

Strengthening Australia's Response to Modern Slavery in Supply Chains

Submission to the Attorney-General's Department

September 2026

Who we are

FECCA is the national peak body representing people from multicultural communities and their organisations across Australia. Through state, territory and regional councils, we represent more than 1,500 community organisations and their members.

For nearly 50 years, FECCA has worked with culturally and linguistically diverse (CALD) communities, the broader Australian society, and governments to build a successful, productive, and inclusive multicultural nation. Drawing on lived experience, deep community connections, and the expertise of our members, FECCA develops and promotes inclusive, innovative and responsible public policy that reflects the needs and perspectives of multicultural Australia.

The FECCA network is our greatest strength. Through our network we can enhance the capacity of governments to strengthen public policy to meet the needs of the diverse Australian population. FECCA is a proven trusted partner to both CALD communities and government, operating as a sophisticated conduit by mobilising communities to work with government to develop and enrich public policy through community-led expertise and action.

Introduction

Modern slavery is both a serious human rights abuse and an economic issue. Exploitative labour practices can undermine workers' economic security while also creating unfair conditions for businesses that seek to comply with Australian workplace standards.

FECCA therefore welcomes the Government's consideration of stronger corporate accountability. The consultation paper recognises that modern slavery risks can occur within complex, multi-tiered supply chains and that corporations may have varying levels of visibility and influence over labour practices.

Australia's current modern slavery framework criminalises serious forms of exploitation, including those related to slavery, forced labour, and human trafficking. Under the Modern Slavery Act 2018 (Cth), large entities with annual consolidated revenue of at least \$100 million must report on modern slavery risks and the action being taken to address them. However, this current framework does not impose criminal liability on companies for failing to prevent modern slavery in their supply chains. The proposed reforms intend to shift the framework towards stronger corporate accountability by introducing a failure to prevent offence for large companies that do not take reasonable steps to prevent modern slavery in their supply chains, alongside proposed changes involving Deferred Prosecution Agreements (DPA) and civil remedies.

The proposed failure-to-prevent offence provides an opportunity to address this issue by placing greater responsibility on corporations that are best positioned to identify and mitigate risks. However, the design of the offence will be particularly important for temporary migrants and CALD workers. These workers may encounter additional barriers to exercising workplace rights, including language barriers, insecure employment, dependence on employers or labour-hire providers and concerns about the consequences of reporting exploitation.

FECCA notes that while the rights and the remedies afforded to workers for exploitative behaviour must be upheld, it is equally important to ensure that businesses affected by the proposed offences are also treated fairly and reasonably. Consulting the private sector as well as workers, community groups, including those from ethnic backgrounds, will be critical to mitigating any perverse outcomes from the proposed reforms.

This submission addresses how to ensure the proposed model places responsibility on businesses in proportion to their economic power and influence, while ensuring that stronger corporate obligations do not unintentionally result in the exclusion of migrant and CALD workers and CALD-owned businesses. Our submission is aligned with the joint letter response from the Australian Multicultural Women's Alliance, an initiative of FECCA, and the Australian Muslim Women's Centre for Human Rights (AMWCHR) and Working

with Women Alliance (WwWA). Our recommendations connect corporate accountability with culturally and linguistically appropriate support, remediation and meaningful access to compensation.

Part A – Failure to prevent offence for modern slavery

Question 1 – Model

FECCA supports the introduction of a failure-to-prevent offence in principle, where the proposed model rightfully recognises that modern slavery can occur several tiers removed from the Australian corporations that ultimately benefits from the goods or services.

FECCA also supports retaining a clear threshold for criminal liability, and from here, recognising the proposed offence may have flow-on effects for smaller business within the supply chain. However, the legislation and guidance proposed in the model should recognise that different types of workers experience a range of distinct risks and vulnerabilities to exploitation.

