



## COVERSHEET

<b>Minister</b>	Hon Michael Wood	<b>Portfolio</b>	Workplace Relations and Safety
<b>Title of Cabinet paper</b>	Government Response to the Report of the Petitions Committee on the Petition of Trade Aid and World Vision New Zealand: Take Action against Modern Slavery	<b>Date to be published</b>	19 July 2022

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
May 2022	Government Response to the Report of the Petitions Committee on the Petition of Trade Aid and World Vision New Zealand: Take Action against Modern Slavery	Office of the Minister of Workplace Relations and Safety
5 May 2022	Government Response to the Report of the Petitions Committee on the Petition of Trade Aid and World Vision New Zealand: Take Action against Modern Slavery LEG-22-MIN-0054 Minute	Cabinet Office

### Information redacted

**YES / NO** [select one]

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In Confidence

Office of the Minister for Workplace Relations and Safety  
Chair, Cabinet Legislation Committee

## **Government Response to the Report of the Petitions Committee on the Petition of Trade Aid and World Vision New Zealand: Take Action against Modern Slavery**

### **Proposal**

- 1 This paper seeks approval of the Government's response (the Response) to the Petitions Committee report on the petition of Trade Aid and World Vision New Zealand: Take Action against Modern Slavery (the Petition). I propose to respond in support of the Petitions Committee recommendation that "the Government bring legislation addressing modern slavery before the House as soon as possible while allowing for adequate policy development and public consideration".
- 2 Cabinet has already agreed to release the discussion document: *A legislative response to modern slavery and worker exploitation* (the Discussion Document) [DEV-22-MIN-0027 refers], which includes a legislative proposal that is consistent with the Petitions Committee's recommendation. I launched consultation on the discussion document on 8 April. I will present the response to the House during the week commencing 9 May 2022.

### **Background**

*Modern Slavery is a significant issue in New Zealand and around the world*

- 3 Modern slavery is severe exploitation that a person cannot leave due to threats, violence, coercion, deception, and/or abuse of power. It includes debt bondage, forced labour, forced marriage, human trafficking, and exploitative child labour.
- 4 Current estimates from the International Labour Organization and Walk Free Foundation suggest there are over 40 million victims of modern slavery around the world (comprising 25 million victims of forced labour, including sexual exploitation, and 15 million victims of forced marriage). Women and girls accounted for 71 per cent of modern slavery victims. It is estimated that one in four victims are children.
- 5 New Zealand is not immune to modern slavery and worker exploitation. In July 2020, a New Zealand man was sentenced to 11 years in jail after being found guilty of 10 charges of trafficking people and 13 charges of dealing in slaves.<sup>1</sup> Four of these victims were minors at the time they were trafficked and enslaved and had been brought to New Zealand through international

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<sup>1</sup> The Queen v Joseph Auga Matamata CRI-2018-020-003953 [2020] NZHC 1829

adoptions. While most of the 51 trafficking victims identified in New Zealand to date have been migrant men who were trafficked for the purpose of labour exploitation, there have also been women and child victims, including one case of sexual slavery involving a child.

- 6 However, these cases are unlikely to reflect the full spectrum of people who are exploited in New Zealand, as the hidden nature of these crimes means that vulnerable people are less likely, or able, to seek help or report their experience. Walk Free estimated that in 2016 around 3,000 people in New Zealand were in conditions of modern slavery. We know from research conducted as part of the review into temporary migrant worker exploitation that many more are likely to be facing exploitative working conditions.
- 7 The actions of consumers in New Zealand could be contributing to slavery happening elsewhere in the world. A recent study by World Vision New Zealand estimates that an average New Zealand household spends approximately \$34 each week on industries whose products are implicated in modern slavery.<sup>2</sup>

*There is growing public support for actions to address modern slavery*

- 8 The Petition was presented to the House on 1 July 2021, and requested: “That the House of Representatives, as a matter of urgency, enacts Modern Slavery legislation that requires public and private entities to report on the risks of modern slavery in their operations and supply chains, and on the actions they are taking to address those risks, and note that 20,541 people have signed an online petition in support of this.”
- 9 In March 2021, I received a letter signed by more than 113 businesses, including some of New Zealand’s largest and best-known companies, such as the Warehouse and Countdown, calling for consideration of modern slavery legislation for New Zealand.

### **The Petitions Committee findings**

- 10 The Petitions Committee recommended that “the Government bring legislation addressing modern slavery before the House as soon as possible while allowing for adequate policy development and public consideration”.
- 11 The Petitions Committee heard submissions from Trade Aid, World Vision New Zealand, the Human Rights Commission and the Ministry of Business, Innovation and Employment, who all identified a gap in New Zealand’s current approach to addressing modern slavery in supply chains. Trade Aid and World Vision New Zealand recommended that the legislation should:
  - 11.1 be based on the United Nations Guiding Principles on Business and Human Rights;

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<sup>2</sup> Risky Goods: New Zealand Imports, World Vision, 2021.  
<https://www.worldvision.org.nz/getmedia/6904e490-14b7-4fbf-b11e-308ddf99c44a/WVNZ-researchrisky-goods-nz-imports/>

- 11.2 require organisations to be transparent about the steps they are taking and set criteria for what needs to be disclosed;
  - 11.3 require action to be taken to address modern slavery, not just transparency (like in the UK);
  - 11.4 have the broadest possible application with requirements proportionate to business size and risk;
  - 11.5 include the ability to ban certain imports; and
  - 11.6 include penalties for non-compliance and remedies for victims.
- 12 The Human Rights Commission also recommended that the legislation should be based on the United Nations Guiding Principles on Business and Human Rights, include obligations for a broad range of organisations, and remedies for victims. Equal Employment Opportunities Commissioner Saunoamaali'i Kararina Sumeo noted that migrants are the most common victims in New Zealand, and that language barriers, a lack of information and immigration rules contribute to the problem.
- 13 The Petitions Committee did not make any recommendations about how the legislation should be drafted except to “encourage the Government to consider the petitioners’ recommendations in the development of its legislation”.

