

DRAFT FOR CONSULTATION

Modern Slavery Reporting Bill

Member's Bill

Explanatory note

General policy statement

This Bill requires reporting entities to report on how they identify, address, mitigate, and remediate incidents of modern slavery (including trafficking in persons) within their operations and supply chains.

It creates offences for failing to meet reporting requirements, and amends the Public Finance Act 1969 to prevent public money being paid to reporting entities that have contravened those requirements.

The Bill also requires legislation and policy reviews to include consideration of the adequacy of support for victims of modern slavery and the establishment of an Anti-Slavery Commissioner.

Clause by clause analysis

Clause 1 is the title clause.

Clause 2 is the commencement clause. It provides for the Bill to come into force 6 months after Royal assent.

Part 1 provides for preliminary matters, including the purpose of the Bill and the meanings of a number of terms used in the Bill.

Part 2 sets out reporting entities' obligations to prepare and publish modern slavery statements on their websites, and submit them for publication on a register. A Registrar must be appointed to establish and maintain a register for modern slavery statements. *Clause 14* provides that a reporting entity will be liable to a fine not exceeding \$200,000 for failing to meet reporting requirements. Information in respect of convictions or pecuniary penalty orders must be published on the register for a period of 3 years.

Part 3 provides that a ministerial advisory committee must be established to provide the Minister with independent expert advice on modern slavery, the Minister's functions under the Bill, and any other matters that the Minister specifies by notice to the committee.

Part 4 provides for regulation-making powers and for regular reviews of the Act. It also provides for regular reviews of legislation, government policy, and other arrangements in place to support victims of trafficking or modern slavery, and consideration of the establishment of an independent Anti-Slavery Commissioner.

Part 5 amends the Public Finance Act 1989 to provide that the Crown must not pay money to an entity that has been convicted of an offence or ordered to pay a pecuniary penalty under this Bill.

Greg Fleming

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Modern Slavery Reporting Act **2025**.

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 reduce the risk of modern slavery incidents occurring that in the supply chains and operations of reporting entities (as that term is defined in **section 7**), and to increase public awareness 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) amends the Public Finance Act 1969 to prevent public money being paid to reporting entities that are listed on the register for having contravened reporting requirements:
 - (d) 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, and consideration of the establishment of an independent Anti-Slavery Commissioner.

4 Interpretation

In this Act, unless the context otherwise requires,—

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 of the Crown Entities Act 2004):
- (g) a local authority (within the meaning of section 5(1) of the Local Government Act 2002)

forced labour has the same meaning as forced or compulsory labour given in Article 2 of the Forced Labour Convention, 1930 (No. 29)

modern slavery includes conduct that constitutes—

- (a) an offence under sections 98, 98AA, 98D or 207A of the Crimes Act 1961
- (b) an offence under section 351 of the Immigration Act 2009
- (c) conduct that, had it occurred in New Zealand, would constitute an offence listed in **paragraph (a) or (b)**
- (d) 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
- (e) 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 Organised Crime, done at New York on 15 November 2000
- (f) forced labour
- (g) sexual exploitation

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

sexual exploitation means—

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

5 Act binds the Crown

This Act binds the Crown.

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

chief executive means the chief executive of the department

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

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

government agency means—

- (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 \$50,000,000 in a reporting period;
- (b) such other amount as may be specified by regulations made under **section 20**

total revenue means all income classified as revenue by the applicable financial reporting standard (within the meaning of section 5 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 14** or is liable to a pecuniary penalty under **section 16**.
- (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 in relation to identifying modern slavery to the following:
 - (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 14** or is liable to a pecuniary penalty under **section 16**.
- (4) **Subsection (3)** does not apply to a reporting entity that is a government agency.

Subpart 3—Register of modern slavery statements

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, under the Public Service Act 2020, the Registrar of modern slavery statements.
- (2) The Registrar is an employee of the department, and 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**.

Subpart 4—Offences

14 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 imprisonment for a term not exceeding 3 months, a fine not exceeding \$200,000, or both.

15 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.

16 Pecuniary penalties

- (1) The High Court may, on the department's application, 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

17 Mandatory reporting of convictions and penalty orders

- (1) If a reporting entity is convicted of an offence under **section 14** or is the subject of a pecuniary penalty order made under **section 16**, 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.

18 Publication of conviction or pecuniary penalty details on register

- (1) On receiving a report under **section 17**, 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

Expert advisory committee on modern slavery

19 Expert advisory committee on modern slavery

- (1) The Minister must establish an expert advisory committee on modern slavery.
- (2) The purpose of the committee is to provide independent advice to the Minister on the following matters:
- (a) modern slavery;
 - (b) the Minister's functions under this Act;
 - (c) any other matters that the Minister specifies by notice to the committee.
- (3) The committee—
- (a) consists of such members as the Minister determines after consulting any person the Minister considers appropriate; and
 - (b) may, subject to any written directions that the Minister gives to the committee, regulate its procedure in any manner that the committee thinks fit.
- (4) When determining appointments to the committee, the Minister must be satisfied that the committee collectively has knowledge of, and experience and expertise in relation to, modern slavery, including non-government organisations and other relevant organisations involved in combatting modern slavery.
- (5) Each member of the committee is appointed on any terms and conditions (including terms and conditions as to remuneration and travelling allowances and expenses) that the Minister determines by written notice to the member.

Part 4 Miscellaneous

Regulations

20 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) prescribing forms:
 - (b) prescribing an applicable threshold revenue amount:
 - (c) prescribing entities to be reporting entities under **section 7(2)(b)**:
 - (d) prescribing the information that must be included in a modern slavery statement:
 - (e) providing for anything this Act says may or must be provided for by regulations:
 - (f) providing for anything incidental that is necessary for carrying out, or giving full effect to, this Act.
- (2) Regulations made under this sections are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Review of Act

21 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, the people and organisations that the Minister thinks appropriate are consulted.
- (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

22 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 policies, or other arrangements are necessary or desirable:
- (c) whether an independent body, such as an Anti-Slavery Commissioner, ought to be established 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.

Part 5

Amendments to Public Finance Act 1989

23 Principal Act

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

24 New section 73A inserted (Payment to persons on the register on the register prohibited)

After section 73, insert:

73A Payments to entities on the register prohibited

- (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 Reporting Act **2025**.
- (2) The Crown must take all reasonable precautions, and exercise due diligence, to avoid acting contrary to **subsection (1)**.

25 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 Reporting Act **2025**; or