we assess in Table 1 on the next page the key criteria they use to identify a good versus poor statement. From this, reporting entities can begin to predict what future commentators are likely to expect to see in Statements when they are reviewing submissions on the government’s Register.

As per the ACU Review, examples of notable statements are those submitted by *South32 Limited*, *Ricegrowers Limited*, and *Queensland Teachers’ Union Health Fund Limited*, among several others. As previously highlighted by Ndevr Human Rights, *Wesfarmers* and *Woolworths* have also been noted to have a high reporting standard.

¹ Modern Slavery Statement Analysis, retrieved from <https://vimeo.com/516481946>.

Table 1 – ACU Law School’s Select Key Assessment Criteria for Modern Slavery Statements

	Criteria Description	Reporting Expectation for a “good” Statement
General Presentation	Whether the statement is clear, to-the-point and follows a logical structure that allows for assessment of compliance with reporting criteria under the MSA.	Statements that are clear, concise, and provide transparent information, and clearly reflect how information relates to the reporting criteria under the MSA. Those that provide visual resources and detailed data are likely to be considered stand-out statements.
Policies & Contracts	The extent to which Policies are in place and listed in the statement and disclosure on the adoption of Anti-slavery contractual clauses.	Statements that provide detail on the policy suite adopted to respond to modern slavery risks and the progressive implementation of contractual clauses with suppliers. Expectations that these go beyond a Supplier Code of Conduct and demonstrate commitment to eradicating modern slavery. Stand-out practice for policies to be publicly accessible and to provide detail on progress with roll-out of contractual clauses.
Governance & Accountability	Internal Governance & Accountability arrangements that entities have put in place to drive response to slavery risks.	Statements that clearly describe how response to modern slavery is governed within the organisation, including whether accountability has been assigned formally and reporting structures and procedures.
Training	The breadth and scope of Training on modern slavery risks and response.	Statements that provide detail on organisation-wide generic training, tailored training for key functions, and training beyond the organisational boundary (e.g. suppliers).
Risk Assessment	The extent to which risks have been assessed and to what level/tier.	Statements that provide a clear description of the approach to assessing slavery risks and the outcomes of the assessment, possibly within a multi-year context allowing for phased implementation of risk assessment. Generic information on risk areas unlikely to be considered acceptable beyond the first reporting year.
Supplier Engagement & Audit	Description of supplier engagement practices and their implementation and audit practices (in-house & third party).	Statements that describe the procedures in place for supplier engagement and how the processes are being implemented. Statements that provide detail on supplier audits, including the types of audits conducted, outcomes and case studies.
Incidents & Remediation Processes	Disclosures in the statement on Incidents & Remediation Processes, including case studies.	Clear description of remediation processes and structures within the organisation. Stand-out Statements show clear commitment to both ensuring access to remedy and implementing remedies, where appropriate; and disclose whether any incidents were uncovered.
Future Action	Plans for progressive implementation of a modern slavery response framework.	Statements that set clear, measurable targets and goals for the future, including plans to address any weaknesses in any of the above categories.

Source: ACU Thomas More Law School; the Anti-Slavery Taskforce Archdiocese of Sydney: Modern slavery research project 2021, *Assessment of Modern Slavery Statements, 2021*; <https://vimeo.com/516481946>

Ndevr Human Rights supports clients responding to the Modern Slavery Act 2018 (Cth) and offers human rights services to measure & reduce supply chain risk, protect stakeholders, and access value-add opportunities. [Contact us](#) now to find out how to best move strategically on this important issue.

e. humanrights@ndevr.com.au
w. ndevrenvironmental.com.au/humanrights
o. melbourne | sydney | perth | singapore



ndevr
human rights