1.1 Increased vulnerability to CALD and migrant workers

Increased vulnerability to exploitation is often experienced by CALD communities, including migrant workers, where the following factors distinctly affect a worker's ability to avoid and report exploitation:

- **Migration status:** Workers on temporary or otherwise insecure migration pathways may experience more dependence on their employer for income, employment continuity and, in some circumstances, accommodation or other essential supports. This dependence can make workers more reluctant to challenge exploitative conditions or report concerns, particularly where they fear that losing their employment could affect their ability to remain in Australia. Employers or labour-hire intermediaries may also exploit workers' uncertainty about their migration status or rights by using threats relating to visa cancellation, deportation, or loss of employment.
- **Limited English proficiency:** Workers with limited English proficiency may face barriers to understanding employment contracts, workplace policies, complaint mechanisms and their legal rights. These barriers can be particularly significant where information is provided only in English or where workers are expected to navigate complex workplace and legal processes without independent language support. Limited English proficiency may also make it more difficult for workers to communicate concerns, seek assistance, and thus, participate effectively in investigations.
- **Unfamiliarity with Australian workplace rights and legal systems:** Workers who are new to Australia may have limited familiarity with Australian employment standards, workplace rights, complaint pathways and the institutions responsible for enforcing them. This also makes it difficult to recognise that conduct is unlawful or exploitative, and to understand the consequences of making a complaint. This can be compounded where workers receive information primarily from an employer or labour-hire intermediary, particularly where that party may have a financial interest in discouraging complaints.

The proposed reasonable steps defence allows corporations to demonstrate that they had taken reasonable measures to prevent modern slavery in their operations and supply chains. However, what constitutes reasonable steps should be assessed not only by the policies and processes a corporation has in place, but also by whether those measures are accessible and effective for workers who may be particularly vulnerable to exploitation.

For CALD and migrant workers, the above barriers, alongside others, make it more difficult to understand workplace protections, raise concerns or safely report exploitation. A company's compliance measures should therefore be assessed against the circumstances of the workers they employ, and the risks present within their workforce and supply chains.

Recommendation 1: Ensure the reasonable steps defence reflects the realities of migrant and CALD workers and adopts a culturally responsive approach that addresses these specific barriers, including insecure migration status, limited English proficiency, and unfamiliarity with workplace rights.

1.2 Preventing exclusion and discriminatory de-risking

FECCA is particularly concerned that stronger corporate obligations could unintentionally encourage businesses to reduce their exposure to perceived risk by excluding migrant workers, CALD-owned businesses, or suppliers operating in particular countries. This approach does not necessarily reduce exploitation. Workers excluded from formal employment may instead seek work in less regulated environments where they have fewer protections and fewer opportunities to access support.

The objective of the framework should therefore be responsible risk management rather than risk avoidance through exclusion. Businesses should be encouraged to investigate concerns, engage with workers and suppliers, improve conditions and provide remediation where harm has occurred. This is particularly important for Australia's multicultural workforce and for CALD-run businesses participating in supply chains.

FECCA therefore recommends that the Government explicitly consider the potential "de-risking" effect in the design and evaluation of the legislation.

The framework should encourage:

1. identification of risks
2. engagement with affected workers
3. remediation
4. monitoring and follow-up, and
5. responsible disengagement where serious risks cannot be addressed.

Recommendation 2: Guard against "de-risking" through exclusion, ensuring that the offence does not inadvertently incentivise businesses to avoid temporary migrant workers or CALD workers rather than address exploitation risks.

Question 2 – Impact

2.1 CALD-owned subcontractors and businesses

Whilst the offence would apply to corporations with annual consolidated revenue above \$100 million, compliance requirements will have flow-on effects for smaller suppliers. FECCA recognises that stronger corporate obligations will create compliance costs for businesses of different capacities. A risk-based approach can help ensure that regulatory expectations are proportionate to the size, resources, supply-chain complexity and level of influence of these businesses.

Particular consideration should be given to smaller businesses, including CALD-owned businesses, that may participate in the supply chains of larger corporations. Large businesses should not transfer the costs of new compliance requirements down the supply chain to smaller suppliers that have limited resources to meet them. Guidance and practical support should help smaller businesses understand and implement their responsibilities.

Recommendation 3: Ensure the implementation of the proposed offence supports smaller and CALD-owned businesses to meet their obligations without imposing disproportionate compliance burdens, including through tailored guidance, capacity-building and practical support.

