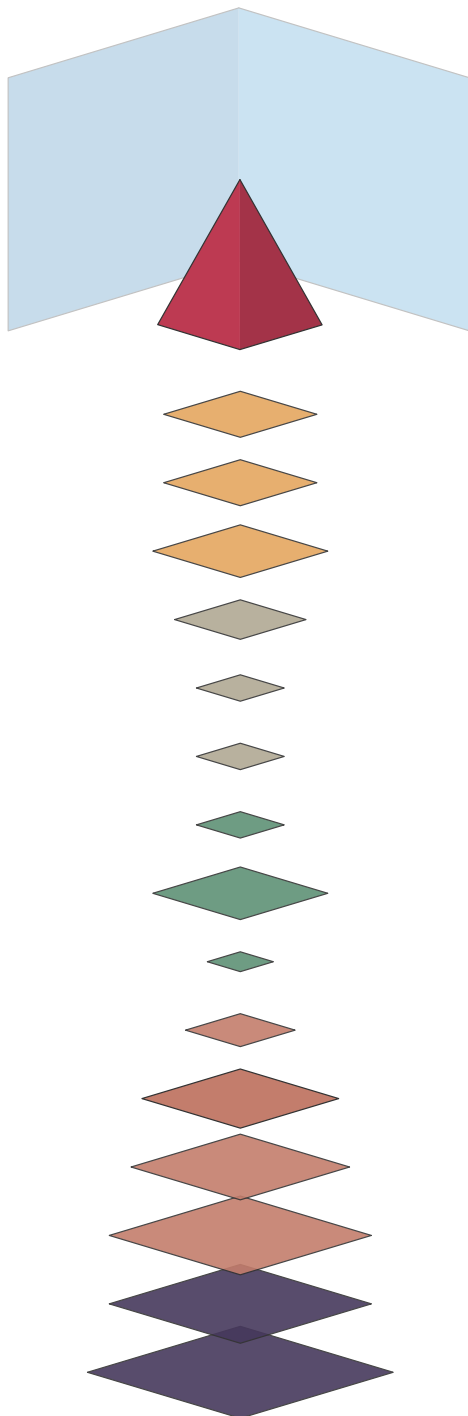


NEW ZEALAND



4.08

CRIMINALITY SCORE

149th of 193 countries

4th of 14 Oceanian countries

1st of 2 Australia and New Zealand countries



CRIMINAL MARKETS

3.77

HUMAN TRAFFICKING	3.50
HUMAN SMUGGLING	3.50
EXTORTION & PROTECTION RACKETEERING	4.00
ARMS TRAFFICKING	3.00
TRADE IN COUNTERFEIT GOODS	2.00
ILLICIT TRADE IN EXCISABLE GOODS	2.00
FLORA CRIMES	2.00
FAUNA CRIMES	4.00
NON-RENEWABLE RESOURCE CRIMES	1.50
HEROIN TRADE	2.50
COCAINE TRADE	4.50
CANNABIS TRADE	5.00
SYNTHETIC DRUG TRADE	6.00
CYBER-DEPENDENT CRIMES	6.00
FINANCIAL CRIMES	7.00



CRIMINAL ACTORS

4.40

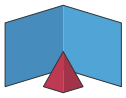
MAFIA-STYLE GROUPS	4.00
CRIMINAL NETWORKS	5.50
STATE-EMBEDDED ACTORS	2.00
FOREIGN ACTORS	4.50
PRIVATE SECTOR ACTORS	6.00



