



TAX, STRUCTURE & COMPLIANCE

Modern Slavery: Another Threshold You're Likely Well Below

But government contracts and major partners can still ask. Being prepared costs little; being caught unready costs more

The Commonwealth Modern Slavery Act 2018 applies directly only to entities with annual consolidated revenue of at least one hundred million dollars, a threshold almost no association will ever reach. This deserves a direct, reassuring statement before anything else, followed by an honest look at the indirect exposure that can still reach a much smaller organisation regardless.

Which rules apply to your association?

The law depends on how your association is set up. A **company limited by guarantee** follows the Corporations Act 2001 (Cth) and its constitution. An **incorporated association** follows its state or territory associations Act and its rules. A **registered charity** also follows the ACNC Act and the ACNC Governance Standards, and some Corporations Act rules are replaced for charities that are companies. Check your own governing documents, and get advice before decisions with legal consequences.

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The Direct Obligation Most Associations Will Never Trigger

Entities meeting the one hundred million dollar threshold must publish an annual Modern Slavery Statement describing the risks of modern slavery in their operations and supply chains, and the actions taken to address them, on a public register. In its December 2024 response to the statutory review, the government did not lower the threshold "at this stage" but said it would reconsider it at the next review, so the direct obligation remains limited to large entities for now. For the overwhelming majority of associations, this specific reporting requirement simply does not apply.

The Indirect Exposure, Following The Same Pattern As Other Large-Entity Regimes

Precisely as with the climate disclosure regime discussed earlier in this series, being below the direct threshold does not mean complete isolation from the requirement's effects. Suppliers and partners of a reporting entity may still receive requests for information as part of that larger organisation's own supply chain due diligence, covering policies, workforce conditions, and risk controls. An association supplying training, accreditation services, or advisory work to government or to a large corporate partner may be asked for this kind of information, since the Australian Government itself is a reporting entity and applies these expectations through its own procurement relationships. Being below the direct reporting threshold protects an association from the formal obligation to publish its own statement. It does not protect the organisation from a request for the same information arriving through a government contract or a major partner's own compliance process.

An Active Reform Direction Worth Monitoring

The regulatory direction here is shifting from disclosure toward active prevention. In February 2026, Australia's first Anti-Slavery Commissioner recommended introducing mandatory, risk-based modern slavery due diligence, with proportionality measures for smaller entities. The government has agreed to consult on penalties for non-compliance and, as at mid-2026, was considering a mandatory due diligence obligation for reporting entities. These proposals have not been legislated and are currently aimed at entities well above the size of most associations, but the direction of travel is worth monitoring, particularly for any association large enough to approach the current threshold over time.

- Confirm your association's revenue sits well below the one hundred million dollar threshold before assuming this regime requires no attention at all.
- Be prepared to respond to reasonable modern slavery or supply chain information requests from government contracts or large corporate partners, even without a direct reporting obligation of your own.
- Maintain basic awareness of your own supply chain and workforce practices, since a request for this information is easier to answer well when the underlying practice has already been considered.
- Monitor the ongoing reform direction toward mandatory due diligence and penalties, without treating this as an urgent compliance priority given the current threshold and your association's likely position well below it.
- Distinguish this specific legal regime from any voluntary ethical sourcing or supply chain commitments your association may separately choose to adopt for its own reasons.

Most associations can set aside concern about becoming a direct Modern Slavery Act reporting entity themselves. The more useful discipline is understanding that this protection does not extend to every request the regime's broader effects might eventually generate, particularly through government and major corporate relationships an association may already hold. This is one of the practical governance topics built into our Board Director course, alongside the papers, tools and frameworks that turn the principle into your board's actual practice. [Explore the course](#)

Annie Gibbins

Founder and CEO, Nexus Leadership

BOARDROOM ACTION WORKSHEET

Modern Slavery: Another Threshold You're Likely Well Below

Turn the resource into evidence, a decision and an accountable next step. Keep the completed record in your association's approved board records system.

1 What is the issue or decision?

State the governance question in one clear sentence.

2 What evidence do we already have?

Record the facts, source documents and stakeholder evidence available now.

3 What evidence is still needed?

Identify the legal, regulatory, financial, member or operational information still required.

4 What is the agreed next action?

Capture the owner, timeframe and how the matter will return to the board.

Action owner	Review date	Board decision or resolution

General education, not legal, financial, tax, clinical or governance advice. Confirm specifics at the relevant primary source or with your own qualified adviser. Nexus Leadership is operated by Lipstick Consulting Pty Ltd · ABN 15 619 120 482.

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