Modern Slavery Bill

Member's Bill

As reported from the Education and Workforce Committee

Commentary

Recommendation

The Education and Workforce Committee has examined the Modern Slavery Bill and recommends by majority that it be passed. We recommend all amendments unanimously.

Introduction

This is a Member's bill jointly sponsored by Camilla Belich MP and Greg Fleming MP. It is the first jointly sponsored bill to be introduced under Standing Order 288. The bill seeks to implement a statutory framework to strengthen and coordinate actions to combat modern slavery. Its primary method to achieve this is to require entities with revenue above a threshold of $100 million per year to publicly report on how they identify, address, mitigate, and remediate incidents of modern slavery (including trafficking in persons) within their operations and supply chains. These reports would be called "modern slavery statements".

As noted in Appendix A, we received written submissions from 347 interested groups and individuals. Through submissions from World Vision, Tearfund and other advocacy groups, we received a large body of evidence including:

- a submission from World Vision, supported by over 1,500 named individuals
- a submission from World Vision Advocacy Ambassadors, including more than 900 handwritten submissions from children
- a submission from Tearfund, including the views of more than 1,600 people who engaged through Tearfund's process.

We wish to thank all submitters for their engagement, whether through our process directly or through other organisations.

Legislative scrutiny

As part of our consideration of the bill, we have examined its consistency with principles of legislative quality. We propose a number of changes that we consider would improve the legislation's design and workability. These are set out below.

We note that the Legislation Design and Advisory Committee made a submission on this bill. We have taken this, and other submissions, into account in preparing our recommendations.

Proposed amendments

Our consideration of the bill has led to some amendments. This commentary discusses the main substantive amendments we recommend to the bill as introduced. We do not elaborate on every change, and do not discuss minor or technical amendments.

Our amendments have generally been proposed for the following reasons:

- to provide consistency with other legislation, including other corporate reporting regimes
- to align with Australia's similar regime, and allow greater alignment for companies reporting in both jurisdictions
- to ensure the bill is workable to implement and comply with.

Clause 3A provides an overview of the bill. We note that the bill as introduced contained five Parts, whereas our recommendations would result in the bill comprising three Parts and a Schedule.

The register of modern slavery statements

The register of modern slavery statements is a central piece of the proposed reporting regime. The purpose of the register is to provide public access to modern slavery statements. We recommend inserting this purpose into the bill, as new clause 19.

Aligning with provisions for similar registers

Clause 11 of the bill as introduced sets out high-level requirements for the modern slavery statement register and how it would operate. Overall, we recommend retaining most of this framework but providing additional detail to align with similar provisions that establish registers, as proposed in new clauses 20 and 21.

We also recommend using technologically neutral language to describe the register. This includes removing the requirement for modern slavery statements to be submitted through an "online portal", which we consider is an operational detail that would be given effect to by the administering entity based on the available tools and practices of the day.

Reasons information may not be made publicly available on the register

We recommend inserting clauses 6(2) and 21(2)(b) to ensure that, where an entity provides commercially sensitive information or other details not suited to publication, this information would not be made publicly available through the register. We expect that a decision by the Registrar to agree to withhold information from the public register would be reserved for serious matters, and the Registrar would apply a high bar. We recommend an equivalent provision for the public sector's consolidated modern slavery statement in clause 17(3).

Reasons information may be excluded from a modern slavery statement

Submitters expressed concern that the bill might require disclosure of information that would otherwise be protected by law. We consider that entities should be able to exclude matters from their reporting for certain reasons. For example, it would not be appropriate to require entities to provide information that could lead to self-incrimination, or prejudice ongoing investigations.

We recommend inserting clause 8 to specify that the regime does not require any information to be included in a modern slavery statement that would be likely to prejudice the maintenance of the law. This includes information that might prejudice the prevention, investigation, and detection of offences, and the right to a fair trial. We recommend an equivalent provision for the public sector's consolidated modern slavery statement in clause 17(5).

Setting the threshold revenue amount

The bill as introduced would set the threshold for when an entity becomes a "reporting entity" under this regime. It proposes that entities would be required to prepare modern slavery statements if their consolidated revenue exceeds $100 million in a reporting period. This figure is referred to as the "threshold revenue amount". There may be around 1,250 entities in New Zealand that currently meet this threshold revenue amount.

We propose retaining the $100 million threshold but specifying in the definition of "threshold revenue amount" that this would only apply if that threshold has been met in each of the entity's two preceding accounting periods. This is consistent with comparable New Zealand reporting regimes.

Future amendments to the threshold revenue amount

The definition of "threshold revenue amount" in the bill as introduced allows for regulations to prescribe a different threshold from the figure specified in the bill. This would then override the threshold revenue amount in the bill. Submissions, including from the Legislation Design and Advisory Committee, highlighted concern with this approach, commenting that it may not be an appropriate use of a Henry VIII power.[1] Allowing the threshold to be increased or decreased in regulations could significantly change which entities the bill applies to, and therefore who could become liable for offences and penalties under the regime. We agree that setting a threshold that affects liability for civil and criminal offences is best reserved for primary legislation.

[1] A "Henry VIII power" enables primary legislation to be changed by secondary legislation.

However, we consider that regulations should be able to increase the threshold revenue amount to respond to a rise in the consumers price index (CPI). If not accounted for, CPI increases could have the unintended effect of capturing additional businesses in this regime over time. We do not consider that regulations should be able to decrease the amount for any reason. We therefore recommend amending the definition of “threshold revenue amount” in clause 4 to limit when regulations could amend the threshold to only allow for CPI adjustments.

Registrar and administration of modern slavery statements

The Registrar of modern slavery statements is the person who would be responsible for maintaining and overseeing the register. They would be an employee of the ministry, appointed by the chief executive. We propose amendments as new clauses 24 and 25 that would enhance the Registrar’s ability to perform their duties effectively. We also recommend changes to the enforcement of the regime, which we discuss later in this commentary.

Removal of requirement for Registrar to report annually

We recommend removing the requirement for the Registrar to prepare an annual report (clause 14 of the bill as introduced). We note that preparing such a report would incur additional cost, and do not consider that it is necessary to require this reporting. We also note that this reporting could be done without being required by legislation, and we encourage the ministry and the Registrar to consider reporting as an administrative matter.

We also note that a number of non-governmental organisations are active in monitoring modern slavery. Some of them may wish to prepare reports based on public information in the Register. We encourage the Government to partner with those organisations for this purpose if opportunities arise.

Allowing for certain information sharing

We recommend inserting the following clauses to facilitate information sharing between the administering department and other agencies:

- new clause 23, to provide for information sharing between public sector agencies where they hold information that is relevant to activities under this bill
- new clauses 32 and 33, to amend the Tax Administration Act 1994 so that the Commissioner of Inland Revenue may share relevant information with the ministry. This is particularly intended to assist in identifying which entities have met the threshold revenue amount.

Ensuring the regime is workable

We considered a range of proposals that would make the proposed regime more workable for entities that are required to prepare modern slavery statements while still achieving the original purpose of the bill. We summarise our recommendations below.

Aligning this regime with businesses' existing reporting cycles

We recommend amending the definition of "reporting period" so that reporting entities' modern slavery statements would be due 6 months after the reporting entity's own balance date. This would be instead of specifying calendar dates, as proposed in clause 6 of the bill as introduced. We also recommend inserting a definition of "balance date" that would clarify what this means for different types of entities.

Provide additional time for transition to the regime

The bill's commencement clause provides that it would come into force 6 months after Royal assent. We heard from submitters that this would not give enough time for businesses to understand their obligations and then prepare their first modern slavery statement.

We recommend inserting transitional provisions in Schedule 1 to provide that the first reporting period would be the 12-month period that begins after the legislation's commencement. In effect, this would allow a 24-month period between when the bill is enacted and when the first modern slavery statements could be due. For some entities, the transition period could be up to 36 months from Royal assent, depending on their balance date. Nothing would prevent businesses that already hold the necessary information from submitting a modern slavery statement before it becomes a legislative requirement. We encourage businesses to present their first modern slavery statement as soon as they can.

Allowing for group reporting

We recommend specifying in clause 4C that reporting entities include any entity that, together with its subsidiaries, meets the threshold revenue amount. This would address a situation where the regime otherwise might not apply simply because of how a business, and its subsidiaries, have been structured.

We recommend inserting clause 10 to allow entities that have subsidiaries to submit a modern slavery statement jointly. This would align with practice in Australia, and with other corporate reporting regimes in New Zealand. We recommend inserting a requirement into clause 6 that a modern slavery statement must include a list of any subsidiaries covered by that statement.

Recognition of overseas modern slavery statements

Submitters, including Australian regulators, pointed out an opportunity to reduce duplication and improve consistency internationally by allowing reports submitted under equivalent regimes overseas to be accepted as modern slavery statements. We consider that aligning with Australia's similar regime would be particularly beneficial in coordinating international responses to modern slavery. We note that many New Zealand businesses already submit equivalent reports in Australia.

We recommend inserting clause 11 to enable "overseas reporting entities" to provide a modern slavery statement that was prepared in accordance with Australia's Modern Slavery Act 2018. We also recommend that clause 11 enable regulations to specify other overseas jurisdictions where recognition of equivalent documents would also be acceptable.

If an entity is an "overseas reporting entity", we recommend that the due date for its modern slavery statement should be the same as the due date in the other applicable jurisdiction. This may be different from entities that are not overseas reporting entities, as other modern slavery statements are specified to be due 6 months after the end of the entity's reporting period.

Providing for voluntary reporting

We recommend inserting clause 12 to make clear that entities that are not otherwise reporting entities may voluntarily submit modern slavery statements. However, they must meet the same standards as all other modern slavery statements. We considered whether voluntary reporting should be treated differently, or held to a different standard, than required reports. However, to ensure the integrity of the regime, we consider that any voluntary reports must be held to the same standard as other reports.

Removing duplication of publishing reports

Clause 10 as introduced would require entities to publish their modern slavery statement on their own website. Submitters said this appeared to be an unnecessary stipulation because modern slavery statements would also be published on the central register. We recommend removing this clause.

Enforcement of the regime

Compliance and monitoring framework

For the most part, the bill as introduced is silent on who would be responsible for undertaking enforcement action. If an entity does not comply, the bill as introduced allows for enforcement but not for graduated regulatory interventions common to similar regimes.

We recommend amending the bill to:

- empower the Registrar to require that entities provide information that demonstrates compliance with the legislative requirements (new clause 13)
- enable the Registrar to request an explanation or remedial action for a failure to comply (new clause 14)
- allow the Registrar to publish information about an entity's failure to comply, if they still fail to comply after being asked to remediate under clause 14 (new clause 15). This provision is commonly known as a "name and shame" provision. This is a key feature of the current Australian regime.

