



**SANFORD LIMITED**  
**SUSTAINABLE SEAFOOD**

## **Sanford introduces foreign crew management system**

**AUCKLAND, 30 July, 2012**

Sanford Limited has today announced a new system to strengthen Sanford oversight and protect the safety, pay and working conditions of fishing crew working on Foreign Charter Vessels (FCVs) that supply Sanford operating in New Zealand waters.

All crew working on foreign charter fishing vessels will be paid directly by Sanford under a new Foreign Crew Management System, which the company says could become the blueprint for the New Zealand fishing industry.

Sanford has consulted with the Ministry of Business, Innovation and Employment (MBIE), formerly New Zealand's Department of Labour, and foreign crew to develop the system, which applies to the four FCVs supplying Sanford now and any future charters.

The changes being implemented across Sanford's FCV operations will complement those being phased in over the next four years by the New Zealand Government following the Ministerial Inquiry into Foreign Charter Vessels.

In a first for the New Zealand fishing industry, Sanford will take control of wage payments away from foreign vessel operators and off-shore manning agents and will pay fishing crew directly.

### **Sanford Foreign Crew Management System – Main Features:**

- The system will ensure full and transparent payment to crew directly from Sanford.
- Sanford will act as 'paymaster' and will be responsible for receiving crew wages from the FCV owner and then depositing those wages into crew bank accounts. Crew wages will be paid into a bank account in their name in New Zealand.
- The role of offshore manning agents will be strictly limited to recruitment and these agents will have no role in the receipt or payment of crew wages nor will they be permitted to hold any documents or other securities over crew.
- Strict new requirements for manning agents and Charter Vessel operators to ensure crew contracts and wage documents are transparent and understood by all crew.

- Sanford's investigations have revealed that not all monies remitted to crew agents by the employer have been passed on to the crew. Sanford's revised system will include complete oversight of the Charter Vessel Operator's work to put right any previous shortfall in crew wages for both current and former crew.
- Sanford is the only New Zealand company that has had a policy of 100% independent observer coverage on its Charter Vessels for over 10 years. Under the new management system, reporting requirements for observers have been strengthened to require formal reporting on crew welfare, treatment and health & safety.

A copy of the Overview of Sanford Foreign Crew Systems is available at [www.sanfordfacts.com](http://www.sanfordfacts.com)

The new system has been developed following a number of investigations and audits carried out by Sanford and independent third parties into FCV operations, which provided a comprehensive view of the existing model and changes needed.

As part of this process, Sanford has also investigated two specific allegations, raised publicly by one former crew member earlier this year, of mistreatment aboard a foreign charter-fishing vessel that supplies Sanford.

Those audits and investigations, including interviews with independent observers, current crew and former crew who worked aboard the vessels at the time of the alleged incidents, have not found evidence to substantiate those allegations. In summary the investigations found that foreign crew on FCVs chartered by Sanford are well treated and not subject to abuse or mistreatment.

However, these probes have found that there is an issue with crew wage payments and record keeping, particularly with regard to practices offshore. Consequently, the quantum of compensation payments to be made to crew by Korean Charter operator Dong Won Fisheries Co Limited is to be confirmed with each individual, and the new system includes a process for the calculation of those figures and for payment direct to affected crew.

The lack of transparency over payment to crew by offshore interests falls well short of what Sanford would expect. The new Foreign Crew Management System is being implemented immediately to ensure all crew receive their agreed wages in full and on time. It is now in place on the three Dong Won Vessels supplying Sanford. Implementation on the *Pacini* will be completed in September.

Crew have been consulted over the new pay arrangements and new contractual arrangements have been put in place with FCV owners to ensure the new system is implemented in line with the expectations of Sanford Limited. ENDS

### **About Sanford SAN.nz:**

- New Zealand company established in 1904.
- Produces \$400m exports per annum.
- Devoted entirely to the harvesting, farming, processing, storage and marketing of quality seafoods and aquaculture products, mainly from New Zealand waters.
- Supports the sustainable utilisation of seafood from New Zealand's unique marine environment, and in the other waters in which the company operates.
- Seeks to act responsibly in all commercial operations in accordance with international best practice in the marine and coastal environment and ensuring that customers receive quality products.

### **About Foreign Charter Vessels (FCVs):**

- Sanford currently has four FCVs operating in New Zealand waters, which complement Sanford's own fleet of 13 deep-water fishing vessels.
- Foreign Charter Vessels are an important part of Sanford's deep-water fishing operations.

Sanford has been and continues to be actively and constructively involved with government, regulatory authorities and various committees, including the Ministerial Inquiry into Foreign Charter Vessels, and the subsequent review of its recommendations.

**For further information or interviews please contact Eric Barratt, Managing Director Sanford Limited.**