

Submission on the Modern Slavery Bill (242—1)

To: Education and Workforce Select Committee

From: Ethical Transparency Alliance (ETA)

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We do not wish to appear before the Committee.

1. Introduction

1.1 About the Ethical Transparency Alliance

The Ethical Transparency Alliance (ETA) is an international alliance of ethical brands, academic researchers, certification bodies, and consumer advocacy organisations committed to making ethical supply chain information visible, standardised, and accessible to every consumer. The Alliance is convened by fair&good, a New Zealand-based initiative, and includes 15+ supporting organisations across industry, academia, and civil society.

Our members include Fairtrade Australia New Zealand, Trade Aid, Karma Drinks & All Good Bananas, Bennetto Natural Foods, Mindful Money, and academics from Auckland University of Technology, Massey University, and the University of Auckland.

Our current technical initiative focuses on establishing international digital standards for ethical supply chain transparency through the GS1 global barcode system — work that is directly relevant to this Bill's objectives of mandatory, structured modern slavery disclosure.

1.2 Summary of our position

The Ethical Transparency Alliance **strongly supports** the Modern Slavery Bill (242—1). We commend the co-sponsors, Camilla Belich and Greg Fleming, for their bipartisan leadership on this issue. New Zealand is long overdue in joining the growing international consensus that mandatory modern slavery reporting is an essential tool for combating forced labour, trafficking, and exploitation in global supply chains.

We support the Bill and recommend the Committee consider amendments in five areas:

1. Requiring **structured, machine-readable reporting formats** — not just PDF documents
2. **Lowering the revenue threshold** below \$100 million
3. Establishing the **Anti-Slavery Commissioner** as mandatory, not discretionary
4. Strengthening **victim protection** provisions
5. Enabling **product-level** transparency, not just entity-level reporting

2. Why this Bill matters

2.1 New Zealand is falling behind

New Zealand is one of the last comparable developed nations without modern slavery reporting legislation. The United Kingdom enacted its Modern Slavery Act in 2015. Australia followed in 2018. Germany's Supply Chain Due Diligence Act took effect in 2023. Norway's Transparency Act, France's Devoir de Vigilance, and Canada's Fighting Against Forced Labour Act are all in force. The European Union's Corporate Sustainability Due Diligence Directive and Forced Labour Regulation are being implemented.

New Zealand's absence from this framework has practical consequences. Without mandatory reporting, New Zealand-based entities are under no obligation to examine, disclose, or address modern slavery risks in their supply chains. This creates an accountability gap that affects consumers, workers, and legitimate ethical businesses alike.

2.2 The sugar on your table: a concrete example

The gap between New Zealand and Australia is visible on supermarket shelves today. A New Zealand consumer can currently buy two bags of sugar from the same shelf:

- **Woolworths own-brand sugar** carries Bonsucro certification (an independently audited standard that verifies sugar farms and mills are free of child and slave labour). Woolworths Group publishes a detailed annual Modern Slavery Statement under the Australian *Modern Slavery Act 2018*, covering its operations and supply chains — including its New Zealand subsidiary. This statement is publicly available on Australia's Online Register for Modern Slavery Statements.
- **Chelsea Sugar**, New Zealand's dominant sugar brand, is 75% owned by Wilmar International (one of the world's largest agri-commodity traders). Chelsea sources raw sugar globally from Australia, South Africa, and South America. While Wilmar has a No Deforestation, No Peat, No Exploitation (NDPE) policy, Chelsea has no obligation under New Zealand law to publicly report on modern slavery risks in its supply chain. Just Kai, a New Zealand organisation that researches slave-free food options, does not currently recommend Chelsea Sugar as a guaranteed slave-free option due to concerns about supply chain visibility.

This is not an accusation that Chelsea Sugar uses slave labour. It is an observation that **New Zealand law currently gives consumers no way to know either way** — while Australia's law ensures that at least some level of supply chain scrutiny and public reporting occurs. This Bill would begin to close that gap.

2.3 Modern slavery is not a distant problem

The Walk Free Foundation's Global Slavery Index estimates that tens of millions of people globally are living in conditions of modern slavery, including forced labour, debt bondage, human trafficking, and the worst forms of child labour. Sugar, cotton, cocoa, garments, electronics, and seafood are among the commodities most commonly linked to forced labour in global supply chains.