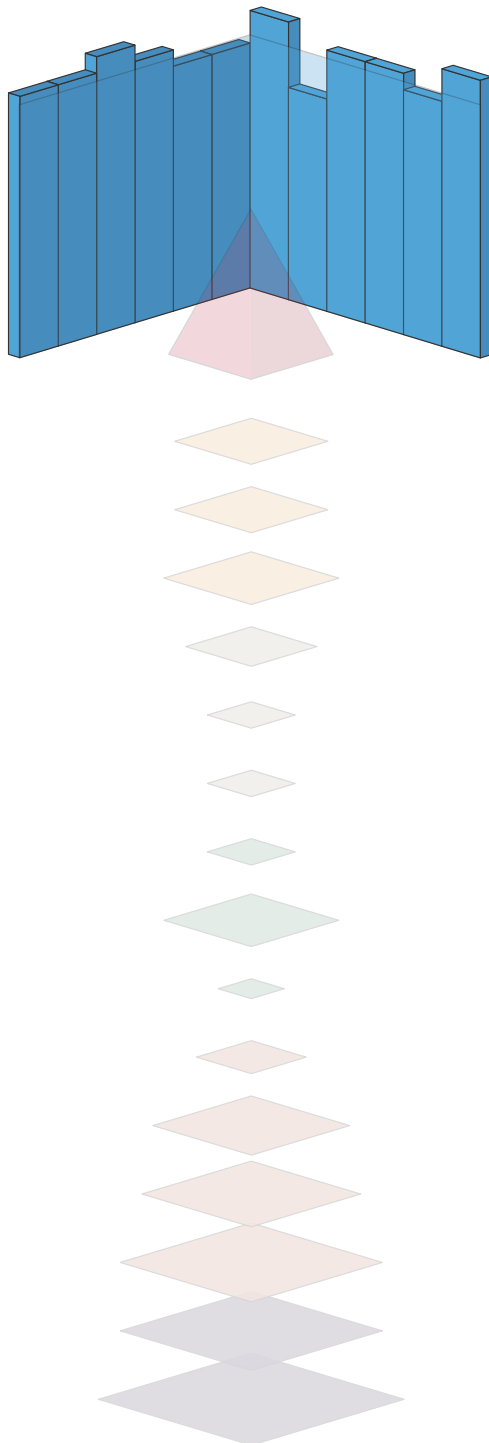
7.88

RESILIENCE SCORE





NEW ZEALAND



7.88

RESILIENCE SCORE

8th of 193 countries

1st of 14 Oceanian countries

1st of 2 Australia and New Zealand countries

POLITICAL LEADERSHIP AND GOVERNANCE	8.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	8.00
INTERNATIONAL COOPERATION	8.50
NATIONAL POLICIES AND LAWS	8.00
JUDICIAL SYSTEM AND DETENTION	7.50
LAW ENFORCEMENT	7.50
TERRITORIAL INTEGRITY	8.50
ANTI-MONEY LAUNDERING	6.50
ECONOMIC REGULATORY CAPACITY	8.00
VICTIM AND WITNESS SUPPORT	8.00
PREVENTION	7.50
NON-STATE ACTORS	8.50



4.08

CRIMINALITY SCORE



CRIMINAL MARKETS 3.77



CRIMINAL ACTORS 4.40



CRIMINALITY

CRIMINAL MARKETS

PEOPLE

New Zealand is a transit and destination country for human trafficking, but the issue is not very prevalent and the government has reduced its efforts to combat this crime. Vulnerable workers from Pacific Island countries, Asia and Latin America are forced into labour in the agricultural, dairy, construction, viticulture, food service and hospitality sectors. Aboard foreign-flagged fishing vessels, men from South East Asia are subjected to forced labour, including debt bondage. Some people who come to New Zealand with the promise of employment in venues such as restaurants and beauty parlours are forced to work in brothels. Some children have also been victims of commercial sexual exploitation. Social networks are playing an increasing role in the recruitment of victims. The COVID-19 pandemic increased the reluctance of many foreign nationals to leave New Zealand, and those who breached their visa conditions were more vulnerable to workplace exploitation.

