

Modern slavery legal reform: Criminal liability and new compliance expectations

There has been an important development in Australian modern slavery law for companies with an annual revenue of more than \$100 million

Australia is moving from a reporting and transparency requirement to a corporate criminal and civil liability regime. Early indications from the Attorney General's Department suggest the Australian government intends to enact these reforms by next year, although there will likely be a transition period.

The proposed offences are:

- 1 A corporate criminal offence where companies fail to prevent modern slavery.
- 2 A civil penalty regime for non-compliance with modern slavery reporting obligations.

The government is consulting on penalties, deferred prosecution agreements, and remedies for victims.

There will be a statutory defence where companies can show they took reasonable steps to prevent modern slavery.



What should you be doing now?

- **Brief** legal, risk & compliance, and sustainability teams on the reforms.
- **Consider** the company's position on these issues and contribute to the consultation, whether directly or through Allens.
- **Assess** the potential liability of the business, as well as any potential indirect exposure of directors, officers and employees.
- **Undertake** a risk assessment under privilege as a first step to any uplift of controls and procedures.



What does 'reasonable steps' mean?

By analogy to the [existing 'failure to prevent' foreign bribery offence](#) contained in the Commonwealth Criminal Code, we expect companies will have to show that they have fostered a proportionate and effective control environment to prevent modern slavery in the following ways:

- **Top level management commitment:** a high level of understanding and awareness that underpins a robust culture of prevention.
- **Documented risk assessment:** serving as the basis for the design of the compliance program.
- **Due diligence:** ongoing research, investigation, assessment and monitoring.
- **Communication and training:** ongoing and proportionate to the modern slavery risks faced.
- **Whistleblower and reporting mechanisms:** visible, secure, confidential and accessible.

We expect the reforms will import concepts and requirements from [international business human rights frameworks](#) into the new laws, for example:

- **Connection to impact assessment:** understanding how the company has caused or contributed to, or been 'directly linked', to modern slavery.
- **Expected standards and approach to due diligence:** identifying and assessing modern slavery risk, taking appropriate action to address identified risk, and tracking the effectiveness of due diligence processes.
- **Grievance mechanism effectiveness criteria:** assessing the effectiveness of reporting pathways by reference to their legitimacy, accessibility, predictability, transparency, compatibility with rights, and level of dialogue and engagement with impacted stakeholders.

The Allens team

Our team are business human rights experts with years of experience advising companies on modern slavery investigations and reporting, as well as on the anti-bribery and corruption laws that are serving as a basis for these reforms. We are dispute resolution lawyers and litigators, who understand the value of robust front-end compliance systems that can help prevent issues from arising. We are also experienced in managing the legal and reputational impacts that can arise from criminal and civil proceedings.

Allens has a standout team that blends legal excellence with practical and accessible guidance.

Chambers Asia Pacific 2026 - White-Collar Crime & Corporate Investigations

Their litigation team never loses sight of our company's commercial reality and strives to provide the best courses of action to achieve our commercial needs.

Chambers Asia Pacific 2026 - Dispute Resolution

Allens is an absolute subject matter expert. The team has very technical knowledge and understands what our business requires.

Chambers Global 2026 - Business & Human Rights Law

Our service lines

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