

Ecologist Special Report: New Zealand's Fisheries' Fraud

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New Zealand's "Clean and Green" image has been tarnished by revelations that senior officials covered up massive waste and fraud in its fisheries even as they claimed that the country neo-liberal management scheme was a world leader. Amazingly, some still do.

CHRISTOPHER PALA reports

Until recently, New Zealand enjoyed a sterling reputation as a country so deeply respectful of its marine environment that in 2009 it earned first place in a [study](#) comparing the sustainability of the fisheries of 53 countries.

But a later [investigation](#) triggered a series of revelations in the past year that uncovered a very different picture of how the country manages the ocean around it. The quota system adopted in 1986, it turns out, has led to excessive and wasteful fishing, the impoverishment of many fishermen, the gouging of consumers and the enrichment of corporations. And much of it was hidden behind a Potemkin Village of false official statistics.

The stated purpose of the quota management system was to reduce overfishing and make the fishery more sustainable by handing management of individual fisheries to those already fishing them. It was based on the neo-liberal principle that market players will always perform more efficiently on their own, rather than under the tutelage of government regulators. Thus, a fisherman who had been trawling for snapper on a certain part of the coast received for free and in perpetuity a catch allowance of, say, 100 tons of snapper from that space. He was free to decide how and when he would catch those fish.

But the system had two components that led to catastrophe, say those who have studied it: the quota holders were allowed to contract someone else to catch their quota of fish for them, and they were also free to sell their quota to anyone.

Over the years, explained Fiona [McCormack](#), an anthropologist at the University of Waikato, in Hamilton, NZ, big fishing companies, fish processing companies and even private equity investors acquired more and more quotas from fishermen. On one hand, this gave the industry the clout to effectively capture its regulators, and on the other, it allowed them to drive down the price it paid its fishers (thus lifting profits), effectively forcing the fishers to illegally discard fish for which they had no quota while the government looked the other way.

New Zealand had for years advertised itself as a world leader in fisheries when a global examination of seafood catches from 1950 to 2010 was published last year by Daniel Pauly's *Sea Around Us* project of the University of British Columbia. The purpose was to verify the accuracy of the catches reported to the Food and Agricultural Organization in Rome, which tabulates them so they can form the bedrock of global fisheries knowledge.

The study, which also involved the universities of Oxford and Auckland, assembled teams that harnessed a wide variety of methods and sources, ranging from interviews to newspaper reports. They found that globally, about a third more fish was caught than reported to the FAO, and that most of it was in small-scale fisheries in poor countries that weak governments didn't count.

The New Zealand chapter, however, was an outlier: the authors discovered that over the 60 years examined, the real catch was 2.7 times the reported one; and in the years since the quota system was set up 30 years ago, it was still 2.1 times. In other words, fishers had tossed overboard more than half their catch. The average contemporary estimate of discards was about a third, mostly among near-shore fishers and foreign blue-water vessels on contract to fish the quotas of New Zealand fishing companies.

The conservative National Party government contested the paper's findings, insisting that the discard rate was the 6% it had reported all along. The party's president, Peter Goodfellow, happens to be a part-owner, board member and former chairman of Sanford Ltd., the country's biggest and oldest fishing company. He twice declined to be interviewed.

The catch study's authors had based their calculations in part on some 200 reports filed by fisheries inspectors, many detailing illegal fish dumping. But instead of leading to prosecutions, virtually all were shelved, often over the objections of the inspectors who wrote them.

In one case, an investigation brought to light a lengthy e-mailed memo written in 2014 by Dave Turner, then and now the director of fisheries, to his then boss, Scott Gallacher. Turner wrote that discards had been a "systemic failure of the current system...since day one" of the quota system. The resultant fishing of more than the allowed quota set by scientists was probably "impacting on stocks." But if tolerance for fish-dumping ended and the law was enforced, he warned, "We would probably put over half the inshore fishing fleet out of business overnight."

Yet in a subsequent statement to the *Ecologist*, Turner sidestepped questions about these statements insisting that "New Zealand is a world leader in fisheries management and compliance," its fish stocks "are in very good health" and future misreporting will be taken care of with on-board cameras.

In an unpublished 2008 report obtained by the *Ecologist*, Shaun Driscoll, at the time the Fisheries Ministry's manager for investigations, wrote that the system "virtually guarantees illegal fishing practices," notably "dumping and non-reporting of large quantities of hoki," one of New Zealand's most lucrative export fish, and "significant fraud." His remarks mirrored the conclusions of the catch study eight years later that a third of the hoki fleets' catch was illegally dumped and not reported.

The hoki fishery, as it happens, in 2001 became the first in New Zealand to be certified by the London-based Marine Stewardship Council. MSC is a charity that has recently been accused of certifying fisheries that do not meet its standards in order to increase its revenue, notably by the WWF in a [report](#) published in December, and by 50 charities in a [letter](#) to MSC.

Asked whether MSC would reassess its finding that the New Zealand hoki fishery was environmentally sound in the light of the newly uncovered evidence of massive and illegal fish dumping, a spokesman for MSC, Jon Corsiglia, wrote that the London-based organization, after examining the catch report, "confirms the New Zealand hoki fisheries have been independently assessed as continuing to meet the high requirements of the MSC Fisheries Standard," which "requires that the entire catch, including discards and bycatch, is accounted for."

Pauly, the lead scientist of the global catch studies and a co-author on the New Zealand one, was not surprised by MSC's response. "They certify everything that moves," he said. "They have long ceased to have anything to do with conservation."

New Zealand hoki provides eight percent of McDonald's filet-o-fish, including in the UK. A spokeswoman for the fast-food company, Terri Hickey, said it had "nothing additional to add" to MSC's comments.

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