

Briefing to the Incoming Associate Minister of Transport

June 2022

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Introduction

Welcome to the Maritime Transport portfolio.

Congratulations on your Ministerial appointment; we look forward to working with you on a range of interesting and important challenges facing the maritime sector.

This briefing provides you with information about the maritime sector, our role and how we are building our regulatory capability, the key strategic issues we will likely need to engage with you on over the next six months, and the key stakeholders you might like to connect with over the next few weeks.

New Zealand's maritime domain is complex and diverse but an important contributor to our economic and social wellbeing. As an island nation distant from many of our international markets, New Zealand is almost totally reliant on efficient international shipping to carry our trade. The maritime industry is critical to the international supply chains and freight transportation that our economy depends on, with 99% of our exports carried to our markets by sea and 80% (by value) of our imports arrive on ships. New Zealand's 14 commercial ports collectively handle this trade.

Given the reliance New Zealand has on the maritime supply chain; health and safety on ports and ships as workplaces, and maritime labour supply remain important challenges for the Government and industry to meet.

The maritime sector also supports passenger connectivity, and every year many New Zealanders take to the water for recreation. Domestically, six million passengers rely on harbour ferries to get to work or go on holiday, and around 390,000 people enjoy commercial rafting and jet boat trips on our rivers and lakes, while approximately over 2.14 million recreational boaties¹ take to the water every year.

New Zealand's domestic maritime sector sits within the broader international maritime system and regulatory context led by the International Maritime Organisation. New Zealand's maritime regulations are based upon the key conventions to which we are party, which are subject to continual refinement and updating internationally. New Zealand also benefits from the potential to call on the resources of the global community through mechanisms such as the International Oil Pollution Compensation Funds.

We are committed to operating as a modern, outcomes focused regulator – ensuring we use our regulatory levers and relationships with stakeholders to position the maritime sector well for a changing future and to deliver safe, secure and clean outcomes.

¹ IPSOS Survey Results 2020 [http://ipsos.com.au/maritimenz_infographic/2020/nz-maritime-print-report-2020.pdf]

WHY THE MARITIME DOMAIN MATTERS TO NEW ZEALAND

NZ EXPORTS
\$55.1 billion

99.8 %
 by volume

NZ IMPORTS
\$47.2 billion

79.9 %
 by value

IS CARRIED BY SEA



COVID-19 has proven

safe and efficient ports, with good international links, play a vital role for our country's supply chains



Around **1,000 ships** and over **5,500 port visits to NZ**

(A ship can visit multiple ports)

NZ marine economy contributed **\$7 billion**

to New Zealand's economy made up of **\$3.8b** directly and **\$3.2b** indirectly in non-marine industries
 About **33,000** people employed within the marine economy earned a total of **\$1.7 billion**

NZ's Exclusive Economic Zone is

15x the size of the country not including Tokelau, Niue, the Cook Islands and the Ross Dependency



Spanning

37 million km²

New Zealand covers one of the largest search and rescue areas in the world

Maritime New Zealand at a glance

Who we are

Maritime NZ is the national maritime regulatory agency for the safety, security and environmental protection of New Zealand's marine environment. Maritime NZ is one of four Crown entities who work with and are monitored by Te Manatū Waka (the Ministry of Transport), and is part of the wider transport sector 'family' of agencies.




Maritime NZ was established in 1993 and is governed by a Board appointed by the Minister of Transport under the Maritime Transport Act 1994. Please see Appendix One for profiles of our Board, and Director and Chief Executive.

We currently have:

- 294 full-time equivalent staff located in our national office in Wellington.
- Four regional offices in Auckland, Tauranga, Nelson and Christchurch.
- Five satellite offices; and
- Two operational response centres accommodating the Rescue Coordination Centre New Zealand in Wellington, and the Marine Pollution Response Service in Auckland.

What we want to achieve

Maritime NZ is committed to developing a New Zealand maritime community that works and plays safely and securely on clean waters. Our strategic intent remains focused on delivering our core roles to achieve our outcomes of Safe People and Operations; Secure Ports and Ships; and Clean Seas and Waterways.

MARITIME NZ OUTCOMES	CONTRIBUTE TO THREE TRANSPORT OUTCOMES	THROUGH THE FOLLOWING ACTIVITIES
SAFE 	Healthy and safe people	Safe: People and Operations He Haumarū: ngā tāngata me ngā mahi Supporting physical, social and economic wellbeing through safe maritime operations
SECURE 	Resilience and security	Secure: Ports and Ships He Whita: ngā wāpu me ngā kaupuke Protecting people, goods and New Zealand's social and economic interests and resilience
CLEAN 	Environmental sustainability	Clean: Seas and Waterways He Mā: ngā moana me ngā awaawa Playing our part in protecting and preserving the marine environment by minimising harmful emissions and discharges from ships

What we do

Maritime NZ has five main areas of responsibility: stewarding the Maritime Regulatory Framework; targeting regulatory operations to reduce the risks of harm; responding to harmful maritime and marine pollution incidents; providing safety infrastructure and services; and leading effective sector and cross-government proactive harm prevention and other strategic programmes.

