

WELCOME TO

RiskNZ
Lunchtime Seminar:
12 September 2023



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Introduction to Modern Slavery



Cam Bower

Director

AIM Compliance, Risk & Investigations

The logo for AIN CRIP is displayed in white text on a grey rectangular background. The word "AIN" is positioned above "CRIP". The letter "A" in "AIN" is stylized with a small triangle above it. The letters "C", "R", and "I" in "CRIP" each have a small dot above them.

AIN
CRIP

Introduction to modern slavery in New Zealand

Purpose of the presentation



- Provide an overview of the issues facing businesses
- Develop an understanding of what modern slavery is in a New Zealand context
- Understanding the risks around the world
 - Tabling of mandatory due diligence and compliance plans
- How to respond to issues that arise



What is modern slavery in New Zealand



- Umbrella term for a variety of offences
- Generally derived from deception
- Complicity involving visas
- Vulnerability through illegal status
- Organised criminal enterprise
- Trafficking
- Control through religion/culture/community



How does exploitation survive and thrive in New Zealand



- Minimal education and lack of awareness
- Inability to respond – likelihood of re-victimisation
- Reliance on industry ethics rather than compulsion
- Multi tiered labour supply structures
- Little or no enforcement from regulators
- Lack of legislation
- AND MOST OF ALL



Implications of modern slavery



- Social impacts – human cost
- Weakens or skews markets and industries
- Ethical consumerism
- Economic impacts through black or grey markets
- Vetoed products / blacklisted industries
- International sanctions
- How to respond

New Zealand not doing enough to stop trafficking, US report says

8:53 am on 3 July 2021

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The Biden administration has hit out at 17 countries for not doing enough to combat human trafficking and is warning of sanctions.



CASE STUDY – Horticulture



- A single victim complaint
- Investigation processes
- Victim intervention
- Regulator engagement
- Regulator response
- Sanction by industry
- Enforcement by regulator



Background



- AIM CRI engagement with community groups
- Indonesian community advocate provided information
- An individual not legally allowed to work in New Zealand was being poorly paid and treated by a contractor in the Bay of Plenty horticulture industry
- Fearful of authority
- Significant debt in Indonesia and New Zealand
- Interview and evidence gathered by AIM investigators
- Advocacy and support provided
- Regulator engagement by AIM



Investigation



- As a result of the investigation 5 x search warrants were carried out in July 2020 in Tauranga
- 27 possible exploitation victims were discovered
- All Indonesian or Malaysian victims
- Similar stories of being underpaid and overworked for all victims
- Living in crowded conditions – up to 14 in a house
- Some cooperated with Immigration investigation, some didn't
- Some had been in this situation for upward of two years



