



NEW ZEALAND COUNCIL OF TRADE UNIONS
Te Kauae Kaimahi

**Submission of the
New Zealand Council of Trade Unions
Te Kauae Kaimahi**

to the

Inland Revenue Department

on the

**Consultation note: Tax treatment of members of
non-resident fishing crews**

P O Box 6645

Wellington

2 April 2014

1. Introduction

- 1.1. This submission is made on behalf of the 37 unions affiliated to the New Zealand Council of Trade Unions Te Kauae Kaimahi (CTU). With over 330,000 members, the CTU is the peak body of organised labour in New Zealand and one of the country's largest democratic organisations.
- 1.2. The CTU acknowledges Te Tiriti o Waitangi as the founding document of Aotearoa New Zealand and formally acknowledges this through Te Rūnanga o Ngā Kaimahi Māori o Aotearoa (Te Rūnanga) the Māori arm of Te Kauae Kaimahi (CTU) which represents approximately 60,000 Māori workers.
- 1.3. We have a strong commitment to ensuring the welfare of ships' crew and in the development of the fishing industry in New Zealand's interests, with union members engaged in both crewing of ships servicing New Zealand and in onshore processing of seafood. We made a substantial submission to the Ministerial Inquiry into the use and operation of Foreign Charter Vessels (FCVs), and both the CTU and our affiliates have continued to take a very active interest in the progress of the recommendations of that inquiry.

2. Submission

- 2.1. In general we support the taxation arrangements proposed, but suggest that the low 10.5 percent tax rate may not be appropriate for higher paid senior officers.
- 2.2. We have greater concerns regarding the application of ACC to these crew. Our concern is both that these crew should have full ACC coverage while working and living in the New Zealand EEZ, and that their employers should not have a competitive advantage by paying less than the levies paid by employers using New Zealand resident crew and New Zealand owned and operated ships, which unfortunately is the current situation.

- 2.3. We have made some initial investigations as to the legal entitlements of such crew, but the situation appears to be complicated and potentially confusing. We understand that IRD does not see this aspect of the change in the FCV fishing regime as its concern. However we urge you to approach ACC to clarify the situation and if necessary make recommendations as to necessary changes in laws or regulations to ensure coverage of these crew.
- 2.4. Thank you for the opportunity to comment.