

16 October 2020

Submission to the Ministry of Business, Innovation and Employment.
On the Draft Plan of Action against forced labour, people trafficking and slavery

Introduction

Caritas Aotearoa New Zealand is the New Zealand Catholic Bishops' agency for justice, peace and development. We work on behalf of the New Zealand Catholic Bishops Conference for a world free of poverty and injustice through community development, advocacy, education, and emergency relief.

Our work is shaped by Catholic Social Teaching, which reinforces the dignity of each and every person, along with their responsibilities, regardless of culture, ethnicity, gender or religion. We promote, in particular, the principles of:

- Human dignity – Te Mana i te Tangata;
- Solidarity –Whakawhānaungatanga;
- Subsidiarity - Mana Whakahaere;
- Preferential option for the poor and vulnerable - He Whakaaro Nui mō te Hunga Rawakore;
- Participation - Nāu te Rourou, Nāku te Rourou;
- Distributive Justice – Te Tika ka Tohaina
- Promotion of Peace – Te Whakatairanga I te Rangimārie
- Stewardship – Kaitiakitanga; and
- The Common Good - Hei Painga mā te Katoa.

This submission focuses on the government's goal:

“To ensure that New Zealand businesses, government agencies and consumers do not inadvertently support forced labour, people trafficking and slavery through the purchase of goods or services across global supply chains.”

We refer to chapter four of the Draft Plan of Action - Prevention. We would like to see a strengthening of the action plan under the heading: Eliminate forced labour, people trafficking and slavery from supply chains.

New Zealand legislation needed for ending modern day slavery

Action 16 under this title states: “Consider introducing legislation requiring businesses to report publicly on transparency in supply chains, to help eliminate practices of modern slavery. The Agency is MBIE. The status is ‘planned’. While we applaud the inclusion of this action, we also request that there is an

increase in the urgency and importance of this action. We believe it is necessary to immediately investigate the introduction of legislation covering the New Zealand context and to work towards its implementation.

Inaction or delay would be unethical

The Plan of Action recognises that “New Zealanders may be unknowingly supporting this activity [modern slavery] through their purchase of goods and services.” It is not ethical for a government to acknowledge that its people and its businesses may unknowingly be procuring items created through modern slavery, and not take immediate action.

Of the estimated 40 million slaves globally, the largest proportion of these, are involved in forced labour, with 16 million people exploited in the private sector. Consumer demand for cheap goods and services perpetuates the existence of forced labour. These victims are overwhelmingly women and children. (https://www.ilo.org/global/publications/books/WCMS_575479/lang--en/index.htm and The United Nations Office on Drugs and Crime’s *Global Report on Trafficking in Persons 2018*)

Caritas Aotearoa New Zealand and our international network have actively campaigned against human trafficking and labour exploitation. In 2019 Pope Francis urged governments to take decisive action against the \$150 billion-a-year human trafficking business and the plight of millions of modern-day slaves. <https://www.reuters.com/article/us-pope-trafficking-idUSKCN1PZOGQ>

Legislation will create a level playing field – for business and for consumers.

The current Plan of Action states, “New Zealand businesses are working within their own companies and sectors to eliminate exploitation from their supply chains.” However, this is only true of some New Zealand businesses. The value of a Modern Slavery Act is that it levels the playing field across all businesses, adding very little extra work for those already engaged in this space, whilst ensuring that others yet to embark on supply chain transparency receive the nudge they need to begin the journey.

The Plan of Action acknowledges that a level playing field is necessary for NZ businesses to maintain fair competition, but currently it only seeks to address it within government supply chains. Having government expectations for procurement, monitored by government is a good start in that it is leading by example. However, the voluntary system we have now where businesses engage across a wide spectrum, from full transparency through to zero transparency is not a level playing field for consumers procuring through private business supply chains. Here ethical businesses are being undercut by those seeking to benefit from exploitative supply chain practises.

It is great to see the Draft Plan of Action includes reference to actions already underway in promoting and supporting ethical and sustainable work practices. These tools and resources are important, and when teamed with legislation requiring a minimum level of engagement from business will increase the effectiveness of business to rid their supply chains of modern slavery.

Legislation improves civil society awareness of the issue. Undertaking awareness raising is a key action in the Draft Plan of Action in the area of Prevention. We believe that within domestic and global supply chains there is low awareness by the wider public regarding the risks of modern slavery being involved in particular industries. In addition to this, despite brands likely being more aware of these risks, there remain low levels of supply chain transparency and knowledge within NZ business to measure indicators of modern slavery and assess the risks.

Evidence from the U.K, an early adopter of Modern Slavery legislation, links the legislation with improvements in identification since its introduction in 2015. The U.K recorded a massive 51% increase in modern slavery offences during the 12 months to 2019, which may reflect increased reporting as a result of increased awareness of the issue. In the U.K. thousands of businesses each year prepare Modern Slavery Statements at a Board level.

The requirement for businesses to prepare Modern Slavery Statements leads to increased information on modern slavery within supply chains being available to civil society. This enhances the ability of interested actors within New Zealand to investigate and research modern slavery risks within consumer goods in New Zealand, contributing to our overall knowledge and our ability to mitigate the risks.

NZ is lagging behind other countries

New Zealand is a country with a reputation for fairness and equity, and its lack of progress in this area is at odds with this reputation. In response to the *United Nations Human Rights Council's Universal Periodic Review in 2019*, New Zealand agreed to consider introducing legislation requiring businesses to report publicly on transparency in supply chains, to help eliminate practices of modern slavery in New Zealand and beyond its borders.

To our knowledge there has been no action to date and no timeline put in place for this action to occur. In contrast, several of the governments that New Zealand jointly launched the *Principles to Guide Government Action to Combat Human Trafficking in Global Supply Chains* in 2019 have enacted Modern Slavery Acts, with some updating the original Acts to strengthen their outcomes. These include the U.K, Australia and California in the U.S. The U.K. government announced in 2020 that it is introducing powerful new measures to further strengthen the landmark Modern Slavery Act 2015 and ensure that large businesses and public bodies tackle modern slavery risks in supply chains. These countries are demonstrating through legislation that they recognise the severity of the offending involved within supply chains, and the part that businesses and consumers unwittingly play in perpetuating the offending.

Currently New Zealanders are unaware of how large a role our domestic supply chains play in contributing to modern slavery statistics.

The Plan of Action acknowledges that domestically, "it is likely that there are more victims in New Zealand who have not yet been identified." Given the 25 million globally involved in forced labour, and within that agriculture being named as a vulnerable industry for exploitation, New Zealand's domestic supply chains are a large unknown area of risk, where consumers may unknowingly be buying into modern slavery.

Recommendation:

This submission calls for the introduction of legislation requiring businesses to report publicly on transparency in supply chains, to help eliminate practices of modern slavery. If New Zealand is serious about understanding the scope of our Modern Slavery footprint and if we are serious about eliminating forced labour, people trafficking and slavery from domestic and global supply chains entering New Zealand, we recommend developing country specific, unique Modern Slavery Legislation for New Zealand businesses.