New Zealand imports significant volumes of these high-risk commodities. Without mandatory reporting, there is no systematic mechanism to ensure that New Zealand businesses are identifying and addressing these risks.

3. Recommendations

3.1 Require structured, machine-readable reporting (Clauses 9, 11, 13, 24)

The single most important amendment the Committee can make is to require modern slavery statements to be submitted in a structured, machine-readable format — not merely as PDF documents.

This recommendation is informed by the hard lessons of Australia's experience. The statutory review of Australia's *Modern Slavery Act 2018* (concluded in 2023) identified significant weaknesses in reporting quality and data usability:

- Statements were described as often resembling a "tick-box" exercise, with limited evidence of meaningful change for victims.
- High variability in statement quality made it difficult to compare or aggregate information across entities.
- Because statements were submitted as PDFs and long-form documents, it was extremely difficult to use AI, automated analysis, or even basic search to compare corporate responses across industries.
- Researchers consistently called for **mandatory reporting templates, standardised cover sheets, and machine-readable data formats** to make the register useful — not merely a repository of unstructured documents.

What we recommend:

(a) Amend Clause 9 to require modern slavery statements to be submitted in a **prescribed structured format** (not just a "prescribed form"), with specified data fields that enable comparison, aggregation, and analysis across entities and reporting periods.

(b) Amend Clause 11(3) to require the register to support **searchable, filterable, structured data** — not just document downloads. The register should enable a member of the public, researcher, journalist, or civil society organisation to search by industry, risk type, commodity, or geography.

(c) Amend Clause 13 to include among the Registrar's functions the development and maintenance of **data standards for reporting**, including structured data schemas and APIs that enable third-party analysis.

(d) Amend Clause 24 to include regulation-making power to prescribe **digital reporting standards and data formats** for modern slavery statements.

Why this matters: A register full of unstructured PDF documents is of limited practical value. It cannot support the kind of systematic analysis, cross-entity comparison, or civil society scrutiny that drives real improvement. Australia learned this the hard way. New Zealand has the opportunity to build a modern, digital-first reporting system from the outset.

3.1.1 Alignment with emerging international digital standards

The timing of this Bill coincides with a global convergence toward **digital, structured supply chain transparency**:

- The **European Union's Digital Product Passport** (mandatory from 2027 for key product categories) will require structured digital records of product attributes — including social and ethical data — to accompany physical goods.
- The **GS1 Digital Link** standard, which governs the data accessible via 2D barcodes (QR codes) on products worldwide, is being extended to accommodate sustainability and ethical information. The Ethical Transparency Alliance has formally proposed the addition of a dedicated **ethics link type** to the GS1 Digital Link vocabulary, which would enable structured access to ethical and human-rights information associated with individual products — including modern slavery due diligence data.
- The global barcode transition from 1D to 2D (GS1 Sunrise 2027) means that within the next two years, every product barcode will be capable of linking to rich, structured product data. If New Zealand's Modern Slavery Act requires entities to report in structured digital formats, this creates a pathway for that information to eventually be linked directly to the products themselves — visible to every consumer at the point of purchase.

We recommend that the Committee consider the potential for this Act's reporting framework to **interoperate** with emerging international digital product transparency standards. A modern slavery register that produces structured, machine-readable data could feed directly into global supply chain transparency systems — amplifying the Act's impact far beyond New Zealand.

3.2 Lower the revenue threshold (Clauses 7 and 24)

The Bill currently sets the threshold at **\$100 million** in consolidated revenue (Clause 7, with power to adjust via regulation in Clause 24).

We acknowledge that the \$100M threshold may reflect a pragmatic starting point and that Clause 24 provides for adjustment via regulation. However, we recommend the Committee consider:

- The UK Modern Slavery Act applies to entities with **£36 million** (approximately NZ\$75 million) turnover.
- Australia's threshold of **AU\$100 million** has been widely criticised for excluding the vast majority of businesses, and the statutory review recommended it be lowered.
- Modern slavery risks exist at every scale of business operation. A New Zealand importer with \$20 million in revenue sourcing garments from Bangladesh faces the same supply chain risks as one with \$200 million in revenue.