We consider that, if the Registrar publishes information under new clause 15, entities should have the ability to seek a review of that decision. We recommend inserting clause 16 to establish a review process undertaken by the chief executive of the administering department. An application for review would need to be made within 20 working days of the information being published.

Offences and penalties

Submitters expressed a range of perspectives on the inclusion of offences and penalties in the bill. The inclusion of civil and criminal offences is a key difference between the current Australian regime and the regime proposed by this bill. However, we note that the Australian Government recently announced it intends to introduce civil and criminal penalties for breaches of its equivalent Act. We therefore do not consider that the New Zealand regime would be out of step with Australia for long, if at all, by the time it came into force.

We do not know yet what the Australian offence and penalty regime will ultimately include. Therefore, rather than speculating about the Australian approach, we recommend amending the offence and penalty regime in the bill as introduced to be broadly based on the New Zealand climate-related disclosures regime. This includes:

- an offence related to giving a false or misleading statement or information (clause 26A)
- an offence related to liability of directors or senior managers (clause 26B)
- pecuniary penalties (clause 26C).

We recommend specifying that offences would only apply to information given that a person knows to be false or misleading in a material way. This reflects our expectation that minor errors or omissions should not be treated as offences.

Directors and other people who may be held liable for offences

The bill as introduced would allow for directors or other persons involved in the management of reporting entities to also be held liable if an entity is convicted of an offence in the bill. Submitters raised concerns that this could capture employees who should not reasonably be caught by statutory personal liability. We recommend replacing the reference to "other persons involved in the management of" with "senior managers", which is an existing term used in the Financial Markets Conduct Act 2013.

During our consideration, we noted that Australia's equivalent regime does not include liability for directors or officeholders. However, Australia is in the process of reviewing its regime and we were interested in whether that review would introduce director liability. We received Australia's consultation document on the final day of our consideration—it does not propose extending liability to directors or officeholders. Some of us consider that it would be better to align liability for offences and penalties in New Zealand with equivalent proposed liability in Australia. However, this information was received so late in our consideration that we did not have time to adequately consider the issue or address it in this bill.

Interaction with the Fair Trading Act 1986

The Legislation Design and Advisory Committee drew to our attention that certain provisions in the Fair Trading Act may interact with this regime. Specifically, the publication of modern slavery statements may raise issues of liability under Part 1 of that Act. We wish to make it clear that strict liability offences in the Fair Trading Act would not apply to modern slavery statements. We recommend inserting clauses 30 and 31 to amend the Fair Trading Act so offences under that Act would not apply to this legislation.

How the regime would apply to the public sector

The bill as introduced would also apply to public sector entities, including government departments. We consider this appropriate, and central to achieving the bill's purpose. We recommend amendments to improve how the bill would apply to the public sector in practice and align with equivalent provisions in the Australian regime.

Defining the public sector

The bill as introduced includes a definition of "government agency". To ensure the definition captures all intended entities, we recommend replacing this with a definition of "public sector agency" that includes Offices of Parliament, parliamentary agencies, the Reserve Bank, and other public sector agencies, not all of which would be appropriately described as a "government agency".

Public sector consolidated modern slavery statement

The bill as introduced would require government entities that have over $100 million in total consolidated revenue to submit and publish their own modern slavery statements. We note that in the Australian regime, the responsible Minister prepares a single report that covers all public service departments, Offices of Parliament, and non-corporate Crown entities. We consider that an equivalent process in New Zealand's regime would be appropriate.

We recommend inserting clause 17 to require all public sector agencies that meet the threshold revenue amount to contribute to a consolidated public sector modern slavery statement. The Minister would coordinate input from relevant public sector agencies and provide the consolidated modern slavery statement to the Registrar. We also recommend that the responsible Minister should be required to present the consolidated public sector modern slavery statement to the House.

Removal of requirement for Minister to report on modern slavery

Clause 21 of the bill as introduced would require the Minister to report to the House on modern slavery each year. We recommend removing this clause. We consider that the requirement could be undertaken administratively, should the Minister identify matters related to modern slavery that they wished to report to the House. We also expect that the Minister would report on the matters required under clause 21 of the bill as introduced in the consolidated public sector modern slavery statement that would be submitted to the Registrar in accordance with clause 17(1) and presented to the House under clause 17(6).

Public sector agencies not liable for penalties

Under the bill as introduced, it would not be an offence for a public sector agency to contravene the reporting requirements. We note that there was some inconsistency, as this exemption was not carried over to the offence of false or misleading statement in clause 16 of the bill as introduced.

Submitters expressed concern that public sector agencies would not be held liable in the same way as other entities. We share the concern that there is potential for a double standard, and we expect the Crown to comply fully with the bill's reporting requirements by contributing to the Minister's consolidated modern slavery statement. However, we consider that it is appropriate to exempt the Crown from liability for offences under this bill, noting that any penalties for non-compliance would be paid using public money.

We therefore recommend clarifying that "public sector agencies" as defined in the bill would be exempt from liability. We also recommend that this matter must be considered as part of the reviews of the legislation (further described later in this commentary).

In the meantime, we expect that the Minister would hold public sector agencies to account as part of their role in consolidating the relevant modern slavery statements.

We consider that this same protection should be extended to local government entities, which are public bodies but are not captured by the definition of public sector agency. We recommend inserting wording throughout the bill to reflect this.

Removal of Part 5 (Amendments to Public Finance Act 1989)

Part 5 of the bill as introduced would amend the Public Finance Act to require that the Crown not pay money to an entity that has been convicted of an offence or ordered to pay a pecuniary penalty under this regime. We, and many submitters, are firmly in support of this provision's intent. However, we also share submitters' concerns that:

- as introduced, the provisions could amount to double jeopardy
- it is unclear exactly how the public sector would give effect to the requirements and how this would be balanced with existing contractual arrangements
- there does not appear to be any pathway for a business to remediate its past actions and become eligible to receive Crown funding again
- further amendment would be needed to make the corresponding provisions clear that they only relate to Crown funds.

Given these concerns, we recommend removing Part 5 of the bill entirely. We encourage future Governments to further consider introducing a requirement aligned to Part 5 of this bill as introduced, taking these concerns into account.

We found the New Zealand Law Society's submission particularly informative in our approach to Part 5.

Independence of the Chief Human Rights Commissioner

Clause 23 of the bill as introduced would allow the Minister to direct the Chief Human Rights Commissioner to designate modern slavery as a priority area. The Human Rights Commission told us, and we were advised that the Ministry of Justice agrees, that this direction could undermine the independence of the Human Rights Commission. However, we do think it is important for the Minister responsible for this legislation to coordinate efforts with the Human Rights Commission to address modern slavery. Therefore, we recommend that this provision be amended. Our proposed wording, in new clause 26E, would allow the Minister responsible for this bill to notify the Chief Human Rights Commissioner of the Government's priorities in relation to modern slavery. The Chief Human Rights Commissioner should have regard to any such notification when determining the Commission's priorities. If the Minister takes the step of using clause 26E, we expect the Minister would also consider any need for the Human Rights Commission to be given additional resources.

Our intent is that the Chief Human Rights Commissioner's independence would remain intact and the validity of existing processes to set the Human Rights Commission's priorities would not be called into question or directed by the Executive. We view this provision as relevant to the purpose of strengthening and coordinating actions to combat modern slavery across all parts of society.

Reviews of this legislation

Clause 25 of the bill as introduced proposes that this legislation should be reviewed at least every 5 years, with the first review to be completed no later than 3 years after commencement. Clause 26 would also require periodic reviews of legislation, government policy, and other arrangements related to the regime. We note that this would be very resource intensive and would not guarantee the intended benefits of these reviews.

We recommend amending the bill to require two reviews, rather than creating a perpetual obligation. We propose that the legislation should be reviewed 3 years after the bill's commencement, and again 5 years after that first review is completed. These reviews would include consideration of:

- the operation and effectiveness of the legislation
- whether the needs of victims of modern slavery, and those who are best placed to support them, are being adequately met
- whether any amendments to legislation, government policy, or other arrangements are necessary or desirable
- whether a specialist person or body, such as an independent anti-slavery commissioner, should be appointed or established
- which entities should be subject to liability under the regime, including public bodies

- key proposals identified in clause 26H(2), which we have recommended for removal from the bill at this time but which we consider warrant further consideration.

Other matters considered

A number of proposals were raised during our consideration that may warrant further work and review by future Governments. In the time available to us, we elected to focus our efforts on recommending a workable and complete reporting regime, but we consider there is more work to do on this subject. Most of us expect that the reviews of legislation required under the bill would be an appropriate avenue for the following matters to be further addressed.

Consideration of establishing an anti-slavery commissioner

Submitters shared with us a particular interest in New Zealand establishing an anti-slavery commissioner. They pointed out that the UK and Australian anti-slavery commissioners serve important functions in providing guidance, monitoring compliance, and advocating for victims of modern slavery in their respective jurisdictions. We heard from the Australian Anti-Slavery Commissioner as part of our consideration, and thank him for participating in our process.

We agree that further consideration of establishing a similar function in New Zealand is important. We consider that more work should be done over the 3-year period leading up to the review of the legislation, as further information about the effectiveness of the reporting regime becomes apparent.

Staggered implementation of reporting requirements

We considered options for the threshold for reporting entities, including whether to lower the threshold so more entities are covered by the regime. In considering this, we discussed whether this would be best achieved by progressively lowering the threshold over time. Ultimately, we do not propose amending the threshold revenue amount. However, the option of staggered implementation may warrant consideration in future if, for example, the House were asked to consider lowering the threshold revenue amount to apply to more businesses in future, or if a Government were to propose wider changes to align with evolution in the Australian regime.

Due diligence

We discussed the possibility of New Zealand establishing a comprehensive due diligence regime. This would mean that entities would have to take action, for example to address risks of modern slavery in their operations and supply chains, rather than solely meeting reporting and disclosure obligations.

The bill includes definitions of “due diligence” and “due diligence actions”. It encourages businesses and public sector agencies to undertake due diligence in their operations and supply chains and report on their actions and findings. We encourage all reporting entities and public sector agencies to do this and include this information in their modern slavery statements.

We understand that Australia is considering whether to move from a reporting-based regime, like the one in this bill, to a mandatory due diligence regime. We encourage future Governments to consider this as more information becomes available about other jurisdictions' approaches.

We note that New Zealand businesses wishing to sell their products within the European Union will have to undertake due diligence within their supply chains when the European Union Forced Labour Regulation comes into effect from December 2027.