In addition to administering functions under the Maritime Transport and Maritime Security Acts, we are also the designated Health and Safety regulator for ships as workplaces. We work closely together with Worksafe on health and safety issues on ports.

Stewarding the maritime regulatory framework

To ensure the Maritime regulatory framework continues to be fit-for-purpose, Maritime NZ works with Te Manatū Waka to maintain and develop New Zealand's national safety, security and environmental protection policies, regulations, rules and transport instruments for the maritime sector.

Maritime NZ also administers New Zealand's global maritime interests through being an active member of the International Maritime Organisation; negotiating for New Zealand the agreements and conventions on which New Zealand's maritime regulations are based upon and engaging with other jurisdictions.

We also support the Minister of Transport, you as Associate Minister of Transport, and other parts of Government to make informed maritime system decisions.

Targeted regulatory operations that reduce the risks of harm

Maritime NZ applies its regulatory tools to address the most risky areas of the maritime transport system to achieve its **safety, environmental and maritime security** objectives. Maritime NZ's regulatory tools include:

- **Educating** the maritime community by providing accessible, timely information and assistance so they can manage the risks they face and meet their legal obligations.
- **Licensing and certifying** seafarers and commercial maritime operations, including maritime training institutions to ensure people and operators working in the maritime industry are competent and capable.
- **Auditing and inspecting** operators and service providers such as port companies and ship surveyors and taking actions that incentivise and assist compliance (improvement notices, imposing conditions, detentions).
- **Investigating** incidents to try to stop them happening again, and **enforcing** the regulations to hold people to account for their actions (for example through statutory enforcement tools, criminal proceedings, revocation of documents or prosecution).
- Providing maritime **security and intelligence** advice and expertise to minimise security threats to New Zealand's maritime interests, and implement the International Ship and Port Facility Security Code, in line with the Maritime Security Act 2004.

Responding to maritime incidents

New Zealand is internationally obliged, under aviation and maritime conventions, to provide 24/7 Search and Rescue (SAR) services in the New Zealand search and rescue region (NZSRR), which is one of the world's largest search and rescue areas covering more than 30 million square kilometres. We achieve this through an integrated search and rescue (SAR) system (jointly with the NZSAR Secretariat and NZ Police) and uses modern technology to save lives.

Our obligations are to:

- Arrange for the establishment and prompt provision of SAR services within their allocated Search and Rescue Region (SRR).
- Establish national machinery for the coordination of SAR services.
- Establish a rescue coordination centre for the SRR that is staffed 24 hours a day; and,
- Provide a Marine Assistance Service.

In 2020/21, New Zealand's SAR sector responded to nearly 3,000 incidents resulting in 134 lives saved, 595 people rescued, and 792 people assisted.

To mitigate the risks of serious harm from maritime and marine pollution incidents, Maritime NZ maintains the readiness and capacity to respond. Our core role is to lead New Zealand's activities and **responses** to significant **maritime incidents and emergencies**, including the **management of oil pollution and spills**.

Providing safety infrastructure

Maritime NZ provides and maintains the following maritime safety infrastructure, which are critical to saving lives and reducing serious harm:

- Maintaining New Zealand's **coastal navigation aids** to shipping (principally coastal lights) and operating the national 24-hour maritime distress and safety radio service.
- Administering the **emergency locator beacon** detection network for land, sea and air and managing the development and improvement of national maritime incident response capabilities.
- Maintaining **distress and safety communications** services for New Zealand's coastal waters, the South Pacific and Southern-ocean.
- Managing and maintaining related **safety infrastructure**, including ground-based equipment.

Harm prevention programmes and engagement with key partners and stakeholders

We partner and engage with key stakeholders (operators, unions, industry bodies, other Government agencies, NGOs, and local government) to develop strategic programmes which aim to prevent harm occurring in different parts of the maritime domain. This includes:

- **Communicating and engaging** with commercial operators, seafarers and recreational boaties and other maritime sector stakeholders to inform, educate and influence them to act safely, securely and in support of environmental protection.
- **Delivering the Pacific Maritime Safety Programme² (PMSP)** which includes community education and awareness, legislative support, maritime training, domestic vessel safety and search and rescue/marine pollution response to seven Pacific Island countries - Cook Islands, Kiribati, Niue, Samoa, Tokelau, Tonga and Tuvalu.

Please see below for more detail on our [harm prevention programmes](#).

Enhancing our regulatory capability

Te Korowai o Kaitiakitanga

Maritime NZ has a good culture and a clear sense of our purpose and what it means to be a regulator. We have highly capable people who are empowered to make decisions – which makes us agile and have a bigger impact than our size would suggest. However, as we have evolved and taken on more functions, our systems, processes, capability and capacity has not always kept up and has led to some regulatory pressures. Through engagement with stakeholders, while the good work we do is recognised, we have also heard that improvements to our frontline performance are needed in some areas. So in August 2021, we initiated a strategic programme called Te Korowai o Kaitiakitanga.

Te Korowai o Kaitiakitanga broadly translates to *The Cloak of Stewardship* (Diagram below) and brings together the aroha, work and skills of Maritime NZ into a programme with the aim of enhancing our guardianship over New Zealand's maritime waters.