We recommend the Committee consider a **phased approach**: begin at \$100M but include a legislated schedule to reduce the threshold to \$50M within three years, with a view to further reduction after the first statutory review.

3.3 Make the Anti-Slavery Commissioner mandatory (Clause 26)

Clause 26 currently provides for periodic **consideration** of whether a specialist person or body, such as an independent Anti-Slavery Commissioner, should be established. This is welcome but insufficient.

Australia's experience demonstrates the value of an independent commissioner. Following its statutory review, Australia established an Anti-Slavery Commissioner to provide leadership, monitor compliance, and drive improvements in reporting quality. This was broadly regarded as one of the most important outcomes of the review.

We recommend that the Bill either:

(a) Establish an Anti-Slavery Commissioner from commencement (our preferred option), or

(b) At minimum, convert Clause 26's discretionary "consideration" into a **mandatory establishment trigger** — requiring the Commissioner to be established no later than three years after the Act's commencement unless the Minister provides specific reasons to the House why this should not occur.

3.4 Strengthen victim protections

We endorse the victim-focused provisions in Clauses 21 and 22 (Minister's annual report and guidance on responding to modern slavery). We recommend the Committee consider additional provisions for:

(a) Safe harbour protections for workers who report suspected modern slavery within their employer's operations or supply chains, ensuring they are protected from retaliation, dismissal, or adverse immigration consequences.

(b) Explicit immigration protections for victims of modern slavery identified in New Zealand, ensuring that victims are not detained, deported, or penalised for immigration violations that occurred as a result of their exploitation.

(c) A requirement that the guidance issued under Clause 22 be developed in **consultation with affected communities** and specialist organisations, including those with expertise in migrant worker rights and trafficking.

3.5 Strengthen enforcement and procurement (Clauses 16, 18, 28)

We commend the Bill's inclusion of:

- Criminal offence provisions (fines up to \$200,000 for non-compliance) — Clause 16
- Pecuniary penalties (up to \$600,000) — Clause 18
- Procurement consequences (barring the Crown from paying non-compliant entities) — Clause 28

This is significantly stronger than Australia's Act, which initially had **no penalties at all** for non-compliance — a weakness universally identified in its statutory review. We support the enforcement framework and recommend it be retained in its current form.

We note that the procurement provision in Clause 28 (amending the Public Finance Act) is particularly powerful and innovative. Linking compliance with modern slavery reporting to eligibility for government contracts creates a strong financial incentive for reporting entities and sends a clear signal about the Crown's expectations.

4. Summary of recommendations

#	Recommendation	Bill reference
1	Require structured, machine-readable reporting formats	Clauses 9, 11, 13, 24
2	Ensure the register supports searchable, filterable data	Clause 11
3	Include data standards development in the Registrar's functions	Clause 13
4	Enable regulation of digital reporting standards	Clause 24
5	Phase down the revenue threshold from \$100M toward \$50M	Clauses 7, 24
6	Make the Anti-Slavery Commissioner mandatory or time-bound	Clause 26
7	Add safe harbour protections for workers who report	New provision
8	Add immigration protections for identified victims	New provision
9	Require consultation with affected communities in developing guidance	Clause 22
10	Retain current enforcement and procurement provisions	Clauses 16, 18, 28

5. Conclusion

The Modern Slavery Bill represents an important and long-overdue step for New Zealand. We strongly support its passage.

Our core message to the Committee is this: **the Bill should be designed for the reporting infrastructure of 2027, not 2015.** The UK and Australia built their modern slavery registers as document repositories — collections of PDFs that are difficult to search, compare, or analyse at scale. New Zealand has the opportunity to learn from their experience and build a modern, digital-first reporting system that produces structured, machine-readable data capable of driving genuine accountability.

The global regulatory trajectory is unmistakable. The EU's Digital Product Passport, the GS1 Digital Link transition, and the proliferation of modern slavery and due diligence laws worldwide all point toward a future where ethical supply chain information is structured, standardised, and digitally accessible. New Zealand's Modern Slavery Act should be designed to interoperate with that future — ensuring that the data collected under this Act is not merely filed and forgotten, but actively used to identify risks, drive improvement, and empower consumers, researchers, and civil society to hold entities accountable.

We thank the Committee for the opportunity to submit on this Bill.

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