Overseas businesses beyond New Zealand's jurisdiction

The bill would apply to any business, including an overseas business "carrying on business in New Zealand". This is a term used in section 332 of the Companies Act 1993. Generally, it is considered to mean that a company has some form of physical presence in New Zealand. We note that this regime therefore may not apply to all online retailers that New Zealanders routinely use to purchase products. We are concerned that this may lead to unfair outcomes where New Zealand businesses are held to a higher standard than overseas companies that do not have any physical presence in New Zealand.

We consider that the bill should apply to all businesses that derive revenue from sales originating in New Zealand. We are concerned that there may be no way of holding businesses with no physical presence in New Zealand to account under this regime.

We consider that this matter should be further considered when this legislation is reviewed in future. We also consider that responding to modern slavery in supply chains linked to online retail is likely to require international coordination. It may be that the mechanism to obtain information about any modern slavery in these businesses' supply chains lies elsewhere, outside this regime.

ACT New Zealand differing view

ACT opposes the Modern Slavery Bill.

ACT agrees entirely with the objective of combating modern slavery. Slavery, human trafficking, forced labour, and the exploitation of vulnerable people are abhorrent. The objective of the law should be to identify and support victims and punish offenders.

ACT does not believe that the regulatory framework in this bill will materially advance these objectives.

The bill establishes an extensive reporting regime.

ACT is concerned that the bill risks confusing the production of information about modern slavery with action that actually prevents modern slavery. A business may have no involvement whatsoever in the exploitation of another person and still face significant regulatory obligations and penalties because of how it has complied with the reporting regime.

The requirements are materially substantial.

These obligations will require businesses to devote considerable time and resources to reporting. This might be justified if there was clear evidence that such reporting regimes deliver commensurate reductions in modern slavery. ACT is not persuaded, based on international evidence, that a broad reporting regime will achieve such a result.

Reporting threshold

ACT acknowledges that the select committee has addressed a concern ACT raised at first reading about the reporting threshold. Giving the Minister broad discretion to change the threshold would have been a mistake. The change to ensure that the threshold can only be adjusted in line with the consumers price index is an improvement on the original bill.

However, ACT remains concerned that the statutory threshold will not confine the compliance costs to "big" businesses and will instead place pressure on small businesses as well.

Larger businesses in New Zealand do not operate in isolation. They purchase goods and services from thousands of smaller New Zealand businesses.

The bill specifically requires reporting entities to examine and report on their domestic as well as international supply chains. It requires information about risks and due diligence throughout those supply chains and even requires reporting on training provided to employees of other persons within a reporting entity's supply chain.

The practical consequence is foreseeable. A business with revenue exceeding $100 million will need information from its suppliers in order to satisfy its own obligations. Large businesses are therefore likely to pass those requirements down through their procurement processes and contracts.

A small New Zealand business that is nowhere near the statutory threshold may consequently be asked to complete modern slavery questionnaires, trace the origin of products and materials, provide information about its own suppliers, give contractual assurances, participate in audits or training, establish new internal processes, and regularly provide evidence to a larger customer.

Those requirements may have no statutory force against the small business itself, but they can have very real commercial force. A small supplier may face a choice between absorbing a significant new compliance cost or losing a contract with a major customer.

Penalties

ACT also remains concerned about the severity of the enforcement framework relative to the nature of the obligations being enforced.

ACT has no objection to penalties for deliberate dishonesty.

Our concern is that the bill goes further than punishing deliberate wrongdoing. A reporting entity can also face a pecuniary penalty of up to $600,000 for failing to comply with the statement requirements, without the conduct necessarily amounting to a criminal offence or involving any modern slavery.

This creates a significant risk around what are ultimately complex reporting and compliance obligations. Businesses will be required to collect and assess information across potentially extensive supply chains, and errors, omissions, or failures in that process may expose them to substantial penalties even where there was no intention to mislead and no involvement in modern slavery itself.

While the bill provides protections where an entity has a reasonable excuse or has taken all reasonable steps to comply, ACT considers that the potential penalties remain disproportionate to what may ultimately be a compliance failure.

The broader problem is that the architecture of the bill concentrates enforcement effort on whether businesses have correctly completed statements and processes rather than on prosecuting the people who actually exploit other human beings.

Conclusion

The test for legislation addressing modern slavery should be whether it results in fewer people being exploited, more victims being identified and supported, and more offenders being successfully investigated and prosecuted.

Producing an annual statement is not itself evidence that a victim has been rescued. Completing due diligence documentation is not itself evidence that an offender has been prosecuted. Creating another register is not itself evidence that exploitation has been prevented.

ACT considers that public resources and regulatory effort should be directed as closely as possible towards the people committing these offences, the industries and circumstances in which there is credible evidence of exploitation, and the victims who require assistance.

The bill instead establishes a broad compliance framework affecting major businesses and, indirectly, potentially a very large number of smaller businesses throughout their supply chains.

ACT supports strong action against slavery. We do not believe this bill demonstrates that the substantial regulatory and compliance costs it creates will produce sufficiently meaningful improvements for victims of modern slavery.

Appendix

Committee process

The Modern Slavery Bill was referred to this committee on 29 April 2026. The House instructed us to report the bill back no later than 31 August 2026.

We called for submissions on the bill with a closing date of 28 May 2026. The members in charge of this bill attended a joint hearing with us on 27 May 2026. We received and considered submissions from 347 interested groups and individuals. We heard oral evidence from 69 submitters. We wish to acknowledge the efforts of all submitters and thank them for their engagement.

We also wish to thank the people who made submissions to World Vision and Tearfund to inform those organisations' submissions. Through World Vision, Tearfund, and other advocacy groups, we received a large body of evidence including:

- a submission from World Vision, supported by over 1,500 named individuals
- a submission from World Vision Advocacy Ambassadors, including more than 900 handwritten submissions from children
- a submission from Tearfund, including the views of more than 1,600 people who engaged through Tearfund's process.

Advice on the bill was provided by the Ministry of Business, Innovation and Employment. The Office of the Clerk provided advice on the bill's legislative quality. The Parliamentary Counsel Office assisted with legal drafting.

Committee membership

Katie Nimon (Chairperson)

Hon Ginny Andersen

Carl Bates

Shanan Halbert

Grant McCallum

Dr Parmjeet Parmar

Hon Phil Twyford

Dr Vanessa Weenink

Dr Lawrence Xu-Nan

Camilla Belich, Greg Fleming, and Teanau Tuiono also participated in our consideration of this bill.

Related resources

The documents we received as advice and evidence are available on the Parliament website.

Key to symbols used in reprinted bill

As reported from a select committee

<u>text inserted unanimously</u>

~~text deleted unanimously~~

Camilla Belich and Greg Fleming

Modern Slavery Bill

Member's Bill

Contents

The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Modern Slavery Act **2026**.

2 Commencement

This Act comes into force 6 months after Royal assent.

Part 1
Preliminary provisions

3 Purpose of this Act

(1) The purpose of this Act is to establish a statutory framework that—

(a) reduces the risk of modern slavery ~~incidents~~ occurring by requiring reporting entities ~~(as that term is defined in **section 7**)~~ and certain public sector agencies to report on their due diligence actions ~~to identify, prevent, mitigate, and remediate modern slavery incidents occurring~~

~~within their operations and supply chains, thereby encouraging reporting entities to undertake due diligence~~; and

(aa) encourages due diligence; and

(b) increases public awareness of and support for victims of modern slavery.

~~(2) To this end, the Act—~~

~~(a) provides for annual modern slavery statements from reporting entities to be published on a register:~~

~~(b) creates offences for failing to publish a modern slavery statement or for failing to include the required information in a statement:~~

~~(c) provides for regular reviews of the effectiveness and appropriateness of laws prohibiting modern slavery, the adequacy of government policies, and other arrangements in place to support victims of modern slavery:~~

~~(d) requires consideration to be given to establishing a specialist person or body responsible for promoting and leading work to combat modern slavery, whether an independent commissioner or a commissioner sitting within the Human Rights Commission:~~

~~(e) amends the Public Finance Act 1989 to prevent public money being paid to reporting entities that are listed on the register for having contravened reporting requirements.~~

3A Overview of this Act

(1) In this Act,—

(a) this Part contains the purpose of this Act, definitions, and other preliminary provisions:

(b) in **Part 2**,—

(i) **subpart 1 of Part 2** provides for modern slavery statements by—

(A) providing for the content and form of a modern slavery statement and specifies what information is not required to be included in a modern slavery statement; and

(B) describing how reporting entities are to provide modern slavery statements to the Registrar; and

(C) setting out certain consequences if a reporting entity fails to comply with the requirements for a modern slavery statement; and

(D) providing for the content of a consolidated modern slavery statement for public sector agencies and describing how the Minister is to provide consolidated modern slavery statements to the Registrar:

(ii) **subpart 2 of Part 2**—

(A) establishes a modern slavery statement register; and

(B) provides for information sharing between agencies:

(iii) **subpart 3 of Part 2** provides for the appointment of a Registrar of modern slavery statements and describes the Registrar's functions:

(c) **Part 5** provides for miscellaneous provisions as follows:

(i) **subpart 1 of Part 5** provides for offences and penalties; and

(ii) **subpart 2 of Part 5** contains regulation-making powers; and

(iii) **subpart 3 of Part 5** provides—

(A) for the Minister to provide guidance to members of the public on how to refer concerns about modern slavery to public sector agencies; and

(B) for the Minister to notify the Chief Human Rights Commissioner of the Government's priorities in relation to modern slavery; and

(C) for a broad-based review of this Act; and

(iv) **subpart 4 of Part 5** sets out amendments to other legislation.

(2) This section is only a guide to the general scheme and effect of this Act.

