

28 May 2026  
Education and Workforce Committee  
Parliament Buildings  
WELLINGTON  
Email: [ew@parliament.govt.nz](mailto:ew@parliament.govt.nz)

## Retail NZ submission: Modern Slavery Bill

### Overview

1. Retail NZ is a membership organisation that represents the views and interests of New Zealand's retail sector. We are the peak body representing retailers across Aotearoa, with our membership accounting for nearly 70% of all domestic retail turnover. New Zealand's retail sector comprises approximately 30,000 businesses and employs around 222,000 Kiwis.
2. Retail NZ consulted our membership in the preparation of this submission.
3. Retail NZ and its members strongly support the intent of the Bill to strengthen protections against modern slavery - such as forced labour, human trafficking, and exploitation - as well as improving accountability and transparency within a business's operations and supply chains.
4. However, there are several parts of this legislation that we believe require changes or further clarification to ensure the legislation is workable and fit-for-purpose in for businesses, particularly the retail sector.

### Reporting obligations

5. The reporting period is stipulated in the Bill as the 12 months starting on 1 July and ending on 30 June for a government agency, and starting on 1 April and ending on 31 March for any other entity. Retail NZ believes this is too restrictive and risks making compliance more costly and difficult for businesses which do not have an April to March financial year.
6. We strongly recommend that reporting entities should be able to choose and declare their own reporting period, provided that it is:
  - a. for a period of 12 months,
  - b. it is the same 12-month period each year,
  - c. the business publicly notifies its reporting period,
  - d. the business submits a copy of its modern slavery statement to the Registrar no later than 6 months after the end of the reporting period to which it relates.
7. This Bill is closely aligned with the Australian modern slavery reporting obligations. Retail NZ is in support of this legislation being aligned as closely as possible with the Australian modern slavery reporting regime, given the number of trans-Tasman and multinational groups operating in both jurisdictions. Strong alignment reduces unnecessary duplication, compliance costs, and administration inefficiencies, while supporting meaningful transparency and accountability.
8. We recommend this Bill go further and be amended allow modern slavery statements submitted to Australia, or another comparable overseas reporting regime, be mutually recognised and accepted to the New Zealand register. This will avoid duplication and reduce the administrative burden for reporting entities which are already reporting on the same required information in Australia and other similar jurisdictions. It should be made clear that

anything specific to the entity’s New Zealand operations and supply chains must be included in this report.

9. Retail NZ also recommends the Bill should allow for two or more related entities within the same corporate group to submit a joint modern slavery statement, provided that the statement:
  - a. describes the group structure
  - b. identifies the entities covered
  - c. covers the same 12-month period
  - d. explains any entity-specific actions where relevant
  - e. and requires separate approval or sign-off by each entity

This would align the Bill more closely with the Australian modern slavery reporting regime, reduce repetitive reporting, and improve the usefulness of disclosures by reflecting centralised governance and due diligence arrangements.

10. This Bill does not address the risk of entities oscillating in and out of the scope of the reporting regime threshold year-to-year due to revenue fluctuations. We recommend the Committee consider introducing a proportionate “two consecutive periods” qualifying mechanism, to improve certainty for businesses and reduce compliance churn.
11. The Bill requires reporting entities to disclose any modern slavery incidents, known or anticipated risks of modern slavery, and complaints received, as well as the steps taken to investigate and remediate those matters. This is very broad and represents a significant shift from a principles-based disclosure model to one that requires extremely detailed operational transparency on how allegations and incidents are identified, managed, and resolved.
12. Retail NZ would like to see the reporting expectations in the Bill be revised to ensure they are risk-based and proportionate to the seriousness of the incident or complaint. Reporting entities should not be required to disclose every alleged or suspected incident, rather reporting should focus on material incidents, substantiated claims, key risk areas, and systems used to identify, investigate, remediate and monitor slavery risks. Similarly, it should explicitly state that complaints reported on in this statement be related to the reporting of risks and incidents, and complaints about incidents and risks themselves, or actions being taken, are not captured by this Bill.
13. There can be a lot of diversity and complexity within retail sector supply chains. Allowing some flexibility in how entities identify and manage modern slavery risks ensures actual incidents and key risks are identified, supports continuous improvement rather than prescribing how risks must be defined or prioritised, and avoid creating incentives for artificial or non-material reporting where underlying risk is low.
14. Retail NZ also asks the Committee consider the risks of publicly reporting all incidents, suspected incidents and complaints. Some of our members are concerned this practice could introduce several unintended consequences and create legal and operational risks, including a reduced willingness by suppliers to engage transparently where disclosures are perceived to expose them to scrutiny or commercial harm. It may also create potential safety risks for workers, particularly in jurisdictions where increased visibility of labour practices may attract adverse attention or intervention. In some cases, it may limit the ability of businesses and auditors to safely access or assess higher-risk environments, reducing overall visibility rather than improving it. We ask the Committee to consider these risks.
15. Without a focus on reporting material risks and substantiated complaints, there is also a risk that resources become concentrated on issues that are more visible or more likely to attract external scrutiny. Over time, this could reinforce the misconception that modern slavery risks are confined to regions, industries, or supply chains, when in reality they are systemic and global in nature. Retail NZ recommends this scope is tightened in the Bill.
16. The reporting threshold requires entities with a consolidated revenue of more than \$100 million in a reporting period to submit a modern slavery statement no later than six months

