

NEW ZEALAND PROFILE

Main seafood products and exports

Around 650,000 tonnes of seafood are harvested each year from New Zealand's coastal waters and exclusive economic zone (EEZ). Some 63% of this amount comes from mid and deep water fish, 12% from pelagic deep water fish, 10% from inshore species and 15% from aquaculture.

Seafood New Zealand provides regular updates on the country's seafood production and export performance. For 2013 the total landed catch was 412,346 tonnes (and a production of 600,000 tonnes including aquaculture). Total export volume was 291,302 tonnes. The top ten export species were, in descending order by value: rock lobster, hoki, mussels, tuna, squid, salmon, jack mackerel, ling, paua and orange roughy. The top export destination countries were, again in descending order: China, Australia, U.S., Japan, Hong Kong, South Korea, Spain, France, Germany and Thailand.

For the first quarter of 2014, China, Australia and the U.S. maintained the top three positions as New Zealand's principal trading partners. Australia and Japan favoured finfish, while the U.S. and Hong Kong preferred shellfish. Exports to China were dominated by rock lobster and some finfish.

Seafood exports to the UK

The UK has not been a major importer of New Zealand seafood products. In 2014, it imported a total of 46,795 kg, valued at UK£ 386,952. The species by value were: cod (£137,997), crabs (£102,663), monkfish (£ 92,094), salmon (£ 30,361), warm water shrimps and prawns (£ 22,262) and mackerel (£1,575).

Employment in seafood

The seafood industry is estimated to support more than 26,000 jobs domestically.

Human trafficking and forced labour: indicators, rankings and reports

New Zealand is ranked at Tier 1 (the highest ranking) in the U.S. Government's 2015 Trafficking in Persons¹ (TIP) report. The report observes however that foreign men aboard foreign-flagged fishing vessels in New Zealand waters are subjected to forced labour. Parliament approved the Fisheries Foreign Charter Vessels Amendments, and the government implemented efforts to prevent trafficking on board vessels in New Zealand waters. The government, however, did not adequately identify or certify any trafficking victims in vulnerable sectors or among vulnerable groups and continued to treat possible forced labour cases as labour violations. Parliament passed the Fisheries Foreign Charter Vessels Amendments, a law requiring all foreign charter vessels fishing in New Zealand waters to operate as New Zealand-flagged vessels and abide by New Zealand's health and labour laws. Ministries implemented portions of the law and took steps to fully implement the law by 2016.

¹ United States Trafficking in Persons Report 2015 <http://www.state.gov/j/tip/rls/tiprpt/>

New Zealand is ranked at 164 (the fourth most favourable ranking) in the Australia-based Walk Free Foundation's 2014 *Global Slavery Index*², with an estimated 600 persons in modern slavery.

There has been extensive media reporting, and also carefully documented academic reports based on in-depth surveys, on the exploitation of Asian migrant fishers on particularly Korean-flagged charter vessels in New Zealand waters. In February 2012, *Bloomberg Business* published a long article on abuses aboard a South Korea-flagged ship trawling in the waters off New Zealand³. The articles focused on physical and sexual abuse endured by Indonesian fishers on Korean vessels, as well as on their conditions of debt bondage after taking out substantial loans. A six-month investigation detected conditions of debt bondage on at least ten Korean vessels operating in New Zealand waters. The article traces the links between the *United Fisheries* company headquartered in New Zealand (reported to have purchased most of the ling, squid and other seafood products captured by these Korean vessels), and major U.S. retailers and buyers which are specifically named.

Labour abuses against Indonesian migrants on Korean-flagged charter vessels in New Zealand waters have also been rigorously documented by a group of scholars at the Auckland University Business School, in several reports issued between 2011 and 2015. Perhaps the most influential of these reports was sharply critical of the failure of government institutions to enforce a Code of Practice on foreign charter vessels (FCVs)⁴. In 2011 there were 27 foreign registered fishing vessels operating in New Zealand's EEZ under charter arrangements with New Zealand companies. These vessels were chartered together with their crew, recruited and employed through specialized "manning agents".