4 Interpretation

In this Act, unless the context otherwise requires,—

accounting period means a 12-month period ending on an entity's or a public sector agency's balance date

authorised person, in relation to a reporting entity, means,—

(a) if the reporting entity is a company, a person occupying the position of a director of the company, by whatever name called; or

(b) in any other case, a person occupying a position that is comparable with that of a director of a company

balance date means,—

(a) in the case of an entity described in **section 4C(1)** that is established, formed or incorporated under, or is affected by, an Act that specifies, refers to, or defines—

(i) a balance date for the entity, that balance date; or

(ii) a financial year for the entity, that last day of the financial year; or

(b) in the case of any other entity described in **section 4C(1)**,—

(i) 31 March; or

(ii) any other date that the directors of the entity adopt as the entity's balance date with the approval of the Commissioner of Inland Revenue; or

(c) in the case of a public sector agency, 30 June

board, in relation to a reporting entity, means,—

(a) if the reporting entity is a company, a board as defined in section 127 of the Companies Act 1993; and

(b) in any other case, the governing body of a reporting entity that is responsible for the decision-making of the reporting entity

Consumers Price Index means the New Zealand Consumers Price Index (All Groups) published by Statistics New Zealand or, if that index ceases to be published, any measure certified by the Government Statistician as being equivalent to that index

control, of an entity by another entity, means control of the entity within the meaning of generally accepted accounting practice

~~**due diligence**, in relation to modern slavery, means the ongoing and systematic process by which an entity identifies, assesses, prevents, mitigates, and accounts for risks of modern slavery incidents within its operations and supply chains, including taking reasonable steps to remediate any adverse impacts on victims that the entity has caused or contributed to~~

due diligence, in relation to modern slavery,—

(a) means the ongoing and systematic process by which a person identifies, assesses, prevents, eliminates, mitigates, addresses, and accounts for the risk of modern slavery within the person's operations and supply chains; and

(b) includes the person taking reasonable steps to remediate any adverse impacts, caused or contributed to by the person, on victims of modern slavery

due diligence actions, in relation to modern slavery, means—

(a) actions taken by a reporting entity or public sector agency to identify, assess, prevent, eliminate, mitigate, address, or account for the risk of modern slavery within its operations and supply chains; and

(b) reasonable steps taken by the reporting entity or public sector agency to remediate any adverse impacts, caused or contributed to by the reporting entity or public sector agency, on victims of modern slavery

~~**entity** includes—~~

~~(a) a company, an overseas company, or any other body corporate:~~

~~(b) a corporation sole:~~

~~(c) a trust, partnership, or an association of persons, whether incorporated or not:~~

~~(d) a society or branch of a society registered or deemed to be registered under the Friendly Societies and Credit Unions Act 1982:~~

~~(e) the Crown, a department, or an Office of Parliament (within the meaning of those terms in section 2(1) of the Public Finance Act 1989) or an organisation named or described in Schedule 4 of that Act:~~

~~(f) a Crown entity (within the meaning of section 7(1) of the Crown Entities Act 2004):~~

~~(g) a local authority (within the meaning of section 5(1) of the Local Government Act 2002~~

entity—

(a) means any of the following:

- (i) a company (as defined in section 2(1) of the Companies Act 1993) or other body corporate:
- (ii) a corporation sole:
- (iii) in the case of a trust that has—
  - (A) only 1 trustee, the trustee acting in their or its capacity as trustee:
  - (B) more than 1 trustee, the trustees acting jointly in their capacity as trustees:
- (iv) an unincorporated body (including a partnership):
- (v) a tertiary education institution (as defined in section 7(1)(e) of the Crown Entities Act 2002):
- (vi) a local authority (as defined in section 5(1) of the Local Government Act 2002); but

(b) does not include a public sector agency

~~**forced or exploitative labour** means—~~

~~(a) work or service which—~~

- ~~(i) is exacted from a person under the threat of harm (including to another person); or~~
- ~~(ii) is provided in circumstances where a person reasonably believes that they or another person are likely to suffer harm if they fail to provide, or offer to provide, the work or service; or~~
- ~~(iii) involves a serious violation of legislation relating to employee rights or health and safety in the workplace; or~~

~~(b) if a person is under the age of 18 years or is mentally or physically ill or disabled, work or service which—~~

- ~~(i) involves any or all of the conduct described in **paragraph (a)**; or~~

(ii) ~~the person is likely to have refused to perform if the person was aged 18 years or over or did not have an illness or a disability; or~~

(iii) ~~by its nature or due to the circumstances in which it is carried out, is likely to harm the health, safety, or morals of the person~~

generally accepted accounting practice has the meaning set out in section 8 of the Financial Reporting Act 2013

modern slavery has the meaning set out in **section 4A** ~~includes conduct that constitutes any of the following:~~

(a) ~~an offence under section 98, 98AA, 98D, or 207A of the Crimes Act 1961:~~

(b) ~~conduct that, had it occurred in New Zealand, would constitute an offence listed in **paragraph (a)**:~~

(c) ~~the worst forms of child labour under Article 3 of the ILO Convention (No. 182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour:~~

(d) ~~trafficking in persons, as defined in Article 3 of the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime, done at New York on 15 November 2000:~~

(e) ~~debt-bondage or serfdom, as those terms are defined in section 98 of the Crimes Act 1961:~~

(f) ~~forced or exploitative labour:~~

(g) ~~servitude:~~

(h) ~~sexual exploitation:~~

(i) ~~slavery~~

modern slavery statement has the meaning set out in **section 4B**

New Zealand entity means—

(a) an entity that is—

(i) established, registered, or incorporated in New Zealand; or

(ii) an unincorporated body in New Zealand; or

(b) an entity that—

(i) is not an entity under **paragraph (a)**; but

(ii) has its central management and control in New Zealand

overseas company has the ~~same~~ meaning ~~as~~ set out in section 2(1) of the Companies Act 1993

overseas jurisdiction means—

(a) a country outside New Zealand or a State, territory, province, or other part of a country outside New Zealand that is prescribed in regulations; but

(b) does not include Australia

public sector agency means any of the following:

(a) a department (as defined in section 2(1) of the Public Finance Act 1989):

(b) a Crown entity (as defined in section 7(1) of the Crown Entities Act 2004) (other than tertiary education institutions):

(c) an organisation named or described in Schedule 4 of the Public Finance Act 1989:

(d) a company named in Schedule 4A of the Public Finance Act 1989:

(e) an Office of Parliament (as defined in section 2(1) of the Public Finance Act 1989):

(f) a parliamentary agency (as defined in section 5 of the Parliament Act 2025):

(g) the Reserve Bank (as defined in section 5(1) of the Reserve Bank of New Zealand Act 2021):

(h) all courts and tribunals:

(i) any other agency or organisation prescribed in regulations

register means the modern slavery statement register established under **section 18**

Registrar means the Registrar of modern slavery statements appointed in accordance with **section 24**

reporting entity has the meaning set out in **section 4C**

reporting period means a 12-month period ending on a reporting entity's or a public sector agency's balance date

revenue means all income classified as revenue by the applicable financial reporting standard (as defined in section 5(1) of the Financial Reporting Act 2013)

servitude has the meaning set out in **section 4A(2)** ~~means the condition of any person who provides labour or services if—~~

~~(a) a reasonable person in the position of that person would not consider themselves to be free—~~

~~(i) to cease providing the labour or services; or~~

~~(ii) to leave the place or area where they provide the labour or services; and~~

~~(b) that person is significantly deprived of personal freedom~~

sexual exploitation has the meaning set out in **section 4A(2)** ~~means—~~

~~(a) conduct that falls under the definition of sexual exploitation in section 98AA of the Crimes Act 1961; or~~

~~(b) conduct that involves an actual or attempted abuse of a person's vulnerability or trust, or abuse of a position of power over a person, for sexual purposes~~

slavery has the meaning set out in **section 4A(2)** ~~means the status or condition of a person who is used as the property of another person and thereby controlled as if owned by that other person.~~

subsidiary, in relation to a reporting entity, means,—

(a) if the reporting entity is a company, a subsidiary as defined in section 5(1) of the Companies Act 1993:

(b) in any other case, any other entity that is controlled by an entity or a reporting entity

threshold revenue amount, in relation to each of an entity's or a public sector agency's 2 preceding accounting periods, means—

(a) revenue of $100 million; or

(b) if a different amount is prescribed in regulations to take into account any rise in the Consumers Price Index, the prescribed amount.

Meanings of key terms

4A Meaning of modern slavery

(1) In this Act, unless the context otherwise requires, **modern slavery** means all or any of the following:

(a) conduct that is an offence under section 98, 98AA, 98D, or 207A of the Crimes Act 1961:

(b) conduct that, had it occurred in New Zealand, would constitute an offence under **paragraph (a)**:

(c) the worst forms of child labour, as defined in Article 3 of the ILO Convention (No 182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, done at Geneva on 17 June 1999:

(d) trafficking in persons, as defined in Article 3 of the Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime, done at New York on 15 November 2000:

(e) forced or exploitative labour or services:

(f) servitude:

(g) sexual exploitation:

(h) slavery.

(2) In this section,—

forced or exploitative labour or services—

(a) has the meaning set out in section 98B of the Crimes Act 1961; and

(b) if a person is under the age of 18 years or mentally or physically ill or disabled, includes work or a service that—

(i) the person is likely to have refused to perform if the person were aged 18 years or older or not mentally or physically ill or disabled; or

(ii) by its nature, or due to the circumstances in which it is carried out, is likely to harm the health, safety, or morals of the person

servitude includes the condition of any person who provides labour or services if—

(a) a reasonable person in the position of the person providing labour or services would not consider themselves to be free—

(i) to stop providing labour or services; or

(ii) to leave the place or area where they provide labour or services; or

(b) the person providing labour or services is significantly deprived of personal freedom

sexual exploitation, in addition to the meaning set out in section 98AA(3) of the Crimes Act 1961, includes conduct that involves actual or attempted abuse of a person's vulnerability or trust, or abuse of a position of power over a person, for sexual purposes

slavery includes the status or condition of a person who is used as the property of another person and is therefore controlled by that other person as if the person were owned by that other person.

4B Meaning of modern slavery statement

In this Act, unless the context otherwise requires, **modern slavery statement** means—

(a) a statement that is provided for the purposes of any of **sections 9 to 12**; or

(b) a consolidated modern slavery statement for public sector agencies that is provided for the purposes of **section 17**.

4C Meaning of reporting entity

(1) In this Act, unless the context otherwise requires, **reporting entity** means—

(a) an entity that—

(i) has, in relation to a reporting period, revenue that meets or exceeds the threshold revenue amount; and

(ii) at any time in a reporting period, is—

(A) a New Zealand entity; or

(B) an overseas company carrying on business in New Zealand; or

(b) an entity—

(i) of a kind described in **subsection (1)(a)(ii)** that does not have, in relation to a reporting period, revenue that meets or exceeds the threshold revenue amount; and

(ii) that has 1 or more subsidiaries that are entities of a kind described in **subsection (1)(a)(ii)** that do not have, in relation to a reporting period, revenue that meets or exceeds the threshold revenue amount; but

(iii) that together with 1 or more of its subsidiaries has, in relation to a reporting period, revenue that meets or exceeds the threshold revenue amount.

(2) In this Act, **reporting entity** also includes an entity that is not a reporting entity under **subsection (1)(a)** but that provides a modern slavery statement under **section 10(3) or 12**.

Other provisions

4D Transitional, savings, and related provisions

The transitional, savings, and related provisions set out in **Schedule 1** have effect according to their terms.

5 Act binds the Crown

This Act binds the Crown.

