

Interim briefing to the Incoming Associate Minister of Transport

February 2023

Pro

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Introduction

Welcome to the Maritime Transport portfolio.

Congratulations on your 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 and response capability, and the key strategic issues we will likely need to engage with you on.

By way of introduction, outlined below are some of the most critical opportunities and challenges facing the sector that Maritime NZ in particular deals with, and which are likely to be front and centre for you. Some of these are explained in more detail in the rest of the document.

New Zealand's maritime domain is complex, diverse and an important contributor to our economic, cultural 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 approximately 99% of our exports carried to our markets by sea and 80% (by value) of our imports arriving on ships. New Zealand's 14 commercial ports collectively handle this trade.

Maritime health and safety

Given the reliance New Zealand has on the maritime supply chain; health and safety on ports and ships as workplaces, is important. We are currently seeing a number of poor quality ships coming to, or operating in, our coastal waters. This increases the potential for significant collisions or grounding, which can have catastrophic and costly impacts on people and the environment. It also increases the chances of injury and fatalities of those working with poor ship equipment, and can result in disruption of, and added cost to, supply chains as ships are detained. There have also been a range of other safety issues on ports that have led to injuries and fatalities. These issues are a key focus for Maritime NZ and the sector. We are currently chairing the Port Health and Safety Leadership Group and working with the sector and other agencies on a range of initiatives to address these issues. Some of these include:

- developing consistent regulatory standards for the loading and unloading of cargo on Ports;
- s(9)(2)(f)iv) [redacted] and
- increasing our capacity and capability to be more present on ports and to undertake a greater number of inspections of large ships to deter poor quality ships from coming to, and operating in, New Zealand. (9)(2)(f)iv) [redacted].)

This work will require early, and ongoing, Ministerial support.

Recreational craft challenges

There are approximately two million recreational boat and craft users that take to the water every year. We work closely with harbourmasters, NGOs and other entities (particularly through our recreational craft strategy and forum), to improve safety outcomes of those that recreate in our beautiful oceans, lakes and rivers. This is largely focussed on provision of education, behaviour change campaigns, investment in safety initiatives; optional training courses to improve safety outcomes led by agencies like Coastguard, and some enforcement and on-water campaigns like "No Excuses". However, there are:

- no design and construction standards for recreational boats or easy way nationally of identifying boat owners (i.e. no warrant of fitness or licence);
- no requirements to understand basic maritime navigational rules (i.e. the equivalent of the road rules); and
- no national standards for wearing life jackets on smaller vessels or communications requirements.

A key challenge remains around whether, and how, to put in place basic and consistent regulatory safety standards that we know will save lives, ensure they are fit for purpose and proportionate for the maritime recreational sector, while bringing the sector on the journey.

Managing maritime operator and seafarer licensing and workforce issues

The maritime sector also supports passenger connectivity, plays a key role in tourism, and underpins our fishing sector. Domestically, six million passengers rely on harbour ferries to get to work or go on holiday, around 390,000 people enjoy commercial rafting and jet boat trips, and commercial fishing operators (both large corporates and small owner-operators) head out to sea almost every day for kai moana.

For these entities, and our New Zealand flagged coastal vessels, it is important that operators and seafarers can be confident that the process for obtaining their licences for working in the sector is efficient and effective, given these are critical for their livelihood. Challenges from COVID, increasing work-loads and issues with capability and capacity resulted in licensing back-logs and delays in Maritime NZ. While we are getting on top of these issues, with wait times and backlogs now decreasing, a focus for Maritime NZ will be ensuring in this area, and other regulatory areas where people need to interface with us (for example notifications and enquiries), that we are:

- making it as easy as possible;
- that we respond in reasonable timeframes;
- people understand what they need to do; and
- we don't unnecessarily impede business operation while ultimately ensuring quality safe, secure and clean outcomes.

While much of this work is in Maritime NZ hands to achieve, it will require some additional funding support through our up-coming funding review to achieve sustainable change.

Domestic maritime operators are also facing significant work-force issues with insufficient numbers of seafarers and port workers disrupting business activity. These workforce issues are multi-faceted and existed prior to COVID 19, but have been exacerbated by the pandemic. It is critical New Zealand has a vibrant and thriving maritime workforce and sector. To address the issues will require a plan by Government (immigration, skills agencies, Te Manatū Waka and Maritime NZ) and the sector.

Emissions reduction opportunities

The reduction of emissions and discharge of other harmful substances and waste from ships is a key emerging opportunity and challenge. The maritime sector is embracing moves to cleaner fuels and other innovation. We have electric ferries and jet boats, sea gliders, greener fuels for large ships, and hydrogen fuel vessels, here or under development, and planned for release in the mid to late 2020s. This is creating a demand now for Maritime NZ to work alongside operators to ensure craft with these new technologies are built to appropriate safety and security standards, so there is no need to make changes at a late stage that cost money and time and impede the start-up of these new technologies and their emissions reduction benefits. However, Maritime NZ is challenged in responding to these demands as we are not funded for this activity and the current levy construct makes it hard to charge levy operators for this work.

