

# Modern Slavery Legislation

## Tearfund NZ

June 2023

### About Tearfund

Tearfund New Zealand is a faith-based international development organisation that works to alleviate poverty among the world's most vulnerable communities. Tearfund has a deep compassion for the oppressed and a strong desire to see justice done on behalf of those trapped in modern-day slavery. We believe the exploitation of poor and vulnerable people is a gross injustice that must be addressed.

### Key Findings

- The New Zealand government has made promises surrounding the provision of Modern Slavery legislation which have yet to be fulfilled.
- Tearfund recommends that the New Zealand Government fulfil the promise it has made to introduce Modern Slavery legislation, making sure to take into consideration the feedback from the consultation when doing so.
- Evidence suggests a large proportion of New Zealand goods are at risk of being produced in supply chains involving modern slavery practices.
- The Modern Slavery Act Petition, open letter, and consultation feedback from organisations and individuals provide evidence of a strong public desire to implement Modern Slavery legislation.

### Introduction

Tearfund works towards the eradication of Modern Slavery through advocacy and campaigning in New Zealand as well as on-the-ground programmes in Fiji, Solomon Islands, Thailand and Nepal. Our partner organisations in these countries know the devastating impact modern slavery has on individuals, families and communities. Their work is multi-faceted and encompasses the areas of prevention through education, supporting those at risk with livelihood and agriculture training, providing survivor support and aftercare and engaging in policy development and prosecution work.

Tearfund has also been involved in advocating for the awareness of Modern Slavery in the fashion industry, which remains one of the top five industries at risk of modern slavery.<sup>1</sup> Tearfund and Baptist World Aid Australia's Ethical Fashion Report and Guides have raised consumer awareness surrounding exploitative and slave-like practices involved in 420 brands in the retail industry.<sup>2</sup>

Tearfund has sought to advocate for the awareness, and eradication of modern slavery practices within New Zealand and believes that the implementation of Modern Slavery legislation will play a significant role in mitigating modern slavery from Aotearoa.

---

<sup>1</sup> Tearfund, Aotearoa 2021 Ethical Fashion Guide

<sup>2</sup> Tearfund, Baptist World Aid Australia, 2021 Ethical Fashion Report, p.31

## What is Modern Slavery?

Modern Slavery refers to ‘situations of exploitation that a person cannot refuse or cannot leave because of threats, violence, coercion, deception, or abuse of power.’<sup>3</sup> Modern slavery is a transnational issue, with an estimated 27.6 million people employed within forced labour practices, and it is embedded into New Zealand supply chains.<sup>4</sup> An estimated \$3.1 billion products imported into New Zealand in 2019 were at risk of being made with modern slavery - including clothing, footwear, toys, electronics, bananas, coffee, tobacco and furniture. With 15.1 million, the Asia-Pacific region has the highest number of people in forced labour. This means that four out of every 1,000 people are victims of forced labour.<sup>5</sup> The lack of transparency within business’ supply chains exposes consumers to the risk of unknowingly purchasing goods produced within such conditions, thus funding the continuation of modern slavery.

## Why do we need Modern Slavery legislation?

With no requirements for companies to have transparent and traceable supply chains, it is extremely difficult for Kiwis to avoid buying risky goods. Businesses that make the effort to prevent slavery in their supply chains face stiff competition from businesses that do not take these steps. With robust modern slavery legislation, people will have more assurance that the products they are purchasing are slavery-free.

A Modern Slavery Act will also mean companies are required to understand and address these risks and take actions to protect vulnerable people in their supply chains. A key requirement should also include public reporting on their progress.

## What’s the hold up?

Despite the Government’s public commitment to addressing this prevalent issue within New Zealand supply chains, we are still waiting for Modern Slavery legislation to be enacted.

In June 2021, Trade Aid and World Vision, supported by Tearfund presented a Modern Slavery Act Petition that collected over 37,000 signatures, as well as an open letter containing 85 company signatures, to minister Michael Wood on behalf of the government. Both instruments called upon the government to implement legislation against Modern Slavery within New Zealand.<sup>6</sup> Public feedback from the petition and the open letter demonstrated the desire of the New Zealand voters and businesses alike to have modern slavery legislation implemented within Aotearoa.