CASE STUDY – Infrastructure



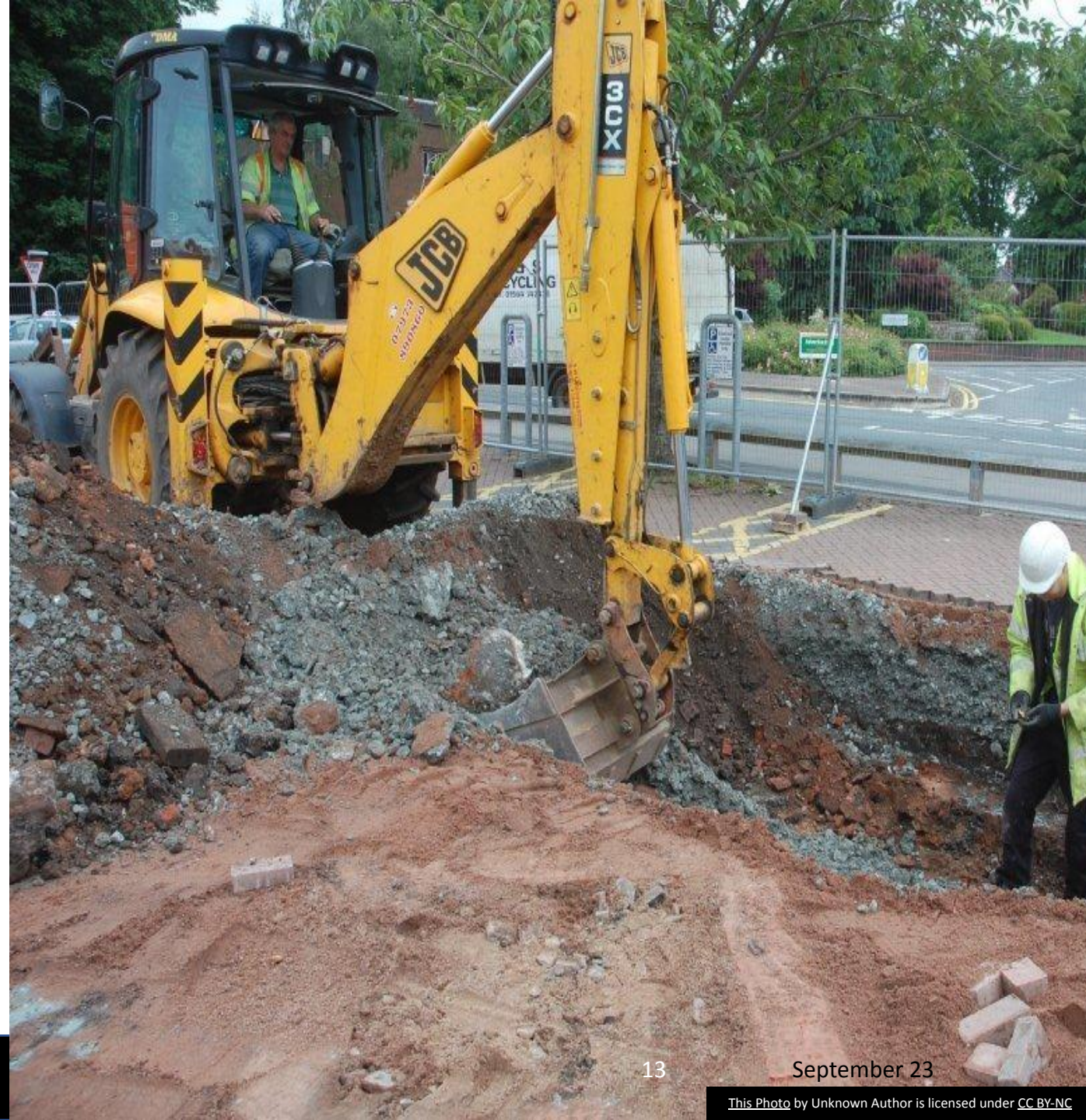
- Multiple victim complainants
- Victim intervention
- Investigation processes
- Sanction by industry



