

Submission by



to the

**Ministry of Business, Innovation and Employment (MBIE)**

on the discussion document

**A Legislative Response to Modern Slavery and Worker Exploitation**

7 June 2022

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## **NZTECH SUBMISSION ON A LEGISLATIVE RESPONSE TO MODERN SLAVERY AND WORKER EXPLOITATION**

### **SUMMARY**

- NZTech wishes to thank the Ministry for the opportunity to submit our views on its discussion document.
- We support the Government's efforts to minimise slavery in supply chains and its acknowledgement of the role private sector companies play in this. We agree that a robust legislative framework will be a vital component of the Government's strategy to minimise worker exploitation.
- We believe that the complexities of the issues involved, and the differing demands compliance with legislation would place on businesses depending on their size, demands careful consideration of the legislation's implementation, and the penalties associated with non-compliance – particularly for small businesses.
- NZTech is willing to provide any further assistance that Ministry may need, and answer any questions it may have on this submission.

### **BACKGROUND**

- NZTech is a member funded, not-for-profit, non-governmental organisation that represents 20 tech associations with over 1600 members who collectively employ more than 100,000 New Zealanders: over 10 percent of the New Zealand workforce.
- Our purpose is to help create a more sustainable, equitable and prosperous New Zealand underpinned by technology. We do this by helping our members work together to connect the tech ecosystem, promote the importance of technology for New Zealand and New Zealand technology for the world, and help advance the growth of the tech ecosystem and the New Zealand economy.
- Our members include New Zealand tech exporters, local and multinational IT firms, startups, universities, government agencies, financial service providers and large corporate users of technology.

### **COMMENT**

- NZTech welcomes the Government's intention to implement its five-year Plan of Action against Forced Labour, People Trafficking and Slavery to minimise exploitation and ensure people are treated with dignity.
- We agree on the importance of a legislative framework to minimise worker exploitation. Many of our members operate within the global economy and are already compliant with the relevant legislative regimes in Australia and the United Kingdom. We therefore encourage the Government to develop its legislative and associated compliance framework in a way that ensures it is consistent as much as possible with comparable regimes and with relevant international standards such as ILO conventions on forced labour and child labour as well as the United Nations Guiding Principles on Business and Human Rights (UNGPs).

- NZTech notes that the Government is proposing that this regime capture all entities, large and small. We strongly encourage a proportional risk-based approach be taken to minimise the compliance burden on small businesses.
- Experience to date in implementing the UK and Australian legislative regimes demonstrates that understanding supply chains in the technology sector is a particularly complex, costly and time-consuming activity. While we acknowledge that the same risks are present in the supply chains of small and large businesses, we are concerned that compliance with the proposal as currently drafted would simply be beyond the resources of many small businesses.
- Furthermore, experience has also shown that where businesses account for only a small portion of the total customer base of a supplier, it is very difficult to exercise sufficient influence over the supplier to drive changes in the behaviours this legislation seeks to eliminate. Even large companies are increasingly finding they need to work together to leverage their collective purchasing power to push suppliers to improve labour conditions.
- While we support the premise that larger entities should be required to do more to address modern slavery in their supply chains, we do not support the introduction of a penalty framework. Instead, we support an approach that encourages companies to engage and address issues related to modern slavery in their supply chain.
- We would urge care in the legislation's framing, implementation and compliance requirements. Reporting measures should be flexible and practicable, outlining objectives and not be overly prescriptive.

## CONCLUSION

- Forced labour is a complex global issue that requires collaboration by companies, governments and civil society to spur system-wide change. Effective efforts must be built on solid foundations, aligning with industry best practices and collaborations such as Alliance 8.7, the Responsible Business Alliance, the Leadership Group for Responsible Recruitment and others.
- We support a more nuanced risk-based approach, encouraging companies to build and scale efforts to address modern slavery/forced labour, ideally in industry or multi-stakeholder collaborations.
- Thank you for the opportunity to provide feedback on the discussion document. We are happy to engage further to discuss our submission and provide any further assistance.
- If you have any further queries do not hesitate to contact me.

Yours sincerely,



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