2.2 Corporate purchasing and practices

Commercial practices can shape the environment in which exploitation risks arise, and so FECCA welcomes the consultation paper's recognition that corporate conduct may be relevant to the proposed offence. Where large corporations place significant cost, pricing, volume or timeframe pressures on suppliers, those pressures may be transmitted down supply chains and affect suppliers' capacity to maintain lawful labour conditions.

This does not mean that corporations should be held automatically liable for every act committed somewhere within a complex supply chain. Rather, responsibility should reflect the corporation's actual capacity to identify and address risks and its contribution to the commercial environment in which those risks occur. Responsible businesses should not be placed at a competitive disadvantage by competitors or supply-chain arrangements that obtain economic advantage through exploitation.

Case Studies: Case studies in the consultation paper demonstrates why the existence of a policy alone should not protect a company from responsibility where there are credible indicators of exploitation and a failure to respond. For migrant and refugee workers in particular, complaints may be the first indication that a supply-chain risk exists. Although the company in Case Study 2 had a supplier code of conduct, it did not undertake an investigation or appropriate due diligence, and the labour-hire provider was subsequently associated with forced labour and debt bondage. Businesses should therefore be expected to have mechanisms that allow concerns to be identified and addressed.

Recommendation 4: FECCA recommends that reasonable steps should include consideration of relevant purchasing, pricing, contracting and procurement practices, particularly where a corporation has significant bargaining power over suppliers. Steps should include assessing whether these practices place pressure on suppliers to reduce labour costs or increase workers' vulnerability to exploitation and making appropriate changes where such risks are identified.

2.3 Reporting and unintended consequences

FECCA supports streamlining reporting requirements so that the new offence complements the existing Modern Slavery Act reporting framework.

Additional to this reporting framework, FECCA also recommends that the Government should monitor the unintended impacts of the reforms. Specifically, Government should monitor whether the reforms lead to changes in employer behaviour that adversely affect migrant and CALD workers. These should include whether businesses reduce their employment of temporary migrants, move away from labour-hire arrangements without addressing underlying exploitation, exclude CALD-owned suppliers or withdraw from particular industries or markets rather than improving conditions.

Recommendation 5: The success of the reform should also be measured by whether CALD and migrant workers are experiencing greater safety, improved working conditions, and access to remedy without barriers.

Question 3 – Support

FECCA supports the development of clear, nationally consistent guidance to assist businesses in understanding and implementing their modern slavery obligations. We strongly recommend that all Government guidance requires a multicultural and worker-centred component.

The scale of exploitation among migrant workers demonstrates the need for guidance that is designed around workers' actual experiences. The recent 2026 Australian study of almost 10,000 temporary migrant workers found that 65% were paid below their legal entitlements and 36% below the National Minimum Wage, with more severe underpayment associated with indicators of forced labour. Migrant workers are also concentrated in sectors where insecure work and complex labour arrangements are common, including construction and agriculture. In construction, 24% of workers are engaged as independent contractors, while the Fair Work Ombudsman's Harvest Trail Inquiry found that more than half of investigated horticulture businesses breached workplace laws, recovering more than \$1 million in unpaid wages for over 2,500 workers.

These findings demonstrate the scale and concentrated risks faced by migrant workers and reinforce the need for Government guidance to be developed with workers, unions, and multicultural organisations, like FECCA, to provide informed insight to identifying and responding to exploitation.

3.1 Guidance on migrant and CALD workers

Guidance should address issues that may arise in migrant and refugee workers' employment. This includes employer dependence, recruitment fees, retention of passports or identity documents, labour-hire arrangements, employer-provided accommodation, language barriers and fear of immigration consequences. It should also explain how businesses can provide information about workplace rights and complaint mechanisms in accessible and culturally appropriate ways. Language proficiency should also not be treated as a proxy for a worker's understanding of their rights, and information should be readily available in-language with access to independent interpreting where required.

Recommendation 6: Develop culturally and linguistically accessible national guidance on modern slavery prevention and response.

3.2 Partnerships with community organisations

Community organisations should be recognised as an important part of Australia's modern slavery prevention infrastructure, where they are often trusted sources of information for individuals who may not feel comfortable approaching government agencies or employers directly. Trusted multicultural organisations can provide rights education, connect workers with legal and employment assistance, identify emerging concerns and help workers navigate systems that they may otherwise find difficult to access. Government investment in these organisations would therefore complement corporate responsibilities.