Te Korowai o Kaitiakitanga sets the overall direction of Maritime NZ and represents a journey of transformation that ensures we can operate as strong stewards of the maritime domain. It will guide our choices on what we focus on and prioritise, how we work and behave and how we are seen externally.

The outcomes of Te Korowai o Kaitiakitanga are:

- A clear organisational strategy with shared understanding across Maritime NZ of what outcomes we are aiming to achieve.
- Having the systems, processes, practices, capabilities and capacity needed to be an effective regulator.
- Solid foundations where we address the cause of risks (not just the symptoms).
- A plan and priorities for the next four years.
- People are supported to succeed.
- We truly are connected and joined up and have the operating model to support it.

Progress so far

Phase One of Te Korowai o Kaitiakitanga aimed to:

- Establish what a good regulator looks like for the delivery of our regulatory functions.
- Identify where we are now and gaps in capacity, capability, systems, processes, operating model and practices.

² The PMSP is a Ministry of Foreign Affairs and Trade programme, funded through the International Development Cooperation programme and delivered by Maritime NZ.

Workshops with staff were conducted for each of our key frontline functions and over half of Maritime NZ staff were involved. We also received input from other regulators and external stakeholders. In addition, key information was extracted from over 130 relevant documents.

In Phase Two, we stood back and looked across the review of the functional areas and thought about what the findings meant for Maritime NZ from an organisation-wide perspective. This led to the identification of six first priority work-streams

- Our Organisation's Strategic Frame: vision, purpose, outcomes, and principles.
- Weaving the Cloak (Whiria te tangata): our culture and values.
- Our capability and capacity.
- Our regulatory/operational/policies and practices.
- Our information and intelligence capabilities.
- Two critical topic specific areas: Certification and MOSS.

We are currently consulting with staff on a set of proposals to improve many of the specific areas of capability, capacity, and organisation design that were identified as issues during Phase 1. Part of this consultation includes the addition of some capacity we received through funding from Budget 2022. The consultation period ends on July 6. After carefully considering all feedback and making any alterations to the proposals, final organisational design decisions will be made from late July.

Addressing some of our key regulatory challenges

As part of Te Korowai o Kaitiakitanga, we have identified some key areas where there are regulatory risks and we need to make a number of changes in terms of processes, systems, capability and capacity. Three of the key areas identified that we are working on as part of the programme include:

- **Certification/licensing:** for a number of reasons, including the impacts of COVID -19, we have not been able to process certification applications in a timely enough way and this has caused backlogs and industry some significant concern. We have a 10-point plan in place to address the issues and progress is being made.
- **Port State Control:** over time Maritime NZ was given a number of regulatory functions, often without the necessary resourcing. This has resulted in resources being diverted to the focus of the day and left some regulatory risk areas. One of these areas is Port State Control (the inspection of international ships against international conventions around safety, environmental protection, and labour) where inspections have reduced. With many ships not receiving necessary maintenance due to COVID-19 related supply chain disruption over a long period, fewer inspections poses some risk at the moment. We are currently working on the set up of a specific port state and flag state control team and putting more resource in this area to address the risks we and the sector see.
- **Maritime Operator Safety System (MOSS):** An evaluation of MOSS and feedback from staff and the sector has shown the MOSS system is not fit for purpose for different smaller operators. We are looking to refine the MOSS system and how we can do this alongside MOSS renewals which are coming up over the next 2-3 years.

Our funding review

As part of the transport regulatory system and funding review cycle, we will undertake a funding review that was scheduled before the COVID-19 pandemic but subsequently delayed. This is planned for completion in 2023/24 and is important to us given the negative impact COVID-19 has had on our operating revenue. The funding review will consider Maritime NZ's funding sources including both maritime levies and fees and the Oil Pollution Levy. Te Korowai o Kaitiakitanga has been the first part of our funding review because it has identified where we may lack resource or can do things more efficiently.

Te Korowai o Kaitiakitanga



Our Vision and Purpose
Ā tātou tirohanga me te kaupapa

Our Principles
Ā tātou whangonga pono

Our Values
Ā tātou whangonga pono

Our Levers
Ā tātou whakatiriwhana
(Engagement/Education/Enforcement/
Investment & Infrastructure)

Our Approaches
Ā tātou huarahi

↓

Harm Prevention/
Strategic Programme ↔ Compliance Decision-
making Framework

↑

**Our regulatory policies and practice/
Our intelligence/Our risk focus**
Ā tātou kaupapa

Our Partnerships
Ā tātou hononga

Our Foundation OR Enablers
Ā tātou whakamana

Our Reflection
Ā tātou whakaata

Charting our four-year voyage
Te whā tau te haerenga

Strategic areas of focus for the short term

Maritime NZ has a range of key strategic focus areas aimed at delivering on our ambitions of **safe** healthy people, **secure** ports and ships, and **clean** seas and waterways. These focus areas are our priorities within the **Levers, Approaches** and **Partnership** layers in the Te Korowai o Kaitiakitanga diagram above. The issues set out below are not inclusive of all of these areas, but represent the most significant things we will need to discuss with you over the coming few months.

Preventing harm in the maritime sector

Over the past few years there have been a number of fatalities and serious injuries in New Zealand's maritime sector.