Part 2
Modern slavery statements

Subpart 1—Modern slavery statements

6 Modern slavery statement: content

(1) A modern slavery statement must—

(a) identify the reporting entity and its subsidiaries (if any); and

(b) state whether the statement relates to—

(i) a reporting entity only; or

(ii) a reporting entity and its subsidiaries; and

(c) describe—

(i) the structure, operations, and supply chains (both domestic and international) of the reporting entity and each of its subsidiaries (if any); and

(ii) any modern slavery that occurred, during a reporting period, within the operations and supply chains of the reporting entity and each of its subsidiaries (if any); and

(iii) any known or anticipated risks of modern slavery occurring, during a reporting period, within the operations and supply chains of the reporting entity and each of its subsidiaries (if any); and

(iv) any due diligence actions taken, during a reporting period, by the reporting entity and each of its subsidiaries (if any); and

(d) provide details of—

(i) the number of complaints made to the reporting entity in relation to modern slavery; and

(ii) any measures taken by the reporting entity—

(A) to investigate the complaints; and

(B) to remediate any modern slavery identified within the reporting entity's operations and supply chains; and

(e) describe—

(i) how the reporting entity assesses the effectiveness of actions taken under **paragraph (c)(iv)** and measures taken under **paragraph (d)(ii)**; and

(ii) how related processes or policies are being continually improved; and

(f) describe any training that the reporting entity provides to the following in relation to identifying modern slavery:

(i) the reporting entity's employees and the employees of any of its subsidiaries:

(ii) the employees of any other person in the reporting entity's supply chains; and

(g) describe any consultation carried out by the reporting entity with the employees described in **paragraph (f)**; and

(h) describe any consultation carried out by the reporting entity with its subsidiaries (if any); and

(i) specify the reporting period to which the modern slavery statement relates.

(2) A reporting entity may, when providing a modern slavery statement to the Registrar, identify any information contained in the statement that the entity considers should not be made publicly available—

(a) because the information is commercially sensitive; or

(b) because disclosure of the information is prohibited under the Privacy Act 2020; or

(c) for any other specified reason.

(3) A reporting entity must, when identifying information under **subsection (2)**, explain why the information should not be made publicly available.

7 Modern slavery statement: form

(1) The chief executive may approve the form of a modern slavery statement required to be provided by a reporting entity under this Act.

(2) If the chief executive approves the form of a modern slavery statement,—

(a) the chief executive must publish the form of the statement on an internet site maintained by or on behalf of the chief executive; and

(b) a reporting entity must provide a modern slavery statement in the approved form.

8 Modern slavery statement: limitations on content and use

(1) A reporting entity is not required to include any information in a modern slavery statement that would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial.

(2) A modern slavery statement provided by a reporting entity is not admissible as evidence in criminal proceedings against the reporting entity or a person acting on behalf of the reporting entity, except in criminal proceedings that concern the falsity of the statement.

Compare: 2013 No 69 s 117

Modern slavery statements provided by reporting entities

9 Modern slavery statements: single reporting entities

(1) This section applies to a reporting entity described in **section 4C(1)**.

(2) The reporting entity must provide a modern slavery statement for a reporting period.

(3) The reporting entity must ensure that the modern slavery statement—

(a) meets the requirements of **section 6**; and

(b) is approved by the reporting entity's board; and

(c) is signed by an authorised person; and

(d) is provided to the Registrar within 6 months after the end of the reporting entity's reporting period.

10 Modern slavery statements: group reporting entities

(1) This section applies to—

(a) a reporting entity described in **section 4C(1)(a)** that has subsidiaries that are reporting entities under **section 4C(1)(a)**; or

(b) an entity that is not a reporting entity under **section 4C(1)(a)** but that has subsidiaries that are reporting entities under **section 4C(1)(a)**.

(2) An entity referred to in **subsection (1)(a)** may provide, for a reporting period, a modern slavery statement for itself and its subsidiaries.

(3) An entity referred to in **subsection (1)(b)** may provide, for a reporting period, a modern slavery statement for its subsidiaries.

(4) An entity that provides a modern slavery statement under **subsection (2) or (3)** must ensure that the statement—

(a) meets the requirements of **section 6**; and

(b) is approved by the entity's board; and

(c) is signed by an authorised person; and

(d) is provided to the Registrar within 6 months after,—

(i) in the case of a reporting entity referred to in **subsection (1)(a)**, the end of the reporting entity's reporting period; or

(ii) in the case of an entity referred to in **subsection (1)(b)**, the end of what would be the entity's reporting period if the entity were a reporting entity.

11 Modern slavery statements: overseas reporting entities

(1) This section applies to a reporting entity described in **section 4C(1)** that is also required to provide, or voluntarily gives, a modern slavery statement or its equivalent for the same reporting period under—

(a) the Modern Slavery Act 2018 (Aust); or

(b) the law of an overseas jurisdiction, as prescribed in regulations.

(2) The reporting entity may, instead of providing a modern slavery statement under this Act, provide to the Registrar—

(a) a modern slavery statement prepared under the Modern Slavery Act 2018 (Aust); or

(b) a modern slavery statement or its equivalent prepared under the law of the overseas jurisdiction.

(3) The reporting entity must ensure that a modern slavery statement or its equivalent is provided within 6 months after the end of the entity's reporting period.

12 Modern slavery statements: voluntary reporting entities

(1) This section applies to an entity that is not a reporting entity under **section 4C(1)**.

(2) The entity may provide a modern slavery statement for a reporting period.

(3) An entity that provides a statement under this section must ensure that the statement—

(a) states that the entity is volunteering to comply with the requirements of this Act; and

(b) meets the requirements of **section 6**; and

(c) is approved by the entity's board; and

(d) is signed by an authorised person.

(4) The entity must provide the modern slavery statement to the Registrar within 6 months after the end of the entity's reporting period.

13 Further information must be provided on Registrar's request

A reporting entity must provide to the Registrar any information requested by the Registrar about—

(a) a modern slavery statement provided by the reporting entity to the Registrar; or

(b) the reporting entity's compliance with this Act.

Failure to comply with modern slavery statement requirements

14 Registrar may request explanation or remedial action for failure to comply

(1) This section applies if the Registrar is satisfied that a reporting entity has failed to comply with a requirement.

(2) The Registrar may ask the reporting entity to do either or both of the following within a specified period:

(a) provide an explanation for the failure to comply:

(b) undertake specified remedial action in relation to the requirement.

(3) The Registrar may extend, or further extend, a period specified in a request by giving written notice to the reporting entity before or after the end of the specified period or extended period.

(4) A request must—

(a) be in writing; and

(b) inform the reporting entity that the specified period may be extended under **subsection (3)**; and

(c) be accompanied by a statement of the effect of **section 15**.

(5) In this section,—

reporting entity does not include a local authority

requirement means—

(a) a requirement to provide a modern slavery statement; or

(b) a requirement referred to in **sections 6(3), 9(3), 10(4), 11(3), and 12(3) and (4)**.

15 Registrar may publish entity's failure to comply

(1) If the Registrar is satisfied that a reporting entity has failed to comply with a request under **section 14(2)**, the Registrar may publish the following information on the register or in any other manner the Registrar considers appropriate:

(a) the name of the reporting entity and any of its subsidiaries:

(b) if the request relates to the reporting entity's failure to comply with **section 10(4)** in relation to a modern slavery statement, the names of the reporting entities covered by the statement:

(c) the date the request was made and details of any extension given under **section 14(3)**:

(d) details of the explanation or remedial action requested, and the period or periods specified in the request:

(e) the reasons why the Registrar is satisfied that the reporting entity has failed to comply with the request.

(2) A reporting entity **fails to comply** with a request if—

(a) it does not give an explanation in response to the request within the period specified in—

(i) a request made under **section 14(2)**; or

(ii) a notice given under **section 14(3)**; or

(b) it does not carry out the remedial action specified by the Registrar within the period specified in—

(i) a request made under **section 14(2)**; or

(ii) a notice given under **section 14(3)**.

(3) The Registrar—

(a) must publish the information on an internet site maintained by or on behalf of the chief executive; and

(b) ensure that information is publicly accessible for 3 years from the date it is published.

16 Review of Registrar's decision to publish information

(1) This section applies if the Registrar decides to publish information relating to a reporting entity under **section 15**.

(2) The reporting entity may, within 20 working days after the Registrar publishes the information, apply to the chief executive for a review of the decision.

(3) The chief executive must review the Registrar's decision and make a decision within 20 working days after receiving the application for review.

(4) The chief executive's decision may—

(a) confirm the Registrar's decision; or

(b) set aside the Registrar's decision.

(5) As soon as practicable after making a decision, the chief executive must give the reporting entity, in writing,—

(a) the decision on the review of the Registrar's decision; and

(b) the reasons for the chief executive's decision.

(6) If the chief executive decides to set aside the Registrar's decision, the Registrar must, as soon as practicable, remove from the register any information relating to the reporting entity that was published under **section 15**.

Consolidated modern slavery statements for public sector agencies

17 Consolidated modern slavery statements: public sector agencies

(1) The Minister must provide to the Registrar, for a reporting period, a consolidated modern slavery statement for public sector agencies that have revenue that meets or exceeds the threshold revenue amount.

(2) A consolidated modern slavery statement must—

(a) identify each public sector agency included in the statement; and

(b) describe—

(i) the structure, operations, and supply chains (both domestic and international) of each public sector agency; and

(ii) any modern slavery that occurred, during a reporting period, within the operations and supply chains of each public sector agency; and

(iii) any known or anticipated risks of modern slavery occurring, during a reporting period, within the operations and supply chains of each public sector agency; and

(iv) any due diligence actions taken, during a reporting period, by each public sector agency; and

(c) provide details of—

(i) the number of complaints made to each public sector agency in relation to modern slavery; and

(ii) any measures taken by each public sector agency—

(A) to investigate the complaints; and

(B) to remediate any modern slavery identified within the public sector agency's operations and supply chains; and

(d) describe—

(i) how each public sector agency assesses the effectiveness of actions taken under **paragraph (b)(iv)** and measures taken under **paragraph (c)(ii)**; and

(ii) how related processes or policies are being continually improved; and

(e) describe any training that each public sector agency provides to the following in relation to identifying modern slavery:

(i) the public sector agency's employees:

(ii) the employees of any other person in the public sector agency's supply chains; and

(f) describe any consultation carried out by each public sector agency with the employees described in **paragraph (e)**; and

(g) specify the reporting period to which the consolidated modern slavery statement relates; and

(h) be provided to the Registrar within 6 months after the end of the reporting period for public sector agencies.

(3) The Minister may, when providing a consolidated modern slavery statement to the Registrar, identify any information contained in the statement that the Minister considers should not be made publicly available—

(a) because the information is commercially sensitive; or

(b) because disclosure of the information is prohibited under the Privacy Act 2020; or

(c) for any other specified reason.