Ratification of international human rights and labour instruments

United Nations treaties and procedures

New Zealand has ratified all the main international human rights instruments of the UN system. These include, with their date of ratification by New Zealand:

- International Convention on the Elimination of All Forms of Racial Discrimination (1972)
- International Covenant on Civil and Political Rights (1978)
- International Covenant on Economic, Social and Cultural Rights (1978)
- Convention against Torture and Other Cruel Inhuman or Degrading Treatment or Punishment (1989)
- Convention on the Rights of the Child (1993)
- Convention on the Elimination of All Forms of Discrimination against Women (1995)

New Zealand has also ratified optional protocols to several of these instruments, and has accepted individual complaints procedures under them. New Zealand has also

² Global Slavery Index 2014 http://d3mj66ag90b5fy.cloudfront.net/wp-content/uploads/2014/11/Global_Slavery_Index_2014_final_lowres.pdf

³ E. Benjamin Skinner, "The Fishing Industry's Cruellest Catch", *Bloomberg Business*, 23 February 2012. <http://www.bloomberg.com/bw/articles/2012-02-23/the-fishing-industrys-cruellest-catch>

⁴ Christina Stringer, Glenn Simmons and Daren Coulsten, "Not in New Zealand's waters, surely? Labour and human rights abuses aboard foreign fishing vessels", New Zealand Asia Institute Working Paper Series, No.11-01, 2011. <http://docs.business.auckland.ac.nz/Doc/11-01-Not-in-New-Zealand-waters-surely-NZAI-Working-Paper-Sept-2011.pdf>

accepted country visits under the UN's special procedures, with a particular focus on the rights of indigenous peoples.

International Labour Organization (ILO) Conventions⁵

New Zealand has ratified 60 ILO Conventions, including six of the eight core human rights instruments. It has yet to ratify Conventions on freedom of association and the rights to organize (No. 87) and the minimum age of admission to employment (No. 138).

Fisheries management and recent policy trends

A new Ministry for Primary Industries was established in April 2012, merging the previous ministries of fisheries, and of agriculture and forestry. Management of fisheries, including the licensing and registration of vessels, is governed by the 1996 Fisheries Act. An important feature of the Act is its Quota Management System (QMS). Section 103 of the Act requires that before any vessel can be used for commercial fishing in New Zealand waters, whether it is New Zealand or foreign owned or operated, it must have a current Certificate of Registration. This can be cancelled on the grounds of labour abuse. Section 107 allows for the cancellation of registration, following notification by the Secretary of Labour of a breach of any statutory provision of the Minimum Wage Act or Wages Protection Act.

Given that the ethical concerns in New Zealand appear to have related exclusively to alleged labour abuse on Foreign Charter Vessels (FCV), this section focuses on recent developments in this area.

The background is as follows. In the late 1970s, New Zealand extended jurisdiction over its EEZ. As it only had limited capacity to fish in the EEZ, catch that New Zealand vessels could not harvest was allocated to foreign countries under bilateral agreements. Vessels from Japan, South Korea and the then USSR were permitted to catch in excess of 200,000 tonnes per year from New Zealand's EEZ, and return the fish to foreign ports for processing. These foreign licensing agreements were at that time considered a temporary measure, while New Zealand increased its domestic fishing capacity. New Zealand operators were encouraged to engage in joint ventures with overseas fishing companies, ranging from foreign parties investing capital in New Zealand, to the provision of additional fishing capacity in the form of foreign owned and flagged vessels chartered by New Zealand fishing companies. All these joint ventures required government approval.

According to 2010-2011 figures, at that time 26 FCVs operated in New Zealand waters (13 from South Korea, seven from Japan, four from Ukraine and two from Dominica). The majority operated year-round in New Zealand's EEZ, all but one as trawl vessels. Six were seasonal vessels, operating in such fisheries as squid jig and tuna longline.

Widespread concerns about labour conditions on the FCVs led to the then Minister of Fisheries and Aquaculture and the Minister of Labour to convene a Ministerial Inquiry

⁵ The International Labour Organization's Fundamental Conventions
http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_095895.pdf

in August 2011. Its principal objective was to ensure that foreign owned and flagged vessels chartered by New Zealand fishing companies supported the following objectives:

- protect New Zealand's international reputation and trade access
- maximise the economic return to New Zealand from its fishery resources
- ensure acceptable and equitable New Zealand labour standards (including safe working environments) are applied on all fishing vessels operation in New Zealand's fisheries waters.