Maritime NZ is in the process of making Harm Prevention a more consistent part of our operating model. Harm Prevention is an approach underpinning programmes of work for key sub-sectors (e.g. ports) or strategic areas (e.g. emissions), that, critically, are designed *in partnership* with the sector. Some of our work reflects parts of a Harm Prevention Programmes approach, however, we want to embed it collectively across Maritime NZ, and ensure our work consistently reflects all of the principles of good practice Harm Prevention. This includes being more effective, and consistent, at:

- Designing and delivering interventions in partnership with iwi and the maritime sector to ensure the problem and solutions are jointly owned and acted on.
- Bringing together people and capabilities from across MNZ to collectively achieve better sector outcomes ('virtual' teams).
- Building integrated intelligence programmes to develop an understanding of the drivers of harm across and within sectors, which inform intervention design decisions.
- Monitoring and evaluation to tell us about the impacts interventions are having, including on the outcomes to be achieved.
- Having work programmes with a clear vision and outcomes that are connected to Maritime NZ's Strategic Frame, and multi-year work plans with clear milestones and deliverables for specific sectors.
- Applying a range of interventions taking a proactive system view to address the key causes of harm for a sector.

We are piloting this approach initially for the Ports and Harbours and Recreational Craft sub-sectors. These sectors are areas where we can add significant value and where there are existing drivers for change that we can leverage off. We also expect that the learnings from these two Harm Prevention programmes pilot will help us develop our overall Harm Prevention approach and strategy.

Port Health and Safety

In the light of the recent tragic fatalities at the ports in Lyttelton and Auckland, and in response to requests from Hon Michael Wood (Minister for Workplace Relations and Safety, Minister of Transport), the Port Health and Safety Leadership Group³ has broadened its existing programme of work. Some of this broader work programme is new activity, whilst other parts expand and accelerate existing work being progressed by the Leadership Group.

Attached is a summary A3 of the broadened work programme, which covers three key areas:

1. Port Health and Safety Leadership Group advice (due around October 2022)
2. Port assessments

³ Chaired by the Chief Executive of Maritime NZ, the Leadership Group includes: Chief Executives representing the ports; the Chief Executive of Worksafe NZ the Chair of the Port Industry Association; the National Secretary of the Maritime Union of New Zealand; and the National President of the Rail and Maritime Union of New Zealand. Stevedoring representatives are also being confirmed.

3. Statutory investigations (being undertaken by Maritime NZ and the Transport Accident Investigation Commission)

Port Health and Safety Leadership Group advice

The Leadership Group will be preparing advice for you and Minister Wood on proposed action areas, an indicative action plan and potential initiatives by around October 2022. The Leadership Group has agreed to three overall work streams to develop this advice.

- **Workstream 1:** Data and Insights – to create a Sector Insights Picture focussed on the causes and drivers for harm; who it is happening to, and why – focusing on stevedoring on ports and other critical risks like person versus machine, as well as cross-cutting issues.
- **Workstream Two:** Good practice – to collect examples of good practice domestically and from overseas, including the use overseas of interventions to reduce harm, such as approved codes of practice, training and education initiatives to help understand ‘what good looks like’.
- **Workstream Three:** Focus areas and Action Plan – the Leadership Group will share the key findings from Workstreams Two and Three with the sector, to focus on different proposed action areas and develop an indicative action plan. 9(2)(g)(i)

9(2)(g)(i)

New Zealand Port and Harbour Marine Code

In addition to the Harm Prevention work underway, Maritime NZ recently (in 2020) updated the New Zealand Port and Harbour Marine Safety Code (the Code). The Code was originally developed by port companies, councils and Maritime NZ in 2004. It is voluntary, but provides national best practice guidance to port operators and councils to manage the safety of marine activities in their ports and harbours.

It promotes a high level of collaboration between operators of commercial ports, and councils (or unitary authorities) and Maritime NZ as the local and national regulators, to provide a safe operating environment within ports and harbours.

Recreational craft safety

The recreational craft sector is complex and diverse. A 2022 survey indicated that 55% (approximately 2,140,215) of adult New Zealanders had participated in recreational boating (craft) at least once in the previous year. Recreational craft covers those designed and used for pleasure, including kayaks, dinghies, power boats, yachts, and various types of boards (such as surf boards and stand-up paddle boards).

Given the diverse and complex nature of the recreational boating sector, the New Zealand Safer Boating Forum (the Forum) was established by Maritime NZ in 2000, to develop and implement a common recreational craft safety strategy for New Zealand. The Forum provides coordination across the different national and regional government agencies, local body groups, organisations and the marine industry, involved in promoting recreational craft safety.

Maritime NZ and sector partners on the Forum, continue to deliver a range of initiatives focused on reducing the number of fatalities and serious injuries from recreational boating. These initiatives appear to be having a positive impact. While recreational craft numbers have increased, analysis over the last 10 years shows a relatively stable number of annual deaths.

