Orion

26 May 2026

Committee Secretariat
Education and Workforce Committee
Parliament Buildings
Wellington

Dear Committee Members,

Modern Slavery Bill (Bill No. 242-1)

1. Thank you for this opportunity to make a submission on the Modern Slavery Bill (the *Bill*).

2. Orion New Zealand Limited (*Orion*) supports the Bill and is strengthening its procurement processes. We outline these steps below.

3. We also have a small number of comments on the Bill, focused on points requiring clarification and the potential prosecution of directors.

Background

4. Orion is responsible for the electricity distribution network across Central Canterbury, covering both rural and urban areas, including Christchurch. The network spans over 8,000 square kilometres, serving more than 233,000 homes and businesses, making Orion the third largest Electricity Distribution Business (*EDB*) in New Zealand.

5. Orion is a Lifeline Utility for the purposes of the Civil Defence Emergency Management Act 2002. Orion has a statutory duty under this legislation to ensure it is able to function to the fullest possible extent, even though this may be at a reduced level, during and after an emergency.

6. Orion is a Council-owned company, with its shareholders being the Christchurch City Council (via Christchurch City Holdings Ltd) and the Selwyn District Council. Orion also owns Connetics, an industry service provider, and together they form the Orion Group.

7. Central Canterbury is experiencing rapid growth and change, with Christchurch at its centre. Electricity distribution is fundamental to the wellbeing and economic prosperity of the region.

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Orion’s services are crucial for both residents and businesses, and Orion is playing a key role in New Zealand’s transition to a low carbon economy.

8. In this context, Orion’s Group Purpose of “Powering a cleaner, brighter future with our community” is central to all we do. As Aotearoa New Zealand transitions to a low carbon economy, the energy sector has a critical part to play, primarily through electrification. Orion has established its purpose to be a vital player in that transition for our community and our region. We are focused on helping our community realise its dreams for a future that is new, better, and more sustainable over the long term.

9. At Orion we have adopted 5 Ps setting out the way we do business. This includes purposeful ethics and integrity, ensuring high ethical standards in our supply chain and workforce by

   - sourcing responsibly,
   - respecting human rights, and
   - providing fair, safe and respectful conditions throughout our business.[1]

10. Specifically, in response to New Zealand’s proposed Modern Slavery legislation, Orion has begun strengthening its procurement approach to better identify and manage supply chain risk. Proposed updates to our procurement policy set clearer expectations for due diligence, risk-based supplier assessment and escalation where issues arise, supported by a refreshed Supplier Code of Conduct with more explicit requirements on labour standards, human rights and ethical sourcing. As part of this, we are using the Fair Supply system to support supplier due diligence and risk identification. In parallel, a modern slavery risk and due diligence framework is being developed to provide a consistent, organisation-wide approach to assessing and monitoring risk. For higher-risk procurement, particularly large-scale equipment sourced internationally, suppliers are required to provide their policies and evidence of how they identify and manage modern slavery risks across their operations and supply chains.

[1] The other Ps are Protect our planet; Partner with our people and communities; Prosperity through responsible long-term decision making; Pledge to Te Tiriti.

11. With that background in mind, we now set out our comments on the Bill.

Specific comments on the Bill

12. The Bill refers to supply chains but does not define the term. It is unclear how far down the supply chain the reporting is expected to extend. It would be helpful for the Bill to clarify whether this refers to direct supply chains or whether it includes extended supply chains (supply chains that feed into other supply chains).

13. Clause 7 sets out the definition of reporting entity. The definition includes entities that control, directly or indirectly, an entity that meets the criteria outlined in clause 7(1). Is it intended that only the holding entity is the reporting entity or are the subsidiary entities reporting entities in their own right? We think the Bill would benefit from further clarification here, so it is very clear as to which entity is the reporting entity.

14. Clause 9(2) sets out the details of a modern slavery statement. Paragraph (c) refers to including a description of "*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*". Here, we suggest that it is clearer to simply refer to "risks" rather than known or anticipated risks.

15. Clause 17 provides that if a reporting entity is convicted of an offence against the 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. Generally speaking, under the Companies Act 1993, directors are obligated to exercise their powers with care, diligence, and skill (s137). They must act in good faith and in the best interests of the company (s131), ensuring that their actions align with the company's objectives. Further, directors must exercise their powers for a proper purpose (s133).

17. New Zealand law already provides substantial director accountability through civil liability, public enforcement, pecuniary penalties, compensation orders, and director disqualification. In that context, we question whether additional criminal penalties under this regime are either necessary or appropriate.

18. Therefore, Orion submits that the references to criminal penalties for directors should be removed. If the Committee decides to retain this provision, its commencement should be delayed allowing time for enhanced director education.

Concluding comments

19. Thank you again for the opportunity to provide this submission. As noted at the outset we support the Bill and we are preparing for the Bill to come into force.

20. We do not wish to be heard in relation to this submission.

21. If you have any questions please contact Vivienne Wilson, Policy Lead, Vivienne.wilson@oriongroup.co.nz, (03) 363 9898.

Yours sincerely

Vivienne Wilson

Policy Lead