(4) The Minister must, when identifying information under **subsection (3)**, explain why it should not be made publicly available.

(5) The Minister is not required to include any information in a consolidated modern slavery statement that would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial.

(6) As soon as practicable after the Registrar publishes a consolidated modern slavery statement on the register, the Minister must present the published statement to the House of Representatives.

Subpart 2—Modern slavery statement register

18 Modern slavery statement register established

A register called the modern slavery statement register is established.

19 Purpose of register

The purpose of the modern slavery statement register is to provide public access to modern slavery statements.

20 Contents of register

The register must contain the following information:

(a) the name of a reporting entity and its subsidiaries (if any):

(b) copies of modern slavery statements provided to the Registrar under—

(i) **section 9**:

(ii) **section 10**:

(iii) **section 11**:

(iv) **section 12**:

(c) copies of consolidated modern slavery statements for public sector agencies provided to the Register under **section 17**:

(d) any information that the Registrar considers appropriate to publish on the register for the purposes of **section 15**:

(e) any other information that the Registrar considers necessary for the purpose of the register.

21 Operation of and access to register

(1) The register must be operated at all times unless—

(a) the Registrar suspends the operation of the register, in whole or in part, under **subsection (2)**; or

(b) otherwise provided in regulations.

(2) The Registrar may—

(a) refuse access to the register or otherwise suspend the operation of the register, in whole or in part, if the Registrar considers that it is not practicable to provide access to the register:

(b) decline to make information contained in a modern slavery statement publicly available if the Registrar considers its publication to be inappropriate (for example, for a reason notified under **section 6(2) or 17(3)**).

22 Registrar must update register

The Registrar must update the register if they become aware that there is a change or an error in the information on the register.

Sharing information with other agencies

23 Sharing information with other agencies

(1) Subject to any enactment,—

(a) the chief executive may provide an agency referred to in **subsection (2)** with any information, or a copy of any document, that the chief executive—

(i) holds in relation to the performance or exercise of the chief executive's functions, duties, or powers under this Act; and

(ii) considers may assist the agency in the performance or exercise of the agency's functions, duties, or powers under any legislation; and

(b) an agency referred to in **subsection (2)** may provide the chief executive with any information, or a copy of any document, that it—

(i) holds in relation to the performance or exercise of its functions, duties, or powers under or in relation to any legislation; and

(ii) considers may assist the Minister or the chief executive in the performance or exercise of their functions, duties, or powers under this Act.

(2) The agencies are the following:

(a) the Ministry of Business, Innovation, and Employment:

(b) the Ministry of Foreign Affairs and Trade:

(c) the New Zealand Customs Service:

(d) the New Zealand Police:

(e) any other agency in New Zealand that holds or requires information that relates to activities to which this Act applies.

(3) If any information or document is provided under **subsection (1)**, the chief executive or the agency (as applicable) may impose conditions relating to the provision of any information or document, including conditions relating to—

(a) the storage and use of, or access to, anything provided; and

(b) the copying, returning, or disposing of anything provided.

(4) An agency referred to in **subsection (2)** must not disclose any information (including information contained in a copy of a document) provided to it under this section to any other person or organisation unless—

(a) the disclosure is for the purposes of, or in connection with, the performance or exercise of any function, duty, or power conferred or imposed on the agency by a specified Act; or

(b) the information is publicly available; or

(c) the disclosure is with the consent of the person to whom the information relates, or to whom the information is confidential; or

(d) the disclosure is in connection with proceedings, or any investigation or inquiry for proceedings, for an offence against this Act or any other enactment; or

(e) disclosure is required by another enactment; or

(f) disclosure is required by a court of competent jurisdiction.

(5) Nothing in this section limits the Privacy Act 2020.

(6) This section applies despite anything to the contrary in any contract, deed, or document.

Subpart 3—Registrar of modern slavery statements

24 Registrar of modern slavery statements

(1) The chief executive must appoint, under the Public Service Act 2020, a Registrar of modern slavery statements.

(2) The Registrar must be an employee of the Ministry, and the Registrar's appointment may be held separately or in conjunction with any other office in the Ministry.

25 Registrar's functions

The functions of the Registrar are, in accordance with this Act and any regulations made under this Act, to—

(a) maintain the modern slavery statement register; and

(b) regularly update the register with modern slavery statements provided to the Registrar; and

(b) publish information referred to in **section 15** on the register or in any other manner the Registrar considers appropriate; and

(c) issue guidance or other documents—

 (i) to facilitate the operation of the register; or

 (ii) to assist compliance with, or enforcement of, this Act; or

 (iii) for any other purpose under this Act.

~~Part 2~~
~~Reporting obligations~~

~~Subpart 1—Interpretation of Part~~

6 ~~Interpretation~~

~~In this Part, unless the context otherwise requires,—~~

~~**authorised person**, in relation to a reporting entity, means,—~~

~~(a) if the reporting entity is a company, any person occupying the position of a director of the company by whatever name called; or~~

~~(b) in any other case, a person occupying a position that is comparable with that of a director of a company~~

~~**consolidated revenue** of an entity means—~~

~~(a) the total revenue of the entity; or~~

~~(b) if the entity controls another entity or entities, the total revenue of the entity and all of the controlled entities considered together~~

~~**control** of an entity by another entity means control of the entity within the meaning of generally accepted accounting practice~~

~~**financial year** has the meaning given in section 2(1) of the Public Finance Act 1989~~

~~**generally accepted accounting practice** has the same meaning as in section 8 of the Financial Reporting Act 2013~~

~~**government agency** means any of the following:~~

~~(a) a public service agency as defined in section 10(a) of the Public Service Act 2020:~~

~~(b) a Crown entity specified in Schedule 4 or 4A of the Public Finance Act 1989:~~

~~(c) the New Zealand Police:~~

~~(d) the New Zealand Defence Force~~

~~**modern slavery incident** means an event or occurrence involving modern slavery within an entity's operations or supply chains~~

~~**modern slavery statement** means a statement prepared for the purposes of **section 8**~~

~~**New Zealand entity** means an entity that—~~

~~(a) is established under New Zealand law; or~~

~~(b) has its central management and control in New Zealand~~

~~**register** means the modern slavery statement register established and maintained under **section 11**~~

~~**Registrar** means the Registrar appointed under **section 12**~~

~~**reporting entity** has the meaning given in **section 7**~~

~~**reporting period**,—~~

~~(a) in relation to a government agency, means a period of 12 months starting on 1 July and ending on 30 June; and~~

~~(b) in relation to any other entity, means a period of 12 months starting on 1 April and ending on 31 March~~

~~**threshold revenue amount** means—~~

~~(a) consolidated revenue of more than $100,000,000 in a reporting period; but~~

~~(b) if a different amount is prescribed for the threshold revenue in regulations made under **section 24** , that prescribed amount~~

~~**total revenue** means all income classified as revenue by the applicable financial reporting standard (within the meaning of section 5(1) of the Financial Reporting Act 2013).~~

~~7 Meaning of reporting entity~~

~~(1) A **reporting entity**, for the purposes of this Part, is an entity that has a consolidated revenue in a reporting period that meets or exceeds the threshold revenue amount, and at any time in the reporting period the entity was—~~

~~(a) a New Zealand entity; or~~

~~(b) an overseas company that carried on business in New Zealand.~~

~~(2) The following entities are also reporting entities:~~

~~(a) an entity that controls, directly or indirectly, an entity that meets the criteria outlined in **subsection (1)**:~~

~~(b) a prescribed entity.~~

~~Subpart 2—Modern slavery statements~~

~~8 Reporting entity to prepare modern slavery statement~~

~~(1) A reporting entity must—~~

~~(a) prepare a modern slavery statement that complies with **section 9** in respect of each reporting period; and~~

~~(b) submit a copy of the modern slavery statement to the Registrar no later than 6 months after the end of the reporting period to which it relates.~~

~~(2) A reporting entity that contravenes **subsection (1)** commits an offence under **section 16** or is liable to a pecuniary penalty under **section 18**.~~

~~(3) **Subsection (2)** does not apply to a reporting entity that is a government agency.~~

~~9 Contents of modern slavery statement~~

~~(1) A modern slavery statement must be in the prescribed form (if any) and be signed by an authorised person.~~

~~(2) A modern slavery statement must include the following information:~~

~~(a) the name of the reporting entity to which it relates and a description of the structure, operations, and supply chains of the reporting entity (both domestic and international), including any entities owned or controlled by the reporting entity:~~

~~(b) a description of any modern slavery incident that has occurred within the operations and supply chains of the reporting entity and any entities owned or controlled by the reporting entity:~~

~~(c) a description of any known or anticipated risks of modern slavery occurring within the operations and supply chains of the reporting entity and any entities owned or controlled by the reporting entity:~~

~~(d) a description of the actions taken by the reporting entity, and any entity that the reporting entity owns or controls, to assess, prevent, address, mitigate, and remediate modern slavery and risks of modern slavery occurring, including due diligence and remediation processes:~~

~~(e) details of—~~

~~(i) the number of complaints made to the reporting entity in relation to modern slavery; and~~

~~(ii) any measures taken to investigate such complaints and to provide remediation for any incidents of modern slavery identified within the operations and supply chains of the reporting entity:~~

~~(f) a description of how the reporting entity assesses the effectiveness of actions taken under **paragraphs (d) and (e)**, and how any related processes or policies are being continually improved:~~

~~(g) a description of any training that the reporting entity provides to the following in relation to identifying modern slavery:~~

~~(i) the entity's employees, including the employees of any entities owned or controlled by the reporting entity; and~~

~~(ii) the employees of any other entity that is in the reporting entity's supply chain:~~

~~(h) a description of any consultation undertaken by the reporting entity with the individuals listed in **paragraph (g)(i) and (ii)**:~~

~~(i) any prescribed information.~~

~~10 Reporting entity must publish modern slavery statements~~

~~(1) A reporting entity must publish a copy of each of its modern slavery statements by making them available for public inspection, free of charge, on an internet site maintained by the entity.~~

~~(2) The version of the modern slavery statement published by the reporting entity must—~~

~~(a) be identical to the version submitted to the Registrar; and~~

~~(b) remain on the website until it is replaced by the following year's statement.~~

~~(3) A reporting entity that contravenes **subsection (1) or (2)** commits an offence under **section 16** or is liable to a pecuniary penalty under **section 18**.~~

~~(4) **Subsection (3)** does not apply to a reporting entity that is a government agency.~~

~~Subpart 3—Modern slavery statement register~~

~~11 Modern slavery statement register~~

~~(1) A register called the modern slavery statement register is established.~~

~~(2) The register must be an electronic register.~~

~~(3) The register must—~~

~~(a) allow for the submission of modern slavery statements through an online portal; and~~