Incidents of human smuggling are also low. While the problem does exist, it is not common due to New Zealand's geographic isolation and the absence of land borders with other countries. People arrive in the country mainly through air travel, so abduction and coercion are less prominent. Indeed, effective border controls and strong governance make New Zealand an unattractive destination for human smugglers and there have been no incidents in recent times. New Zealand has a small population and is known for being accepting of foreign nationals. Previous reports indicated that people from South West Asia are smuggled through New Zealand, as travellers who transit the country can qualify for an Australian visa. Individuals can either enter with a fraudulent passport from a visa-free country, or have their boarding pass swapped by criminals in the transit lounge of an airport. Extortion and protection racketeering are predominantly prevalent among organized crime groups active in the country.

TRADE

Arms trafficking in New Zealand is difficult to quantify due to the large number of unregistered firearms in circulation. With unregistered firearms in homes, organized criminals target properties to get hold of them for their activities. Increasing possession of firearms by gangs has increased violence and competition over territories in the drug trade. Due to the profitability of the trade, the demand and the price of firearms has increased. Currently, almost all privately-owned firearms remain unregistered, making it

difficult for police to control. Despite government efforts – including the creation of a registry and the adoption of strict ownership obligations – gun crime is on the rise.

Counterfeit goods are not commonly found in New Zealand. However, there are concerns that counterfeit car parts are being imported alongside legitimate aftermarket parts, making them difficult to trace. Also, counterfeit watches, bags and clothing are present in the market, but are not prevalent. Regarding the trade in illicit goods, cigarettes and alcoholic beverages are the main concern for the government. The country recently passed legislation that implements an annually rising legal smoking age, effectively banning smoking for future generations. Before this law was passed, the country had some of the highest cigarette prices in the world due to excise taxes. This led to an increase in the smuggling of cut-price cigarettes by international crime syndicates. Customs officials reported that criminal groups have started to focus more of their activities on contraband tobacco products. With the ban on cigarettes, a general reduction in demand for tobacco is expected over time, but in the short-term there may be an increase in the sourcing of illicit tobacco and vaping products.

ENVIRONMENT

Timber harvesting is well-regulated in New Zealand, supported by the country's independent judicial system and its strong legislative and regulatory frameworks. This, combined with strong law enforcement, has made illegal logging rare, with incidents involving only small quantities of timber. To prevent illegal wood entering the market, the government has partnered with Australia to encourage industry certifications in source countries where illegal timber is common.

New Zealand has some poaching issues. The threatened jewelled gecko is the main target for wildlife poaching and illegal export, along with other exotic species like kea, kaka, tuatara, and various frog species. Fauna crime incidents mainly involve foreign actors. Moreover, the country's extensive network of islands has made its exclusive economic zone (EEZ) for fishing one of the largest in the world. With less than 10% declared as protected areas, New Zealand is vulnerable to illegal, unreported and unregulated (IUU) fishing. Despite these challenges, maritime law enforcement is strong. While the country's trade in ivory may not be as significant as other nations, it appears to have increased dramatically since 2016. Most of the ivory arrives from South Africa, Zimbabwe, Botswana and some from Mozambique. Ivory can also be re-exported from Great Britain and Australia. Usually, ivory is sold in auction houses that do not require proof of origin for the items on sale. Other fauna commodities include saiga horns

from Malaysia, show shells, coral, elephant feet, primate skulls and dried seahorses.

New Zealand's rare nephrite jade, also known as pounamu or greenstone, has become a lucrative target for illegal trade on the black market. Concerns are growing about large-scale smuggling operations from isolated beaches and rivers on the west coast. By law, pounamu found on tribal land belongs to the residents, but the increasing demand has led to more smuggling activities. Reports about this crime suggest that pounamu is occasionally traded for methamphetamine. Pounamu aside, non-renewable resource crimes are not currently an area of concern in New Zealand thanks to the country's tightly controlled industries, limited corruption and small population.

DRUGS

Consumption of heroin remains low and stable. Due to the country's geographical isolation, heroin mostly arrives in commercial air cargo. (Alternative transportation methods include sea travel in containers and on yachts, and in light aeroplanes.) In 2021, police discovered home-bake heroin labs in the country for the first time since the mid-1980s, indicating that there is a local market for the drug. But that market seems small due to the drug's high cost and the fact that it is typically consumed through needle injection, which is not a popular choice among potential users. The non-medical use of pharmaceutical opioids is becoming a concern for authorities.