**We are already progressing a proposal consistent with the Committee’s recommendations**

- 14 I published the Discussion Document on April 8 2022, as agreed by Cabinet [DEV-22-MIN-0027 refers]. The proposal in the Discussion Document aims to lift practices so that working with suppliers to address risks of exploitation becomes an ordinary part of doing business.
- 15 The primary objective of the proposal is to reduce modern slavery and worker exploitation in New Zealand and elsewhere, helping to build practices based on fairness and respect. The secondary objectives that support this primary objective are to:
- 15.1 enhance New Zealand’s international reputation as a country that supports human rights and transparency
  - 15.2 strengthen New Zealand’s international brand and make it easier for our businesses to continue to trade with the world
  - 15.3 support consumers to make more informed choices in relation to modern slavery and worker exploitation risks associated with good and services
  - 15.4 drive culture and behavioural changes in entities which lead to more responsible and sustainable practices

- 15.5 level the playing field for entities which act responsibly across their operations and supply chains.
- 16 The proposal would establish graduated responsibilities for all New Zealand organisations, with larger organisations required to take additional actions, reflecting their larger impact and capacity. This proposal would require:
- 16.1 All organisations to take action if they become aware of modern slavery or worker exploitation;
- 16.2 Medium and large organisations would have to disclose the steps they are taking to address modern slavery and worker exploitation; and
- 16.3 Large organisations and those with significant control over New Zealand employers would have to undertake due diligence to prevent, mitigate and remedy modern slavery and worker exploitation.
- 17 This proposal is about helping businesses to do their best, rather than focusing on compliance. A set of tools and guidance to help businesses lift their practices will be important parts of an effective regulatory system.

*The Government developed the legislative proposal in consultation with the petitioners*

- 18 The Petitions Committee has encouraged us to consider the petitioners' recommendations in the development of its legislation. The petitioners, as part of the Modern Slavery Leadership Advisory Group (MSLAG), have provided valuable support to the MBIE as they analysed legislative options.
- 19 The MSLAG was convened by MBIE to support policy development. It is chaired by Rob Fyfe and brings together a wide range of perspectives, including business, academia, unions and civil society organisations. The members were chosen based on their work in this field already, and their experiences addressing this issue. Their advice has been invaluable in helping us formulate the legislative proposal. MBIE will continue to work with the MSLAG as the proposals are developed.

### **Timing of the Government response**

- 20 The Government response will be presented to the House during the week commencing 9 May 2022.

### **Consultation**

- 21 The following agencies were consulted during the development of the legislative proposal which is currently out for public consultation: the Ministries of Foreign Affairs and Trade, Justice, Social Development, Primary Industries, Transport, Environment, Internal Affairs, Health; the Ministries for Women, Pacific Peoples and Ethnic Communities; The Treasury; The Department of the Prime Minister and Cabinet; Te Puni Kōkiri; the New Zealand Police; Oranga Tamariki - The Ministry for Children, WorksafeNZ; the Public Service

Commission; the New Zealand Customs Service; the Department of Corrections; New Zealand Defence Force; Waka Kotahi; Kāinga Ora; and New Zealand Trade and Enterprise.

### **Financial implications**

- 22 There will be no financial implications as a result of my proposed response. The legislative proposal that Cabinet has already agreed to consult on would have financial implications if it is implemented [DEV-22-MIN-0027 refers].

### **Publicity**

- 23 I launched the public consultation on the Legislative Proposal on 8 April and put out a press release. MBIE will undertake consultation with a wide range of stakeholders.
- 24 I expect that the response will receive some positive publicity as part of the consultation on the legislative proposal because the Petitions Committee recommendation shows that there is bipartisan support for considering actions to address modern slavery.

### **Proactive Release**

- 25 I propose to release this Cabinet paper and key policy papers proactively in line with normal Cabinet guidelines.

### **Recommendations**

The Minister for Workplace Relations and Safety recommends that the Cabinet Legislation Committee:

- 1 note that, on 14 February 2022, the Petitions Committee presented its report to the House entitled “Petition of Trade Aid and World Vision New Zealand: Take Action against Modern Slavery”;
- 2 note that the Petitions Committee recommended that the Government bring legislation addressing modern slavery before the House as soon as possible, while allowing for adequate policy development and public consideration;
- 3 note that, on 8 April, the Government released the discussion document *A legislative response to modern slavery and worker exploitation* (the Discussion Document) as agreed by Cabinet [DEV-22-MIN-0027 refers], which was developed in consultation with the petitioners as members of the Modern Slavery Leadership Advisory Group;
- 4 note that the attached response supports the recommendation of the Petitions Committee and sets out how our legislative proposal is currently progressing consistent with the Petitions Committee’s recommendation;
- 5 approve the Government response, attached to this submission, to the Report of the Petitions Committee entitled “Petition of Trade Aid and World Vision New Zealand: Take Action against Modern Slavery”;

- 6 note that the Government response will be presented to the House during the week commencing 9 May 2022;
- 7 invite the Minister for Workplace Relations and Safety to present the Government response to the House in accordance with Standing Order 380;
- 8 invite the Minister for Workplace Relations and Safety to write to the petitioners enclosing a copy of the Government response to the report of the Petitions Committee on the petition, after the response has been presented to the House.

Authorised for lodgement

Hon Michael Wood

Minister for Workplace Relations and Safety