after the end of the reporting period. However, it is not clear how this threshold will apply to co-operatives, franchises, or other similar structures.

17. In many co-operatives and franchises, the member businesses are independently owned and operated with a central entity that provides coordination, support, supplier access and/or branding. Some of these centralised support offices can be low-resourced and would be under-equipped to undertake reporting obligations as outlined in this Bill. Also, if the support centre of the co-operative, franchise or other similar models was responsible for the reporting, its directors would be liable. In many cases this is not appropriate, as the support centre often doesn't have visibility of all employment and supplier relationships within each owner-operated store.
18. Retail NZ is concerned there could be unintended and unworkable consequences if there was any aggregating of independently-owned businesses trading as part of a co-operative, franchise or other similar model for reporting purposes, and recommends specific consideration and care is given to how they may be captured in this Bill. We ask this be considered alongside our recommendation in paragraph 9, that the Bill should allow for two or more related entities within the same corporate group to submit a joint modern slavery statement, if those entities deem it appropriate.
19. It is also not clear in the Bill whether and how overseas parent entities are captured by this reporting framework. Clause 7 defines a reporting entity as "*an entity that has a consolidated revenue in a reporting period that meets or exceeds the threshold revenue amount*" and which also is "*an overseas company that carried on business in New Zealand*". That does not address how consolidated revenue should be calculated, nor what constitutes 'carrying on business in New Zealand'. Retail NZ recommends this Bill include Companies Act-aligned definitions and guidance that remove any ambiguity about who must report and how.
20. Retail NZ asks the Committee to consider how to ensure large overseas retailers selling products here yet don't report on their New Zealand earnings, such as Temu and Shein, will be captured by this modern slavery reporting regime if their annual revenue reaches the \$100 million threshold. There is concern that large offshore retailers could subvert the regime due to loopholes around how they report their revenue, how they advertise, and the delivery of their goods. This could further put local large retailers at a disadvantage due to the time and cost of compliance under this regime.

## Disclosures and due diligence

21. The term 'due diligence' is defined in the Bill and the purpose clause (Clause 3) refers to encouraging it, but no clause in this Bill actually requires it. Yet Clause 9(d) asks reporting entities to describe their due diligence and remediation processes as part of their reporting. Businesses require clarity on what is expected here.
22. Retail NZ recommends further clarification in the Bill as to what is considered due diligence. While Clause 4 defines it as: *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*, this definition is overly broad and risks inconsistent interpretation across reporting entities and variable reporting standards.
23. Retail NZ recommends the definition be reworked to explicitly include parameters around about the appropriate depth of due diligence within multi-tier supply chains and operations, how far obligations extend beyond direct suppliers (e.g. to manufacturers and raw material sources), how due diligence expectations apply to services procured by a reporting entity, and how obligations should be applied to entities with indirect or limited supply chain visibility.
24. It also needs to be made clear whether an entity reporting that it is not undertaking due diligence would be considered compliant under this reporting regime.

25. Retail NZ notes that other jurisdictions are introducing mandatory due diligence. The Bill should make it clear whether mandatory due diligence is required, or not, under this reporting regime, and if it does mandate due diligence, that it should be risk-based and proportionate. If mandated, reporting entities should be required to take steps that are reasonable and proportionate to their size, structure, resources and risk exposure, rather than imposing a de facto mandatory due diligence regime through expansive disclosure expectations.
26. Retail NZ also recommends the Bill include a good-faith safe harbour for disclosures of modern slavery incidents the reporting entity has identified. Organisations should not be penalised for honest disclosure of incidents that it has found through reasonable inquiry and investigation.