Like heroin, cocaine use is limited in New Zealand due to its high price. However, drug seizures have been increasing. In 2022, for example, New Zealand recorded the largest cocaine seizure in the country's history. The gap between the amount of drugs seized and local use of the drug indicates that New Zealand and other Pacific Island countries mostly serve as transit points for cocaine headed to Australia, the largest drug market in the region and one of the world's most lucrative for cocaine. Asian triads, Latin American cartels, Australian motorcycle gangs and local organized crime groups cooperate to make the trans-Pacific drug trade possible. Cocaine typically arrives in the country via air and sea.

Cannabis remains the most widely used illicit substance in New Zealand, with a slight increase observed. Much of it is grown and trafficked locally. Cannabis is primarily sold through social networks, but it is also available in semi-public drug houses known as 'tinny' houses, which are popular with adolescents. Cannabis from abroad mostly originates in, or transits through, Australia, the United States, Canada, the Netherlands and South Africa. Only a small number of people who use cannabis medicinally obtain it legally.

Synthetic drugs are a significant threat to New Zealand, with increasing use and greater shipping options.

Methamphetamine is the most prevalent street drug. Due to high demand, the drug is a key driver of several violent crimes such as robberies and burglaries. Additionally, the wealth generated by this drug is transforming New Zealand gangs into more sophisticated criminal groups with national and transnational partners in Asia and Australia, among others. The lower price of methamphetamine suggests high availability, but it also indicates that no gang has a monopoly on the drug market. The recreational use of ketamine in New Zealand has the potential to overtake cocaine in popularity. Organized criminal groups have increased supply. Although ketamine is unlikely to replace MDMA or methamphetamine as the synthetic party drug of choice, seizures over the past six years have more than doubled.

CYBER-DEPENDENT CRIMES

Cybercrime is becoming an increasingly serious threat in New Zealand: reports indicate that more than a third of New Zealanders have fallen victim to cybercrime in 2020. Despite many people taking more precautions online, surveys have revealed that they feel more vulnerable since the outbreak of the COVID-19 pandemic. Cybercriminals are taking advantage of people working remotely and exploiting the increased digital footprint of individuals and businesses. The scale and impact of ransomware and other types of cyber extortion have also increased significantly.

The New Zealand government's response to cybercrime is described as fragmented and underfunded. Authorities are still grappling with how to respond to national and international cyber incidents on a whole-of-government scale. There is a need for sufficient upskilling of government staff, including police, to enable them to respond effectively to a wide range of cyber threats.

The frequency and impact of cyber extortion, including ransomware and data theft, have both increased. Cybercriminals are using Monero as their preferred cryptocurrency for ransom payments, as transactions made with this cryptocurrency are more difficult to track than with Bitcoin and other options. The frequency of cyberattacks doubled in 2021, highlighting the urgent need for greater investment in cybersecurity measures.

FINANCIAL CRIMES

New Zealand is considered a major conduit for financial crimes. The main threats facing the country are fraud and tax evasion. Another area that needs to be addressed is the lack of a register for trusts or for ultimate beneficial ownership. Such a register would support the customer due diligence frameworks already in place, and it would increase the visibility of potential financial crimes. Financial crimes like e-commerce imitation scams, pyramid schemes, investment scams and credit card fraud have also been increasingly reported in the country. Although New Zealand has robust legislation to tackle financial crimes, it still faces

challenges due to a shortage of experienced financial crime specialists. The belief that corruption in the country is negligible has made financial crime a low-priority issue.