Background



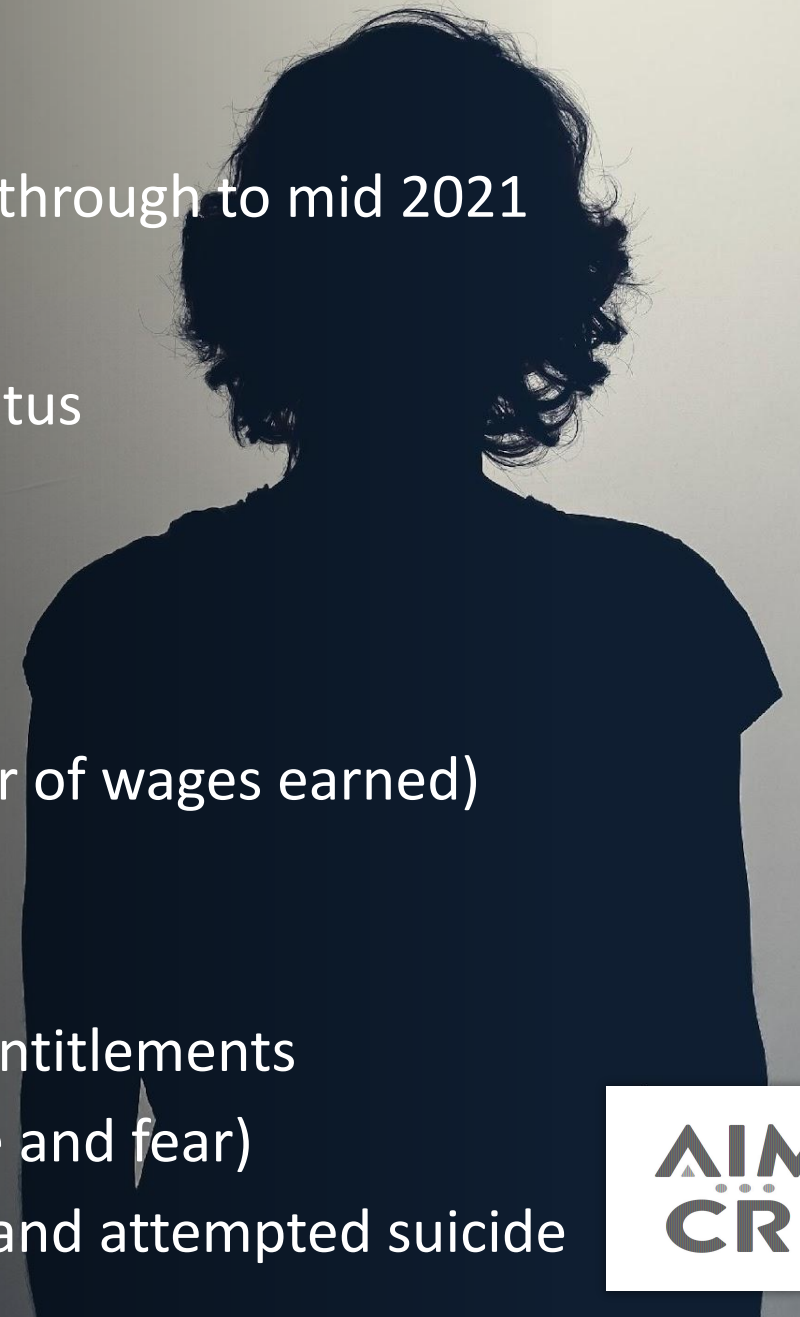
- Early June 2021 initial complaint received by large infrastructure company about contractor within their supply chain
- Complaint related to medium-sized installation contractor who had been in supply chain for 5+ years
- Severe exploitation of migrant workers by employer
- At least 20 vulnerable employees identified
- Lack of internal capability to respond to complaints
- Internal compliance process ineffective in identifying exploitation
- Regulatory authorities not resourced to pursue the complaints
- Extreme brand risk through media exposure



Initial Victim Statement



- Exploitation commenced in late 2016 and continued through to mid 2021
- Bonded to employer through debt and visa
- Compliance assured through fear losing work visa status
- Victim impacted
 - Debts incurred for visa payment
 - Underpayment for hours worked
 - Salary rotation (repayment in cash to the employer of wages earned)
 - Indebted to employer
 - Threatened with visa cancellation
 - Employment condition breaches – leave, breaks, entitlements
 - Emotional despair and isolation (feelings of shame and fear)
 - Lost years, could not represent his area in hockey and attempted suicide



Common Victim Characteristics



- During the investigation process, up to twenty potential victims were identified.
- Victims shared common characteristics, including:
 - Coming from the same region in India
 - Being in significant debt as a result of paying the director a “premium” for their job
 - Tied to the company through their essential skills work visa
 - Carrying out duties which were not in line with their visa (i.e. manual labour)
 - Living in overcrowded and substandard accommodation owned by the employer
 - Living in poverty as a result of salary recycling
 - Fear of being sent home



Working Conditions



- Long hours
- Very few days off or basic employment rights such as sick leave or annual leave
- Uncertainty and inconsistency of hours
- Salary rotation involving repayment of wages
- Increasing debt bondage
- Recurring threats of visa cancellation
- Underpayment for hours worked – no recourse



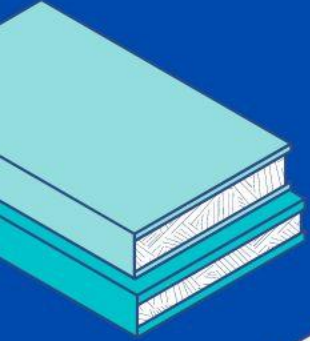
Challenges



- Victims were fearful of employer because:
 - Company provided pathway to residency
 - Significant time had been invested in the relationship (fear of starting over again)
 - Authority and position of power over the victim due to the social structure from their region in India
 - Threats of visa cancellation
 - Evidence of significant wealth/power in NZ achieved through the exploitation
- Language and cultural barriers
- Level of despair by the victims (previous attempts to report had not been actioned)
- General fear of authority due to uncertain visa status
- Reluctance by the regulator to receive the complaints



Social Responsibility is more than a
policy document – it is an ethical
commitment to best practice
differentiating between compliance
monitoring and victim protections



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QUESTIONS