## Penalties and enforcement

27. The Bill introduces personal liability for directors and management where they have authorised, permitted, or failed to prevent non-compliance. Retail NZ understands that this liability is not linked to the existence of modern slavery within a business's operations or supply chain, but rather to failures in reporting or reporting false or misleading information.
28. The Bill should make clear that penalties are targeted at failure to report, refusal to comply, or knowingly false or misleading statements, rather than entities that identify risks and report them in good faith. This distinction must be preserved in the Bill and clearly communicated.
29. Modern slavery risks are often deeply embedded in complex, multi-tier supply chains and may remain difficult to detect even with robust due diligence systems. We ask the Bill take this into consideration and clarify the scope and threshold for liability, how liability will be applied in practice and ensure the regime remains proportionate and aligned to its intended purpose of transparency, rather than punitive enforcement. We recommend If reporting entities can illustrate they have made best endeavours to uncover this information, this should satisfy the reporting requirements.
30. Modern slavery offences are addressed through the criminal law framework. This is right and appropriate, with that framework better placed to investigate and prosecute these offences. The reporting regime should focus on transparency and risk management, not act as a proxy enforcement mechanism.
31. Definitions within this Modern Slavery Bill are tied to sections in the Crimes Act that are currently undergoing reform as part of the Crimes Amendment Bill. The Committee must consider the possible flow-on effects of those changes to this Bill and make it clear how they might impact the definitions the reporting entities must consider as part of their obligations.
32. Retail NZ and its members strongly support the appointment of an independent Anti-Slavery Commissioner. We recommend that position be appointed now, rather than deferring that decision to a future review. By having this position from the commencement of this legislation it sends the right signal to businesses about how serious and committed this country is to combatting modern slavery.

## Guidance & implementation

33. The Bill stipulates that reporting entities must submit annual modern slavery statements to a public register and publish them online, but it does not provide further operational detail.
34. Retail NZ strongly recommends clear and detailed statutory guidance on reporting expectations, due diligence requirements and that standard templates be provided alongside this legislation to support consistent, high-quality reporting, particularly for entities already complying with established offshore regimes. Providing standard templates will remove obstacles for businesses to provide adequate and appropriately-detailed modern slavery statements, and cut down on compliance costs.

35. Retail NZ also recommends the requirement for each reporting entity to publish statements on its own website be removed. Under this Bill, a central, public register exists which will publish all modern slavery statements and be available for anyone to access. This public register overseen by the registrar should be the authoritative publication, and it should be optional as to whether reporting entities publish it to their website. Requiring every reporting entity to also publish the statement to their own website is unnecessary duplication, and some stores, for example many owner-operated retailers under a larger umbrella, do not have their own website to publish said statements on.
36. There is no information accompanying this Bill as to whether or not there would be any fees payable by reporting entities for registration, submission, or ongoing participation in this regime. Retail NZ strongly advocates for there to be no fees for participating in this mandatory modern slavery reporting regime.
37. While the Bill makes it clear reporting entities must submit their modern slavery statements to the registrar within six months of their reporting period each year, it is not clear whether there are any other obligations on the reporting entity around statement reviews, audit requirements or verification expectations. Whether or not there are any further potential requirements on the entities should be explicitly included in the Bill.
38. Currently, the Bill is set to come into force six months after Royal assent. Retail NZ recommends a longer lead-in time, or allow for a phased commencement period, to give reporting entities sufficient time to build internal capability to undertake this reporting. Supply chains can be complex and multi-tiered, which can take time to obtain information from and investigate, and this will allow for entities to appropriately assess and report on their full operations and product sourcing. We recommend there be a minimum of 12 months between the commencement of the Act and the start of the first reporting period for the entities, so they have time to gather the appropriate data in order to produce their first Modern Slavery statement,

## Conclusion

39. Thank you for the opportunity to make a submission.
40. Retail NZ strongly supports this Bill and its intent to establish a framework that will help combat, and strengthen protections against, modern slavery.
41. However, we do believe the Bill could be enhanced by improving clarity around some provisions as highlighted throughout this submission, establishing clear, practical guidance - including templates - around reporting and due diligence expectations, and ensuring the focus is on increasing transparency around, and mitigation of, modern slavery risks and incidents.
42. Retail NZ is happy to discuss any aspect of this submission further and would like the opportunity to make an oral submission to the committee.
43. No part of this submission should be withheld under the OIA.

Sincerely,



Carolyn Young

**CHIEF EXECUTIVE**

[carolyn.young@retail.kiwi](mailto:carolyn.young@retail.kiwi)