~~(b) be freely available to view; and~~

~~(c) provide the option to download modern slavery statements in full.~~

~~(4) The register must be operated at all times unless—~~

~~(a) the Registrar suspends the operation of the register, in whole or in part, under **subsection (5)**; or~~

~~(b) otherwise provided in regulations.~~

~~(5) The Registrar may refuse access to the register or otherwise suspend the operation of the register, in whole or in part, if the Registrar considers that it is not practical to provide access to the register.~~

~~12 Registrar of modern slavery statements~~

~~(1) The chief executive of the department must appoint an employee of the department to be the Registrar of modern slavery statements.~~

~~(2) The appointment may be held separately or in conjunction with any other office in the department.~~

~~13 Functions of Registrar~~

~~The functions of the Registrar are to—~~

~~(a) facilitate the submission of modern slavery statements, including by providing an optional template to assist reporting entities in preparing and submitting their modern slavery statement:~~

~~(b) regularly update the register with all submitted modern slavery statements:~~

~~(c) issue guidance to facilitate compliance with reporting obligations under this Part:~~

~~(d) prepare and publish modern slavery reports in accordance with **sections 14 and 15**.~~

~~*Modern slavery reports*~~

~~14 Modern slavery reports~~

~~(1) The Registrar must, as soon as reasonably practicable after each financial year, prepare a modern slavery report in respect of that financial year.~~

~~(2) The report under **subsection (1)** must include details, collated from the modern slavery statements submitted to the Registrar in the relevant financial year, of—~~

~~(a) every incident of modern slavery that has occurred; and~~

~~(b) any known or anticipated risks of modern slavery occurring within the operations and supply chains of a reporting entity that the Registrar considers should be included in the report; and~~

~~(c) aggregated compliance statistics with identification of any sector-specific risk patterns.~~

~~15 Publication and presentation requirements~~

~~(1) As soon as practicable after a report is prepared in accordance with **section 14**, the Registrar must—~~

~~(a) give a copy of the report to the Minister; and~~

~~(b) publish the report on an internet site maintained by or on behalf of the department.~~

~~(2) As soon as practicable after receiving a report under **subsection (1)**, the Minister must present a copy of that report to the House of Representatives.~~

~~Subpart 4—Offences~~

~~16 Offences~~

~~(1) A reporting entity that fails to comply with **section 8(1) or section 10(1) or (2)** commits an offence and is liable on conviction to a fine not exceeding $200,000.~~

~~(2) Every person that knowingly makes a false or misleading statement or knowingly provides false or misleading information in a modern slavery statement commits an offence and is liable on conviction to a fine not exceeding $200,000.~~

~~17 Liability of directors or other persons involved in the management of reporting entities~~

~~If a reporting entity is convicted of an offence against this Act, a director of the reporting entity (if any) or a person involved in the management of the reporting entity is guilty of the same offence if it is proved—~~

~~(a) that the act or omission that constituted the offence took place with the director or person's authority, permission, or consent; or~~

~~(b) that the director or person knew, or could reasonably be expected to have known, that the offence was to be or was being committed and failed to take all reasonable steps to prevent or stop it.~~

~~18 Pecuniary penalties~~

~~(1) The High Court may, on an application by the chief executive of the department, order a reporting entity that is not a government agency to pay a pecuniary penalty to the Crown if the court is satisfied that the reporting entity has contravened **section 8(1) or section 10(1) or (2)**.~~

~~(2) The maximum amount of the pecuniary penalty for a contravention of **section 8(1) or section 10(1) or (2)** is $600,000.~~

~~(3) In determining whether to make an order, and the amount of any pecuniary penalty to be paid, the court must have regard to the following matters:~~

- ~~(a) the extent to which the reporting entity's conduct undermines the purpose of this Act:~~
- ~~(b) whether the reporting entity's conduct was intentional or reckless:~~
- ~~(c) the circumstances of the reporting entity's conduct:~~
- ~~(d) whether the reporting entity has previously engaged in similar conduct:~~
- ~~(e) any other matters the court considers relevant.~~

~~(4) A proceeding under this section is a civil proceeding and the usual rules of court and rules of evidence and procedure for a civil proceeding apply (including the standard of proof).~~

~~(5) If the court orders a reporting entity to pay a pecuniary penalty, the court must also order that the penalty be applied first to pay the department's actual costs in making and continuing the department's application for an order.~~

~~Subpart 5—Reporting and publication of convictions and pecuniary penalty orders~~

~~19 Mandatory reporting of convictions and penalty orders~~

~~(1) If a reporting entity is convicted of an offence under **section 16** or is the subject of a pecuniary penalty order made under **section 18**, the registrar of the relevant court must, within 7 days of the conviction or order being made, report the conviction or order to the Registrar.~~

~~(2) If a court registrar has reported a conviction or order to the Registrar under **subsection (1)**, then, if that conviction or order is subsequently quashed, the registrar must promptly notify the Registrar of that fact.~~

~~20 Publication of conviction or pecuniary penalty details on register~~

~~(1) On receiving a report under **section 19**, the Registrar must publish the following information in a dedicated section of the register:~~

~~(a) the name of the reporting entity convicted or subject to an order; and~~

~~(b) a description of the offence or contravention that led to the order; and~~

~~(c) the penalty imposed.~~

~~(2) The published information must remain accessible on the register for a period of 3 years.~~

~~Part 3~~
~~Minister's report, guidance, and direction to Chief Human Rights Commissioner~~

~~21 Minister to report annually on modern slavery matters~~

~~(1) The Minister must monitor compliance with this Act and report, on an annual basis, on progress towards combatting modern slavery.~~

~~(2) A report produced under **subsection (1)** must include the following information in respect of the relevant year:~~

~~(a) the number of referrals of suspected victims of modern slavery to government agencies:~~

~~(b) the number of criminal investigations initiated in relation to modern slavery incidents:~~

~~(c) the number of prosecutions for modern slavery offences and their outcomes:~~

~~(d) the number of individuals certified as victims of trafficking by the New Zealand Police:~~

~~(e) the number of victims of trafficking who were granted any or all of the following:~~

~~(i) publicly funded health services:~~

~~(ii) welfare assistance:~~

~~(iii) immigration support, including any of the following:~~

~~(A) a special work visa for victims of trafficking:~~

~~(B) a residence category visa for victims of trafficking:~~

~~(C) a child victim of trafficking visa.~~

~~(3) The Minister must present the report to the House of Representatives as soon as practicable after it has been completed.~~

~~22 Minister to publish guidance on responding to modern slavery~~

~~(1) The Minister must issue guidance on—~~

~~(a) how members of the public may make referrals to government agencies in relation to concerns regarding suspected modern slavery incidents; and~~

~~(b) appropriate processes for government agencies to follow in response to referrals; and~~

~~(c) the services and assistance that victims of modern slavery may be able to access.~~

~~(2) Guidance issued under **subsection (1)** must be published on an internet site maintained by or on behalf of the department.~~

~~23 Minister may direct Chief Human Rights Commissioner to designate modern slavery as priority area~~

~~(1) The Minister may direct the Chief Human Rights Commissioner to designate modern slavery as a priority area under section 8(1B) of the Human Rights Act 1993.~~

~~(2) The Chief Human Rights Commissioner must give effect to a direction under **subsection (1)** and must, accordingly, appoint a Human Rights Commissioner to lead the work of the Commission on modern slavery.~~

~~(3) Before giving a direction under **subsection (1)**, the Minister must consult with the Minister of Justice and the Chief Human Rights Commissioner.~~

~~(4) This section applies despite anything to the contrary in the Crown Entities Act or the Human Rights Act 1993.~~

~~Part 4~~
~~Miscellaneous~~

~~Regulations~~

~~24 Regulations~~

~~(1) The Governor-General may, by Order in Council, on the recommendation of the Minister, make regulations for all or any of the following purposes:~~

~~(a) providing for anything this Act says may or must be provided for by regulations:~~

~~(b) prescribing forms to assist reporting entities to meet their reporting requirements under **Part 2**:~~

~~(c) prescribing an applicable threshold revenue amount:~~

~~(d) prescribing entities to be reporting entities under **section 7(2)(b)**:~~

~~(e) prescribing the information that must be included in a modern slavery statement:~~

~~(f) providing for anything incidental that is necessary for carrying out, or giving full effect to, this Act.~~

~~(2) Before recommending regulations be made under **subclause (1)(c)**, the Minister must take into account—~~

~~(a) the level of risk of modern slavery incidents occurring within the operations and supply chains of an entity; and~~

~~(b) the extent to which that risk may be increased by economic or commercial developments both domestically and internationally.~~

~~(3) Regulations made under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).~~

~~*Review of Act*~~

~~25 Review of Act~~

~~(1) The Minister must, at least once every 5 years, review the operation and effectiveness of this Act.~~

~~(2) The first review must be completed no later than 3 years after the commencement of this Act.~~

~~(3) The Minister must ensure that during the review there is opportunity for public consultation, including with appropriate people and organisations.~~

~~(4) The Minister must prepare a report of the review and present it to the House of Representatives as soon as practicable after it has been completed.~~

~~*Periodic review of legislation, government policy, and other arrangements*~~

~~26 Periodic review of legislation, government policy, and other arrangements~~

~~The Minister must, as soon as is practicable after the expiry of 3 years beginning on the commencement of this Act, and then at intervals of not more than 3 years, report to the House of Representatives on the following matters:~~

~~(a) whether existing legislation, government policy, and other arrangements ensure that—~~

~~(i) the needs of victims of modern slavery are adequately met; and~~

~~(ii) persons best placed to identify and provide assistance to victims of modern slavery (such as police officers, social workers, and employees of relevant government agencies and non-government entities) are adequately supported to do so:~~

~~(b) whether any amendments to legislation, government policy, or other arrangements are necessary or desirable:~~

~~(c) if the Minister has not issued a direction under **section 23**, whether a specialist person or body, such as an independent Anti-Slavery Commissioner, ought to be established or appointed for the purposes of—~~

~~(i) promoting good practice in the prevention, detection, investigation, and prosecution of modern slavery:~~

~~(ii) advocating for the rights of victims of modern slavery:~~

(iii) ~~monitoring government compliance with New Zealand's relevant international obligations:~~

(iv) ~~identifying, assessing, and declaring high-risk industries, products, or regions for the purposes of recommending targeted guidance and enhanced due diligence requirements for reporting entities.~~

Part 5
~~Amendments to Public Finance Act 1989~~ Miscellaneous provisions

Subpart 1—Offences and penalties

26A False or misleading statement or information

(1) An individual commits an offence if they include in a modern slavery statement provided under **section 9, 10, 11, or 12** a statement or information knowing that the statement or information is false or misleading in a material particular.