Recommendation 7: Ensure a dedicated and sustainable resourcing for multicultural organisations to undertake rights education, systems navigation, referral and community engagement.

Part B – Alternative enforcement

Question 4 – DPA Scheme

A DPA scheme provides an alternative to contested criminal proceedings by allowing matters to be resolved through a negotiated agreement between prosecutors and corporations. FECCA recognises that a DPA may provide a mechanism through which corporations cooperate with authorities, acknowledge their failures and from here, implement corrective action.

However, FECCA strongly cautions the use of DPAs in modern slavery cases as the corporate accountability may become detached from the experience of the people harmed. The consequences of exploitation are experienced by individuals and communities, whilst DPAs are negotiated only between corporate and state bodies.

If a DPA scheme is introduced, FECCA recommends that agreements involving modern slavery should be subject to strong safeguards, including:

- independent or judicial oversight.
- consideration of the interests of affected workers.
- meaningful remediation and compensation;
- transparency regarding the agreement and its outcomes.
- appropriate consequences for non-compliance; and
- preservation of workers' existing civil and employment rights.

Where a DPA relates to conduct that has harmed workers, those workers should have meaningful opportunities to participate in relevant remediation processes and should be able to access independent legal and community support. This is particularly important for migrant and refugee workers who may face additional barriers to participating in formal legal processes or may fear consequences associated with their employment or immigration circumstances.

Recommendation 8: If a DPA scheme is introduced, DPAs involving modern slavery should be subject to independent oversight and robust safeguards that prioritise affected workers' interests, including meaningful remediation and compensation, and access to legal and community support.

Question 5 – Civil Remedies

FECCA supports careful consideration of whether Australia's existing civil and compensation mechanisms provide an effective pathway to remedy for people affected by modern slavery. However, while existing employment and civil law mechanisms provide pathways for workers to recover unpaid wages and other entitlements, these remedies may be difficult to access or enforce where exploitation occurs through complex subcontracting and corporate structures. In particular, workers may be left without meaningful compensation where the immediate employer lacks the resources to satisfy a judgment or becomes insolvent or enters liquidation. This can create a significant gap between a worker's legal entitlement to compensation and their ability to recover it.

This is particularly concerning for migrant and CALD workers, who may already face additional barriers to reporting exploitation and accessing legal remedies. Therefore, we consider that the modern slavery framework should ensure that corporate structures do not prevent victim-survivors from obtaining effective redress.

Recommendation 9: FECCA proposes a new civil remedy allowing victims of modern slavery to seek compensation from parent companies or other businesses that have significant control or involvement in the business or supply chain responsible for the exploitation.

Conclusion

FECCA supports stronger corporate accountability for modern slavery. The proposed failure-to-prevent offence should give large corporations a clear incentive to identify risks, examine how their purchasing and contracting practices may contribute to them, and act when workers raise concerns. It should encourage companies to improve conditions with suppliers and remedy harm, while giving smaller businesses practical support to meet new expectations.

For migrant workers and workers from multicultural communities, the test is whether these protections work in practice. Workers need information they can understand, trusted ways to report exploitation without fear for their job or migration status, and a realistic path to compensation. Any Deferred Prosecution Agreement must deliver meaningful remediation for affected workers. The Government should also monitor whether companies respond to the reforms by excluding migrant workers or suppliers owned by people from multicultural communities, pushing exploitation further out of sight.

Direct consultation must be part of the reform's design and implementation. The Government should hear from migrant workers and multicultural communities about the barriers to speaking up and seeking help, including people who have experienced exploitation. It should also consult large corporations, smaller suppliers and multicultural-owned businesses about how the obligations will operate across supply chains. This will help ensure the reforms are workable, place responsibility where businesses have the power to act, and avoid unintended exclusion. FECCA and its network can help bring community perspectives into that process.

FECCA urges the Government to develop the offence, guidance and civil remedies with affected workers, multicultural organisations, unions and businesses. The measure of this reform should be what changes for the worker at the end of the supply chain: safer conditions, a voice when something is wrong, and an effective remedy when harm occurs.



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