Maritime NZ is also a member of the Wai Ora Leadership Group. This group was established to lead the implementation of *Wai Ora Aotearoa: the New Zealand Water Safety Sector Strategy 2025*. This is the water safety sector's collective approach to ensuring that everyone connects to and enjoys the water safely. Our active participation in this group reflects our view that our focus on recreational craft safety plays a strong

Common causes of fatalities and serious harm in the recreational craft sector are: people not understanding the weather conditions; having limited means of calling for help; a lifejacket being available but not worn, or a lifejacket that was improperly used; and bar crossings.

- 9(2)(f)(iv)
[REDACTED]
[REDACTED]
[REDACTED]
- A comprehensive research and analysis programme to understand why and where, and to whom harm is occurring.
- Communication and behaviour change campaigns (national messaging which is then tailored regionally and by sector through partner organisations and Councils, and which can be used across a variety of water safety settings).
- Compliance and enforcement including investigation and on-water approaches.
- Grants to partner organisations and Councils to support community-based initiatives.
- Safer Boating week, which usually runs from late October to mid-November and includes digital advertising, media and social media elements continuing the safe boating message.
- How we pull together the range of initiatives occurring by us and our partners into an evidence based, multi-year harm prevention programme with clearer leadership, and how we support the “in-water” safety part of the system.

A Te Manatū Waka led review of the Recreational Safety and SAR systems started in mid-2021 and is due to be completed in 2023. The review is assessing whether New Zealand's recreational safety and SAR systems are fit-for-purpose and can meet current and future community, national and international needs. It is expected the review will generate recommendations on a number of issues including structure and funding for the systems, and consideration as to how organisations focused on different aspects of the systems can best work together.

[illegible]

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Briefing to Incoming Associate Minister – June 2022 [D22/22428]

Supporting a strong maritime border system

Reconnecting New Zealand

As part of the work to reconnect New Zealand, Maritime has been working alongside other Border Executive Board⁴ (BEB) agencies over the last few months to advise Ministers on how and when the maritime border could open to currently banned foreign flagged specialist, passenger and cruise vessels.

Late in May 2022, reconnecting Ministers decided that the maritime border will be open to these vessels from after 11:59pm on 31 July 2022. Along with Te Manatū Waka, Maritime NZ is leading work with border agency officials to be operationally ready to accept and process current banned vessels. The operational readiness work is scoped in two phases:

- **Now – 31 July 2022:** the work required to ensure border agencies and industry are operationally ready when foreign-flagged vessels return to New Zealand after 11:59pm on 31 July. Until the cruise season starts, it is likely only a small number of recreational and specialist vessels will enter the country.
- **August – October 2022:** the work required to ensure border agencies and industry are operationally ready, and host communities and local iwi are prepared, for when cruise ships (and their passengers) return to New Zealand in October.

A key deliverable of this work is a compliance approach that has been developed to provide assurance to Ministers that cruise passengers meet New Zealand's vaccination requirements in the Maritime Border Order.

Te Manatū Waka and Maritime NZ are scheduled to report back to the BEB in mid-July 2022 on a work plan for Phase Two – ensuring operational readiness for cruises' return.

Port infrastructure

Fit-for-purpose infrastructure at our ports is critical for our supply chain to perform well and also for border agencies to be able to appropriately fulfil their regulatory functions. Unfortunately New Zealand faces a varied and complex range of challenges with its port infrastructure, which include:

- Port and supply chain congestion, exacerbated by global trends and domestic constraints.
- Limited passenger processing and biosecurity facilities.
- Climate change mitigation and adaptation pressures.
- Questions about aspects of safety and security (such as management of insider threat).

The underlying reasons for inadequate infrastructure on ports are complex and often interconnected. Addressing one narrow set of infrastructure issues will not solve the underlying challenges and may simply exacerbate other issues. Over time, resolving port infrastructure issues will require a coordinated approach, within a clear and collective system-wide strategy.

Whilst ports are making substantial investments in infrastructure, they face a number of barriers to meeting these challenges, including:

- Their relatively small size (by global standards) and inter-port competition, which increases risks of uncoordinated, sub-optimal and / or inefficient investments.
- Significant constraints on expansion stemming from land availability, consents or social license.
- Differing incentives for investment, particularly relative to regulators.

⁴ The Border Executive Board, hosted by NZ Customs, has been established to deliver an integrated and effective border system. The board comprised six agencies: New Zealand Customs Service (Chair), Ministry of Business, Innovation and Employment, Ministry of Foreign Affairs and Trade, Ministry of Health, Ministry for Primary Industries, and Ministry of Transport.

The Te Manatū Waka-led *New Zealand Freight and Supply Chain Strategy* will provide the strategic framework for a coordinated approach, which could inform consideration of port infrastructure investment.

Developing this strategy will require the input of the BEB. In the short-term, we have a number of targeted opportunities to advance discussions with ports around infrastructure including the BEB operational readiness workstream for the return of cruise.

The next step for this work is for the BEB to prepare a briefing for relevant Ministers seeking their views on the options over time to resolve port infrastructure needs.

Port security

Under the Maritime Security Act 2004, Maritime NZ regulates New Zealand ports that accept and process foreign flagged vessels⁵ to ensure security at ports and on ships. However, new security risks are emerging, such as insider threats, ongoing cyber threats and a changing security context in the Pacific that will require a different and collaborative approach.