(2) This section does not apply to an individual acting on behalf of a local authority.

(3) An individual who commits an offence under this section is liable on conviction to a fine not exceeding $200,000.

26B Liability of directors or senior managers

(1) A director or senior manager of a reporting entity commits an offence if—

(a) a court finds that the reporting entity has contravened any of **section 9, 10, 11, or 12** in a material particular; and

(b) the court is satisfied that the director or senior manager knew or should have known that the contravention would occur; and

(c) either—

(i) the act or omission that constituted the contravention occurred with the director or senior manager's consent; or

(ii) the director or senior manager failed to take reasonable steps to ensure that the contravention did not occur.

(2) This section does not apply to a director or senior manager acting on behalf of a local authority.

(3) An individual who commits an offence under this section is liable on conviction to a fine not exceeding $200,000.

(4) In this section, **senior manager** has the meaning set out in section 6(1) of the Financial Markets Conduct Act 2013.

26C Pecuniary penalties

(1) The High Court may, on an application by the chief executive, order a reporting entity to pay a pecuniary penalty to the Crown if the court is satisfied that the reporting entity, without reasonable excuse, has contravened any of the following:

(a) **section 9**:

(b) **section 10**:

(c) **section 11**:

(d) **section 12**.

(2) This section does not apply if the reporting entity is a local authority.

(3) In determining whether to make an order, and the amount of any pecuniary penalty to be paid, the High Court must have regard to the following matters:

(a) the extent to which the reporting entity's conduct undermines the purpose of this Act:

(b) whether the reporting entity's conduct was intentional or reckless:

(c) the circumstances of the reporting entity's conduct:

(d) whether the reporting entity has previously engaged in similar conduct:

(e) any other matters the court considers relevant.

(4) The amount of any pecuniary penalty must not, in respect of each act or omission, exceed $600,000.

(5) Proceedings may be brought against the reporting entity in relation to the contravention of 1 or more provisions, but no reporting entity is liable to more than 1 pecuniary penalty for the same conduct.

(6) If the High Court orders a reporting entity to pay a pecuniary penalty, the High Court must also order that the penalty be applied first to pay the Ministry's actual costs in making and continuing the Ministry's application for an order.

(7) In any proceedings against a reporting entity under this section, it is a defence if the reporting entity took all reasonable steps to comply with the provisions referred to in **subsection (1)**.

26D Rules of civil procedure and civil standard of proof apply to civil liability

Proceedings under **section 26C** are civil proceedings and the usual rules of court and rules of evidence and procedure for a civil proceeding apply (including the standard of proof).

Subpart 2—Regulations

26E Regulations

(1) The Governor-General may, by Order in Council, in accordance with a recommendation of the Minister, make regulations for all or any of the following purposes:

(a) providing for anything this Act says may or must be provided for by regulations:

(b) providing for anything incidental that is necessary for carrying out, or giving full effect to, this Act.

(2) Regulations made under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Subpart 3—Other miscellaneous provisions

26F Minister must provide guidance on responding to modern slavery

(1) The Minister must provide guidance on the following:

(a) how members of the public may refer concerns about modern slavery to the public service:

(b) appropriate processes for the public service to follow in response to referrals made under **paragraph (a)**:

(c) the services and assistance that victims of modern slavery may be able to access.

(2) The chief executive must publish the guidance on an internet site maintained by or on behalf of the chief executive.

26G Minister may notify Chief Human Rights Commissioner of Government's priorities

(1) The Minister may notify the Chief Human Rights Commissioner of the Government's priorities in relation to modern slavery.

(2) The Chief Human Rights Commissioner should have regard to any notification when determining the Human Rights Commission's priorities and work programme.

(3) However, in accordance with the Crown Entities Act 2004 and the Human Rights Act 1993, the Chief Human Rights Commissioner is not required to designate any area as a priority for the Human Rights Commission.

26H Review of Act

(1) The Minister must, as soon as practicable after the expiry of 3 years from the commencement of this Act,—

(a) undertake a review of the operation and effectiveness of the Act; and

(b) as a part of the review, consider the matters set out in **subsection (2)**.

(2) The Minister must consider the following:

(a) whether existing legislation, Government policy, and other arrangements ensure that—

(i) the needs of victims of modern slavery are adequately met; and

(ii) persons (such as police officers, social workers, and employees of relevant government agencies and non-government entities) who are best placed to identify and provide assistance to victims of modern slavery have enough support to do so:

(b) whether a specialist person or body, such as an independent Anti-slavery Commissioner, should be appointed or established for the purpose of—

(i) promoting good practice in the prevention, detection, investigation, and prosecution of modern slavery:

(ii) advocating for the rights of victims of modern slavery:

(iii) monitoring government compliance with New Zealand's relevant international obligations:

(iv) identifying, assessing, and declaring high-risk industries, products, or regions for the purpose of recommending targeted guidance and enhanced due diligence requirements for reporting entities:

(c) whether public sector agencies should have the same obligations under this Act, and be subject to the same liability for any failure to comply with an obligation, as other reporting entities:

(d) whether local authorities, as defined in section 5(1) of the Local Government Act 2002, should be subject to the same liability as other reporting entities for any failure to comply with an obligation under this Act:

(e) whether reporting entities should be required to publish a copy of their modern slavery statements on an internet site maintained by them or on their behalf:

(f) whether the Registrar should be required to—

(i) prepare and publish a modern slavery report each financial year; and

(ii) include in the report, for the relevant financial year,—

(A) details of modern slavery that has occurred:

(B) known or anticipated risks of modern slavery occurring within the operations and supply chains of reporting entities:

(C) aggregated compliance statistics including identification of any sector-specific risk patterns; and

(iii) give a copy of the report to the Minister to present to the House of Representatives:

(g) whether the Minister should be required to—

(i) monitor compliance with this Act and report annually on progress made towards combating modern slavery; and

(ii) present annual reports to the House of Representatives:

(h) whether details of any conviction or pecuniary penalty order under this Act relating to a modern slavery statement of a reporting entity should be—

(i) notified to the Registrar by the court; and

(ii) published on the register:

(i) whether the Public Finance Act 1989 should be amended to prohibit the Crown and any other person from paying any money to a reporting entity whose modern slavery statement has been the subject of a conviction or a pecuniary penalty order under this Act:

(j) whether any other amendments to this Act, amendments to other legislation, or changes to Government policy or other arrangements are necessary or desirable.

(3) The Minister must, during the review, undertake public consultation on the operation and effectiveness of this Act and the matters set out in **subsection (2)**, including consultation with people and organisations that the Minister thinks are appropriate.

(4) The Minister must prepare a report on the review and consideration of the matters set out in **subsection (2)**, including any recommendations for change necessary to this Act to improve its operation and effectiveness.

(5) The Minister must present the report to the House of Representatives as soon as practicable after it has been completed.

(6) The Minister must,—

(a) as soon as practicable after the expiry of 5 years after completing the review, undertake a further review of the operation and effectiveness of this Act; and

(b) as a part of the further review, consider the matters set out in **subsection (2)**; and

(c) meet the requirements of **subsections (3) to (5)** in relation to the further review.

~~27 Principal Act~~

~~This Part amends the Public Finance Act 1989.~~

~~28 New section 73A inserted (No payment to entities that have contravened Modern Slavery Act **2026**)~~

~~After section 73, insert:~~

~~73A No payment to entities that have contravened Modern Slavery Act **2026**~~

~~(1) Except as expressly authorised by any Act, the Crown must not pay money (directly or indirectly) to an entity that has been convicted of an offence against, or in respect of which a pecuniary penalty has been imposed for contravention of, **section 8(1) or section 10(1) or (2)** of the Modern Slavery Act **2026**.~~

~~(2) The Crown must take all reasonable precautions and exercise due diligence to avoid acting contrary to **subsection (1)**.~~

~~29 Section 76 amended (Offences)~~

~~After section 76(2)(b), insert:~~

~~(ba) pays or makes available, or causes to be paid or made available, directly or indirectly, without reasonable excuse, any money, either to, or for the benefit of, an entity, knowing that the entity has been convicted of an offence against, or in respect of which a pecuniary penalty has been imposed for contravention of, **section 8(1) or section 10(1) or (2)** of the Modern Slavery Act **2026**; or~~

Subpart 4—Amendments to other legislation

Amendment to Fair Trading Act 1986

30 Principal Act

Section 31 amends the Fair Trading Act 1986.

31 New sections 48U and 48V inserted

After section 48T, insert:

48U Certain conduct under Modern Slavery Act **2026** does not contravene various provisions of this Act

Conduct that contravenes **section 26A** of the Modern Slavery Act **2026** does not contravene section 13 of this Act.

48V Unsubstantiated representations prohibition does not apply to modern slavery statements

Sections 12A to 12D of this Act do not apply to any representations made in a modern slavery statement provided under the Modern Slavery Act **2026**.

Amendment to Tax Administration Act 1994

32 Principal Act

Section 33 amends the Tax Administration Act 1994.

33 Schedule 7 amended

In Schedule 7, Part C, subpart 1, after clause 25B, insert:

25C Department responsible for Modern Slavery Act 2026: modern slavery purposes

Section 18 does not prevent the Commissioner from disclosing to the chief executive of the department responsible for the Modern Slavery Act **2026** information that the Commissioner considers is not undesirable to disclose and is reasonably necessary for the purpose of enabling the chief executive to perform or exercise their functions, duties, and powers under that Act.

Schedule 1
Transitional, savings, and related provisions

s 4D

Part 1
Provisions relating to this Act as enacted

1 First modern slavery statement

(1) A reporting entity must provide its first modern slavery statement under **section 9** in relation to the reporting entity's first reporting period.

(2) The first modern slavery statement that may be provided by a reporting entity or an entity under **section 10** is a modern slavery statement in relation to the first reporting period of the reporting entity or the entity.

(3) The first modern slavery statement that may be provided by a reporting entity under **section 11** is a modern slavery statement in relation to the reporting entity's first reporting period.

(4) The first modern slavery statement that may be provided by an entity under **section 12** is a modern slavery statement in relation to the entity's first reporting period.

(5) The Minister must provide the Minister's first consolidated modern slavery statement for public sector agencies under **section 17** in relation to the public sector agencies' first reporting period.

(6) In this clause, **first reporting period**, in relation to a reporting entity, an entity, or the Minister in relation to a consolidated modern slavery statement for public sector agencies, means the first reporting period for the reporting entity, the entity, or the public sector agencies that begins after this Act comes into force.

Legislative history

10 February 2026	Introduction (Bill 242–1)
29 April 2026	First reading and referral to Education and Workforce Committee

Wellington, New Zealand:

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