The Inquiry took place between August 2011 and February 2012, receiving extensive public submissions. In its report⁶, the Panel concluded that the way in which some FCVs had been operating had "the potential to damage New Zealand's international standing and harm the fishing industry's reputation", and that corrective action was required for regulating FCV activities in the country's EEZ. The Panel put forward a series of recommendations under five major headings:

- First, certain changes could be implemented within the existing legislative framework, mainly practical improvements in the monitoring and enforcement of rules for FCVs. Rules should be properly enforced, and decisive action taken against owners and operators who refuse to adhere to them.
- Second, there could be improvements in information sharing and coordination of decision-taking among key government agencies.
- Third, amendments in the existing legislation and Code of Practice governing FCVs could remove some of the current impediments to enforcement. A key recommendation was to extend application of the Health and Safety in Employment Act 1992 through to the Fisheries Act 1996, to provide protection to the crew on FCVs.
- Fourth, New Zealand should announce its intention, subject to national interest analysis, to ratify two key IMO Conventions, and consider the merits of ratifying the ILO's Work in Fishing Convention, 2007.
- A fifth recommendation involved a major policy change. Legislation should be amended to require all FCVs to be placed on a demise charter and their crew to be employed under a New Zealand employment agreement. This would establish the accountability of New Zealand charter parties for the treatment of the crew. The Government should allow a transition period to enable the fishing industry to adapt to these changes.

The New Zealand Fisheries (Foreign Charter Vessels and Other Matters) Amendment Bill was passed into law in August 2014. A key feature is that, as of May 2016, FCVs will have to fly New Zealand flags and be subject to New Zealand jurisdiction.

Overall risk assessment

New Zealand can be considered a low risk country for UK seafood imports. It has excellent rankings on the issues of forced labour and human trafficking, and a good

⁶ Report of the Ministerial Inquiry into the use and operation of foreign charter vessels, Wellington, February 2012. <http://www.mpi.govt.nz/news-and-resources/consultations/ministerial-inquiry-into-foreign-charter-vessels/>

record in the ratification and application of international human rights instruments. Though abuses against migrant fishers on foreign chartered vessels in the country's waters have been quite extensively documented in recent years, there is evidence of strong remedial action by the Government, with the support of representatives of the fisheries industry. Comprehensive legislation on the subject, when all provisions are implemented after May 2016, should significantly reduce the risk of abuse on these vessels. Though this aspect of New Zealand's fisheries should have limited impact on the UK import market for New Zealand seafood, attention should nevertheless be paid to the enforcement of this new legislation.

For further information

- **United States Trafficking in Persons Report 2015**

<http://www.state.gov/j/tip/rls/tiprpt/>

The Department places each country in this Report onto one of four tiers, as mandated by the Trafficking Victims Prevention Act (TVPA). This placement is based more on the extent of government action to combat trafficking than on the size of the country's problem. The analyses are based on the extent of governments' efforts to reach compliance with the TVPA's minimum standards. Tier one is the best ranking and Tier 3 the worst.

- **Global Slavery Index 2014**

http://d3mj66ag90b5fy.cloudfront.net/wp-content/uploads/2014/11/Global_Slavery_Index_2014_final_lowres.pdf

The Global Slavery Index estimates the prevalence of modern slavery country by country, the absolute number by population, how governments are tackling modern slavery, and what factors explain or predict the prevalence of modern slavery. Rankings range from 1 to 167 - with 1 the worst and 167 the best, in terms of the prevalence of the population in modern slavery. This is based on three factors: estimated prevalence of modern slavery by population, levels of child marriage and levels of human trafficking into and out of the country. This gives a 'weighted measure'.

- **The International Labour Organization's Fundamental Conventions**

http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_095895.pdf

Ratifications of fundamental Conventions and Protocols by country

http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:10011:0::NO::P10011_DISPLAY_BY,P10011_CONVENTION_TYPE_CODE:1,F

This is an information service provided by Seafish for industry and key stakeholders. To the best of our knowledge this information is factually correct at the date of publication.

For further information contact:

Karen Green, Industry Issues and Communications, Seafish

E: karen.green@seafish.co.uk

T: 01480 431500

M: 07515 993499