The *New Zealand Plan of Action against Forced Labour, People Trafficking and Slavery* launched in March 2021 with \$50 million in funding, and a Modern Slavery Legislation draft was proposed in July 2021.<sup>7</sup> The draft requires businesses to conduct due diligence through the annual submission of reports detailing supply chain practices, the existence of Modern Slavery within supply chains, and firm responses to mitigating such practices.

In September 2022, a consultation of the legislation was published, providing a summary of the feedback received from the 5,614 NGO submissions, and the 430 individual responses.<sup>8</sup> The Government has given its ‘commitment to exploring the implementation of modern slavery legislation within New Zealand.’ However, as of June 2023, there has been no further government action, and no draft bill has yet been presented.<sup>9</sup> Whilst the Modern Slavery Act has not progressed, research from January 2023 demonstrates

---

<sup>3</sup> International Labour Organization, Walk Free, UN Migration, *Forced Labour and Forced Marriage*. 19

<sup>4</sup> International Labour Organization, “Forced labour, modern slavery and human trafficking.” Para.1

<sup>5</sup> World Vision, “Risky Goods.” Para.3

<sup>6</sup> Walk Free, “New Zealand businesses show leadership with support for a Modern Slavery Act.” Para.1

<sup>7</sup> Wood, “Action plan to tackle modern forms of slavery released.” Para. 8

<sup>8</sup> Ministry of Business, Innovation & Employment, *Consultation on Legislation to Address Modern Slavery and Worker Exploitation*, 9.

<sup>9</sup> Wood, “Action plan to tackle modern forms of slavery released.” Para. 8

that the New Zealand public remains in favour of the legislation, with 81% of New Zealanders supporting new laws requiring businesses to verify the absence of modern slavery in their supply chains.<sup>10</sup>

## Where to from here?

Tearfund will continue to advocate for strong and robust Modern Slavery legislation in New Zealand that builds upon the recommendations already made through the consultation process and that draws on learning from overseas. Australia, Europe and The United Kingdom are drafting or strengthening their Modern Slavery Acts, while the EU is proposing mandatory supply chain investigations.

A highly anticipated independent review of Australia's Modern Slavery Act published in May 2023 has found it has not brought "meaningful change" to the lives of people living in conditions of modern slavery since its passage more than four years ago. The final report makes 30 recommendations which, if implemented, would mean thousands more businesses need to take stronger action to prevent the goods and services they sell being made with slavery.<sup>11</sup> New Zealand has the opportunity to learn from the experience of other jurisdictions to ensure its legislation will address the diverse forms of exploitation that can constitute modern slavery and include stronger implementation measures, penalties and greater oversight.

The bar of business ethics is being raised, and we need to get on board before we're left behind. Tearfund have three recommendations regarding the essential elements of this legislation for it to meet its stated goals. We want to see legislation that;

1. Applies to international and domestic supply chains operating in Aotearoa New Zealand, to all entities of all sizes (small, medium and large businesses) and private and public sectors.
2. Provides for action, not just words. We support a due diligence law that requires entities to identify risks and cases of modern slavery and exploitation and take action to address what they find. From there, they should publicly report on those actions and the impacts they've had.
3. Includes penalties for non-compliance with the law. This will set the law up from the onset to create positive change and help create a level playing field for businesses.<sup>12</sup>

## Conclusion

It is evident from the Modern Slavery Act Petition, the open letter, and the feedback from the consultation, that the New Zealand public is supportive of the implementation of Modern Slavery Legislation within New Zealand. The government must uphold the commitments it has made to the New Zealand people in considering the introduction of Modern Slavery Legislation.<sup>13</sup> Tearfund urges that these commitments be met by formulating the feedback received from the consultation into the Modern Slavery Bill that should then be presented without delay to the New Zealand parliament.

---

<sup>10</sup> Talbot Mills research, Modern day slavery, World Vision

<sup>11</sup> Report of the statutory review of the Modern Slavery Act 2018 (Cth) The first three years (ag.gov.au)

<sup>12</sup> Why you should support a Modern Slavery Act in New Zealand - TFNZ - Tearfund NZ

<sup>13</sup> Ministry of Business, Innovation & Employment, Combatting Modern Forms of Slavery. P.14.