We recognise we need to think and act differently to effectively respond to these new risks, including:

- Working more closely with New Zealand Customs and others to align our approaches to ensure they are complementary and better coordinate operational activity.
- As part of our funding review, consider additional resource to manage the new emerging security risks on ports.
- Encourage and support regulatory changes to maritime security legislation to update it for new and emerging risks and to address current risks in the system.

In addition to work at and with New Zealand ports, we also undertake maritime security capacity building in the Pacific to support the Pacific Island Countries in enhancing their security measures. This is done in a collaborative approach with the United States Coast Guard and the UK Department for Transport, as agreed through a Statement of Intent which was signed in January 2020. The Statement of Intent aims to reduce the risk of terrorism and other security related disruptions to the global maritime transportation system. We are also looking to work with the Ministry of Foreign Affairs and Trade to get more sustainable funding to carry out our work in the Pacific, including to support better port and shipping security capabilities to encourage ongoing resilience of supply chains.

Maritime workforce issues

Another key issue that has the potential to impact the maritime sector's performance is ongoing issues with the maritime workforce.

The maritime workforce is made up of people who work on ships – from cruise ships to fishing vessels – as well as workers in the wider economic sector that ships support, including ports, marine manufacture and maintenance, and marine surveyors.

Some of the issues facing the maritime workforce are intrinsic to the sector, i.e. an aging workforce, inadequate recruitment and training, and market settings. Other issues are caused by external forces, such as the Covid-19 pandemic and its effects on borders, trade, and immigration. The COVID-19 pandemic placed extraordinary demands on seafarers around the world, with hundreds of thousands of men and women stranded on ships for months beyond their original contracts, and unable to be repatriated due to national travel restrictions. Other external factors are the recent expansion of coastal shipping operations, changes to the fuel sector, and changing technologies.

It is likely that there is an opportunity for government agencies to work together with the maritime sector to investigate further the key issues and what might be done about them. Any work on the maritime workforce

⁵ As per the requirements under the ISPS Code an amendment of the SOLAS Convention 1974.

will need to take into account the provisions of the Maritime Labour Convention, notably those provisions that relate to recruitment and employment conditions.

Stewarding NZ's maritime regulatory framework

Emissions reduction plan and regulating for innovation

New Zealand's first Emissions Reduction Plan, published in May 2022, contains a number of commitments to "Progress the decarbonisation of maritime transport" as well as to "Support the decarbonisation of freight" by shifting some road freight to coastal shipping. The plan outlines the following key maritime initiatives:

- Develop a national action plan to reduce commercial and recreational maritime emissions.
- Set new targets for maritime emissions, including:
 - supporting the uptake of zero-emissions small passenger, coastal fishing and recreational vessels
 - All new large passenger, cargo, and offshore fishing vessels to meet highest carbon-intensity reduction, as set by the International Maritime Organization, by 2035.
- Undertake research to advance the development and uptake of alternative low- and zero-carbon fuels for shipping in Aotearoa and developing safety and environmental standards for their use.
- Work with other like-minded countries to put in place the conditions to allow low- or zero-carbon shipping on key trade routes by 2035.

One of the first actions to support the Emissions Reduction Plan is to implement Annex VI of the International Convention for the Prevention of Pollution from Ships (MARPOL), which New Zealand acceded to on 26 May 2022. MARPOL Annex VI includes regulations to reduce air pollution from a variety of ship operations and greenhouse gas emissions from ships. It comes into force in New Zealand from 26 August 2022.

Reducing emissions in the maritime sector will require the development of safety and environmental standards for low and zero carbon fuels that will enable them to be used; as well as the response frameworks (e.g. for spills and other incidents) needed to mitigate risks with their use. Currently these standards and response frameworks do not exist, so without this step, these fuels will not be able to be used safely under the regulatory framework for maritime transport, and the sector will not have the certainty required to invest.

Maritime NZ is increasingly being asked to respond (as a regulator and as custodian of the maritime rules) to vessel operators seeking to utilise emerging technologies for the design and/or operation of vessels such as electric vessels, or novel craft. Examples include:

- Wing-in-ground craft (branded as Sea Gliders): a novel technology that has environmental benefits and could be a strong component of the future domestic transport system, but would need a regulatory framework to operate commercially in New Zealand.
- International shipping companies, such as Maersk, looking to shift to green fuels including green methanol, and establish infrastructure on key trade routes.
- Use of battery electric in smaller commercial vessels, including electric ferries in Wellington as well as an electric tug planned in Auckland.
- International developments on autonomous vessels, which pose a challenge for a regulatory framework which assumes a responsible person on board a ship.

The maritime transport regulatory framework however, is largely designed for traditional seagoing vessels and the personnel operating them. It is becoming apparent that it is out of date and not fit-for-purpose for emerging technologies. Without regulatory reform, we will need to use exemptions powers on a case by case basis, which is highly resource intensive and not sustainable in the long term.

Other aspects of the Rules Programme

The Maritime Transport Act 1994 empowers the Minister of Transport to make maritime rules and marine protection rules. Maritime NZ is responsible for their administration, which includes ensuring that they remain fit-for-purpose and deliver government priorities and outcomes.