CRIMINAL ACTORS

New Zealand's organized crime scene is mainly dominated by loosely structured criminal networks with several operating within the country's borders. These networks are primarily involved in human trafficking and drug trafficking, especially in bigger cities. Moreover, criminal networks focusing mainly on cyber-criminality are becoming more active in New Zealand with increasing attacks against essential services, critical infrastructure providers, government entities and large corporations. Another worrying trend for the government is the rise of Islamophobia and far-right extremist groups, promoted by social networks, following the Christchurch terror attacks in 2019. The views of these groups are likely to cross over into criminal territory and influence criminal activity. New Zealand networks are actively cooperating with their international counterparts in their illicit activities. Being linked to transnational crime groups is pushing local groups to reorganize and professionalize their structures. They have not only expanded across the country but internationally, too. Foreign actors are also an integral part of the criminal markets in the country. For instance, major

drug finds in New Zealand have implicated Asian syndicates, Australian motorcycle gangs and Latin American cartels. Human trafficking is likewise linked to foreign actors, as recruitment agencies and unregulated job brokers in the country collaborate with counterparts in South East Asia and India. There are also traditional ethnic and motorcycle gangs involved in different criminal activities, although the common thread is drugs – particularly methamphetamines. While there are structures and leaders, they are not always tightly managed. Nevertheless, they can be considered as 'mafia-style' groups as the profits from drug trafficking are allowing them to expand in size and reach.

The private sector in New Zealand (including the financial, legal, accounting, real estate and retail sectors) offers opportunities for money launderers to move large amounts of illegitimate funds while providing anonymity. New Zealand professionals offer high-risk legal services to overseas clients, further compounding the issue. In recent years, there have been a few cases of attempted or actual infiltration of police, and/or corruption of individual police members by organized crime. However, there is currently no evidence of systematic corruption of police or border control or direct involvement of law enforcement in criminal markets.

RESILIENCE

LEADERSHIP AND GOVERNANCE

New Zealand is considered one of the most stable countries in the world, with a high level of respect for political rights and civil liberties. The country has a reputation for conducting free and fair elections, but concerns have been raised regarding discrimination against minority populations such as the Māori. Reports have also surfaced about foreign influence in politics and education. Despite these issues, New Zealand's separation of powers, rule of law, lack of corruption and good transparency are noteworthy. Although New Zealand is recognized as one of the least corrupt countries in the world, the absence of an anti-corruption body is a cause for concern. On the other hand, the country's budget transparency is widely praised, as it provides extensive information to both citizens and parliament.

New Zealand has a strong international presence and is party to more than 1 900 international treaties. The country actively cooperates with Australia to detect illegal vessels and plays host to various sub-committees and negotiations regarding free trade agreements with the United Kingdom, the European Union and China. The

legal framework against organized crime in New Zealand is robust, with policies and laws related to human trafficking, arms trafficking, flora and fauna protection and more. However, deficiencies have been identified in the country's arms possession policies, due to the high number of armed civilians in the country and inferior anti-money laundering legislation and enforcement. The latter is a threat to the country as it faces a potential influx of illicit funds due to increasing drug trafficking.

CRIMINAL JUSTICE AND SECURITY

New Zealand's judiciary is recognized as having one of the lowest risks of corruption in the world. The country is a leader in restorative justice efforts, which focus on re-education and behaviour change rather than punishment for offenders. However, despite due-process protection for defendants and detainees, the duration of pre-trial detention has increased due to stricter bail requirements and more relaxed time limits for the conclusion of cases. While prison conditions generally meet international standards, some facilities are ill-equipped to house detainees with

disabilities or mental health issues. Indigenous people are disproportionately represented in the penal system.

The New Zealand police force is divided into 12 districts and has effective mechanisms in place to prevent and detect corruption, with no reported incidents of impunity. However, authorities have reported a lack of resources in certain cases, and occasional procedural confusion that has resulted in prosecutors charging some suspected traffickers under different statutes, such as labour violations. The police have also been accused of racially profiling Māori people and young people through the use of a mobile app connected to the national intelligence system. There have been calls for more officers – to improve the police-to-population ratio – and calls for better financial intelligence within the police.