Alongside issues with regulating for innovation, there are 1000s of maritime rules and sub-rules, many of which are now very out of date. To keep up to date with best practice, learnings, and international

developments etc, we agree a rules programme with the Minister of Transport and Te Manatū Waka. The current rules programme includes items mentioned in sections above (such as MARPOL VI and the review of Part 91), and also:

- Vessel design, construction and equipment rules under 40 series (a highly complex, multi-year programme).
- Maritime Rules Part 53 – Marine Pilot Transfer Arrangements, to address issues with transfer arrangements for marine pilots from pilot craft to incoming ships.
- Maritime Rules Part 23 – Operational Procedures and Training to address issues with safety requirements for lifeboat launch training drills.
- Cape Town Agreement, which seeks to improve the global safety standards for the design, construction and equipment of large ocean-going fishing vessels.

Reviewing the Maritime Transport Act

As noted above, the Maritime Transport Act 1994 is becoming out of date.

Maritime NZ has identified a number of issues with the legislation that it is timely to resolve through regulatory reform. This includes opportunities to provide for many of the strategic issues mentioned above, including more agile regulatory frames for new and innovative technologies; responses to challenges with port infrastructure and maritime security; as well as significant questions about the longevity of our funding arrangements (for example, most of our funding for maritime pollution and recreational boating safety comes from fossil fuel levies).

Te Manatū Waka have started a review of the Maritime Transport Act, which we are working closely with them on.

International Maritime Organisation (IMO) Member State Audit

Currently NZ is preparing for the IMO Member State Audit (IMSAS) which will consider NZ's implementation of its maritime Treaty obligations. A pre-audit questionnaire is being assembled now in advance of auditors arriving for a physical audit in September 2022. As the system owners, Te Manutū Waka is the lead agency for the audit with Maritime NZ providing the single point of contact for the IMO team. Other agencies will be involved due to their implementation roles, such as LINZ and Metservice.

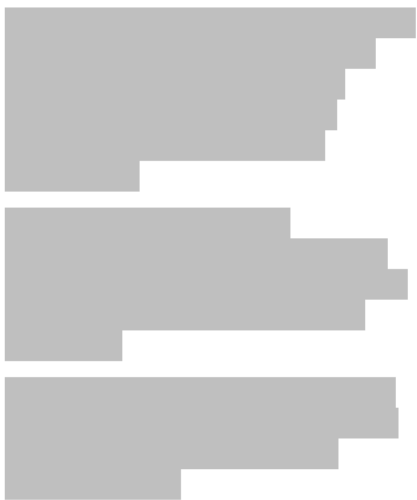



Officials expect that the audit will find New Zealand to be a committed participant in the international rules based system for maritime. The audit will be important to validate New Zealand's reputation as a competent coastal, flag and port state authority. The audit is however, also likely to find that New Zealand has areas it can improve on given the administrative burden of remaining compliant with all IMO instruments often exceeds our capacity to do so. The IMSAS process should allow such feedback to be taken into account at the IMO supporting organisational reform.



Commitment to addressing any deficiencies will be reputationally important and consequently may require Ministerial endorsement.

Stakeholder engagement

Maritime NZ has a range of strong relationships with key maritime sector stakeholders. We have listed below a selection of the key stakeholders you might like to meet with over the next few weeks. This selection is designed to give you a good view of, and initial connections across, the sector. Maritime NZ is very happy to facilitate meetings or other meet and greet opportunities with.




Stakeholder/contact	Description	9(2)(g)(i)
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<p>Marine Transport Association (the MTA)</p> <p>Contact – Margaret Wind</p> <p>Email: info@marinetransport.co.nz</p>	<p>The Marine Transport Association (MTA) was formed in 1970 to represent the owners of New Zealand tourism charter and passenger vessels. Large and small operators make up the membership and are active in harbour cruises, fishing, sailing, passenger transport and aquaculture.</p>	
<p>Port Company CEOs Group</p> <p>Contact – Charles Finny, Independent Chair</p> <p>Email: charles@sul.co.nz</p>	<p>Port companies are the overarching PCBU on the ports.</p> <p>The Group consists of CEOs from most of the main ports of New Zealand, who meet regularly.</p>	
<p>Maritime Union of New Zealand (MUNZ)</p> <p>Contact – Craig Harrison, National Secretary</p>	<p>MUNZ was formed in 2002 when the New Zealand Waterfront Workers' Union and the New Zealand Seafarers' Union joined together. It represents waterfront workers, seafarers and related workers in New Zealand.</p>	
<p>New Zealand Shipping Federation</p> <p>Contact – Clive Glover, President.</p> <p>Email: clive.glover@straitnz.co.nz</p>	<p>The New Zealand Shipping Federation began in 1906 and is the key representative body for New Zealand's coastal ship operators.</p>	

<p>New Zealand Cruise Association</p> <p>Contact – Kevin O’Sullivan.</p> <p>Email: executive@cruisenz.org.nz</p>	<p>The New Zealand Cruise Association is the industry body of New Zealand’s cruise sector. Their mission is to establish New Zealand as the cruise destination of choice in the South Pacific.</p>	
<p>Rail and Maritime Transport Union of New Zealand</p> <p>Contact – Aubrey Wilkinson, National President</p> <p>Email: aubrey.wilkinson@rmtunion.org.nz</p>	<p>RMTU is a union that supports transport workers.</p>	

Appendix 1: Authority members & Chief Executive

Maritime NZ currently has a five-member board appointed by the Minister of Transport. The Board appoints the Director of Maritime NZ, who has independent statutory powers under the Maritime Transport Act 1994.