New Zealand's remote and isolated islands, along with tight border controls, make it less vulnerable to major transnational crimes. These crimes do still occur, with drug trafficking and the import and export of illicit goods mostly facilitated by the country's reliance on shipping and fishing vessels. The New Zealand customs force is adequately equipped to deal with border security threats and the country also employs various measures to tackle biodiversity risks such as illegally imported animals. Officials are motivated to ensure that international fisheries are managed well. Although the risk of human smuggling via boat is low, it still occurs and the government continually reviews its border enforcement regulations and visa restrictions. Despite an increase in cyberattacks and scams during the post-pandemic period, law enforcement is moderately trained and equipped to prevent and counter these activities.

ECONOMIC AND FINANCIAL ENVIRONMENT

New Zealand is not a major international banking centre due to its geographical isolation and strong law enforcement. As a result, the scale of money laundering is believed to be low. However, there is evidence to suggest that some drug funds and proceeds from commercial crimes are increasingly being laundered in the country. New Zealand's open economy and free flow of capital and people make it vulnerable to transnational organized crime groups seeking to move funds through its financial system and legal structures. While independent analysis shows that New Zealand has made significant progress towards addressing its anti-money laundering deficiencies, areas such as banking, real estate, professional services and financial intelligence have been identified as 'significant' in terms of their scale, role and vulnerability. Although the overall risk of money laundering in the country is low, it has increased in recent years.

New Zealand's developed economy, high quality of life and economic freedom make the country attractive to criminal networks seeking new markets. Despite ongoing challenges to set New Zealand's economy on a sustainable

growth path, government policies to protect jobs during the pandemic helped the economy to recover rapidly. In the third quarter of 2021, the unemployment rate fell to its lowest level since 2007, and the employment rate rose to its highest level on record. To achieve its financial stability objectives, the reserve bank in New Zealand has begun to tighten monetary and macroprudential policies. Together with policy measures to increase housing supply, this should help moderate housing price inflation. While the fiscal deficit has begun to fall from the highs reached during the first wave of the COVID-19 shock, additional consolidation measures may help to put public finances in order. As capacity constraints take effect and macroeconomic policies are tightened, economic growth is expected to slow. Similarly, growth in consumption is expected to ease to a more sustainable pace as employment growth slows.

CIVIL SOCIETY AND SOCIAL PROTECTION

The New Zealand government has taken a comprehensive approach against human trafficking, forced labour and slavery, focusing on prevention, protection and enforcement in line with the country's international obligations. Only a small number of victims have been identified, but the government has been diligent in its identification efforts and has provided protection to those victims. Legal alternatives are provided to foreign victims to prevent their removal to countries where they may face hardship or retribution. The law gives immigration officers discretionary powers to protect victims from facing criminal charges or sanctions, and the police provide protection for witnesses who feel threatened or intimidated, even going so far as to help victims create new identities.

Similarly, several measures have been taken across central and local governments to prevent people from becoming involved in organized crime. Certain institutions implement programmes that hold serious and persistent youth offenders accountable for their actions, along with addressing the root causes of the offences and thereby reducing the likelihood of young people adopting a life of crime. Moreover, measures are being taken to reduce the influence of gangs within prisons, and to reduce the chance of gang members reoffending. Labour inspections, including in brothels, are common in the country to prevent trafficking. While these initiatives are positive, money laundering is still an area of concern as there are still several constraints when it comes to preventing this crime.

New Zealand has a vibrant civil society and there are no significant restrictions on the ability of NGOs to operate and solicit funds. Anti-corruption institutions and independent organizations actively collaborate with civil society, and several NGOs are working on human trafficking issues. The country has a free and robust independent media sector, although the profit motives of certain media groups sometimes undermine the sector's independence and pluralism. Journalists generally work in a safe environment,

free from violence and intimidation, although they do face online harassment. Journalists experienced violence, insults and death threats during protests against COVID-19 restrictions in early 2022, which was a rare occurrence in the country. Workers in New Zealand enjoy the freedom to organize and bargain collectively, and trade unions actively engage in political debates and campaigns.

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