	<p>Jo Brosnahan, QSO – Chair</p> <p>Jo is an experienced Chair and Director who is also Chair of Harrison Grierson Ltd and Principal of Leaders for the Future. Founder and Chair of Leadership New Zealand, she is now Chair of the Ambassadors and she was founding Chair of the Taitokerau Education Trust in Northland, supporting digital learning in low decile schools. Her governance career has included Chair of Northpower Fibre, Chair of Landcare Research, director of Housing NZ and of HLC.</p> <p>Previously CEO of the Northland and Auckland Regional Councils, Jo has experience in the port and maritime sectors, infrastructure, housing and urban development, transport, and environmental management. She is a Chartered Fellow of the Institute of Directors and develops and facilitates leadership and governance programmes, and of the Chartered Institute of Logistics and Transport, of which she was national President. As a Harkness Fellow and Aspen Scholar, Jo researched leadership in the US.</p>
	<p>Belinda Vernon – Deputy Chair, Chair Audit and Risk Committee</p> <p>Belinda is a Northland-based consultant with a background in accounting, shipping and conservation. She has worked in senior accounting and management roles in the shipping industry in New Zealand for Tasman Express Line Ltd and McKay Shipping Ltd. Her initial shipping experience was gained with Ellerman City Liners in London.</p> <p>Belinda was a Member of Parliament from 1996-2002. She is a Chartered Member of the Institute of Directors and a trustee of the Auckland Philharmonia Foundation.</p> <p>Belinda was appointed to the Maritime NZ Board in May 2013, and was appointed Deputy Chair in May 2017.</p>
	<p>Roy Weaver</p> <p>Roy brings to the Board table extensive port and maritime experience. During his 18 years as Chief Executive, at Port Timaru and Port Taranaki, he chaired the Boards of a number of industry-related organisations including the New Zealand Chartered Institute of Logistics and Transport.</p> <p>A Chartered Director since 2015, Roy's expertise includes governance, commerce, strategy, business development, leadership, health and safety, infrastructure, energy, transport and logistics, ports and shipping, contracts, Iwi liaison, industrial relations and public relations.</p> <p>Roy was appointed by the NZ Port Company CEO Forum as a representative for developing and implementing the New Zealand Port and Harbour Safety Code (2003 – 04). This was later extended to include the review of the Code and port company compliance (2013 – 2015). Roy was also part of the Port and Harbour Marine Safety Code review team that assessed the port Safety Management Systems (SMS) for Lyttelton and Timaru Ports in 2015.</p> <p>Roy was appointed to the Maritime NZ Board in February 2019.</p>



Denis O'Rourke

Denis practiced law for over 30 years, and served as a Disputes Tribunal Referee and a member of the Legal Aid Review Panel. He was also a Christchurch City Councillor for 15 years and a list Member of Parliament between 2011 and 2017 and served as a member of the Electricity Review Panel. Denis' extensive governance experience includes 11 years as a director and Chair of Transwaste Canterbury, and as a member of the boards of Christchurch Transport, Postbank, and Christchurch International Airport, among numerous others.

Denis was appointed to the Maritime NZ Board in May 2019.



Danny Tuato'o

Danny is a Partner with MWIS Lawyers in Whangarei.

He has a particular interest in water safety and was the Chair of Water Safety New Zealand for five years until 2021. He has significant experience as a Chairperson, Director and trustee and is currently a Board member with Fire and Emergency New Zealand, Board member with Coastguard New Zealand and a Panel Member of Air Navigation System Review. He was an independent advisor to the Northland Regional Council Audit & Risk Committee.

Danny is a Member of the Institute of Directors and was appointed to the Maritime New Zealand Board in August 2020.



Kirstie Hewlett – Director and Chief Executive

Kirstie Hewlett joined Maritime NZ in May 2021. Before joining Maritime NZ, Kirstie was Deputy Chief Executive, System and Regulatory Design, at the Ministry of Transport, where she was responsible for areas covering transport safety, resilience, security, emissions, regulation, and the transport COVID-19 response.

Prior to Ministry of Transport, Kirstie held a range of senior leadership roles in WorkSafe NZ, the Ministry of Business, Innovation and Employment, and the Ministry of Economic Development, leading regulatory, strategy, corporate and governance functions, as well as policy responsibilities in health and safety, ACC, employment law, telecommunications, business law, regulatory systems and regulatory impact analysis.

Career highlights include undertaking extensive health and safety, labour market, and financial sector reforms, establishing WorkSafe NZ, and the building of new functions within the regulator, design of the Ultra-Fast Broadband initiative, and work on improving regulatory frameworks and systems in the public sector. She also led the design, and implementation, of an international air freight scheme which has kept planes flying to, and from, New Zealand during COVID-19.