In addition, all of these technologies require energy supply and infrastructure (whether it is electricity, hydrogen, or other green fuels) which is an on-going challenge. This will also become more of an issue as jurisdictions look to create green shipping lanes between countries and will look to be able to re-fuel in New Zealand ports. While energy supply is not an issue for Maritime NZ to directly resolve we continue to engage closely with Te Manatū Waka and MBIE on these issues. We also continue to work closely with other jurisdictions and the International Maritime Organization to influence emissions reduction and to understand challenges and opportunities for New Zealand.

Port security challenges

Another port-related issue concerns their security. Much has changed since 2004 when the Maritime Security Act was passed and Maritime NZ was funded by the Crown to perform its security role in relation to ships and ports. The threat level has changed, as have the types of threats, for example cyber-security and crowded places. The demand for Maritime NZ support, advice and activity on Ports and also in the Pacific has also significantly increased, as has the sector demand for a better national security card screening system, as exists in aviation with the Civil Aviation Authority. **6(c)**

9(2)(f)(iv). The review of maritime legislation led by Te Manatū Waka also provides an opportunity to strengthen this area, as does current work with the Ministry of Foreign Affairs and Trade and other agencies on how we can provide support on maritime security issues to Pacific countries, something that we have had significant demand from these countries for, and also important for the security of shipping lines coming to New Zealand.

Te Korowai o Kaitiakitanga

If Maritime NZ does not perform its maritime role effectively, this can result in a failure to meet regulatory outcomes and at the extreme end regulatory failure, which can result in death, damage and a loss of social mandate. We have been on a journey, involving the sector, to determine where we are operating well as a regulator and where we need to improve. This has resulted in organisational change, been the basis for our funding review and budget bids, changed some elements of regulatory focus and led to improvements.

The work is our organisational strategy, *Te Korowai o Kaitiakitanga*, the cloak of stewardship, and looks to consider how we look back and take the best from the past, while considering how we position ourselves for the future and best act as a guardian of the maritime domain so people can safely and securely play in clean waters for generations to come. It has identified regulatory issues and opportunities which we are working on, many of which support us to deal with the challenges and opportunities discussed above, but also other issues like how we manage the suite of outdated maritime rules we work with, and how we monitor and support third parties who carry out delegations and authorisations on Maritime NZ's behalf, a key regulatory risk. It is also looking at redefining our regulatory approach, values, principles and outcomes and our culture and capability strategy to enable us to be the most effective and diverse regulator possible.

Pro
y released



WHY THE MARITIME DOMAIN MATTERS TO NEW ZEALAND



COVID-19

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



Around
1,070 ships
 and over
5,270 port visits to NZ

(A ship can visit multiple ports)



NZ marine economy contributed

\$8.2 billion
 to New Zealand's economy made up of
\$4.5 billion
 directly and
\$3.7 billion
 indirectly in non-marine industries

About
40,600
 people employed within the marine economy earned a total of
\$2.3 billion

Marine economy's contribution to total GDP:
1.4%



NZ EXPORTS
\$61.3 billion



NZ IMPORTS
\$61.8 billion

99.7%
 by volume

80.9%
 by value

is carried by sea



NZ's Exclusive Economic Zone is

15x
 the size of
 the country

not including Tokelau, Niue, Cook Islands and Ross Dependency

Spanning over
30 million km²
 New Zealand's search and rescue region is one of the largest in the world

See Appendix 4 for data sources



By the numbers

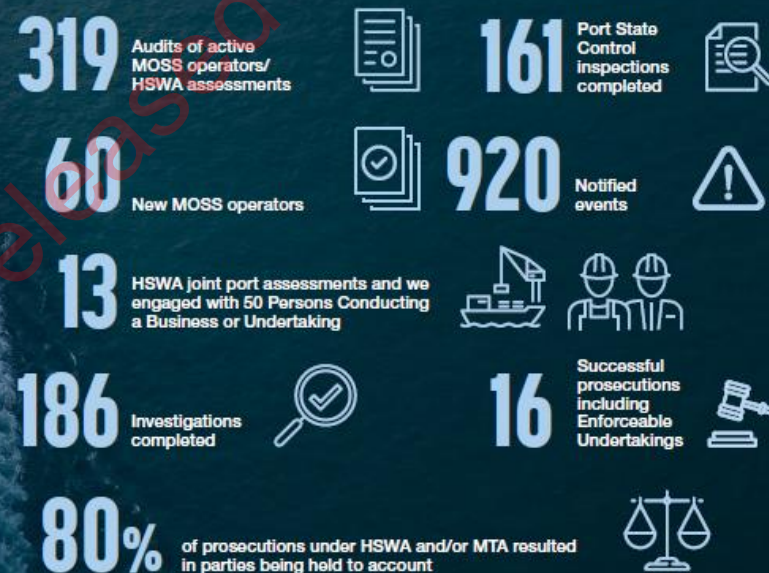
Rescue coordination outcomes



Education and information



Regulatory operations



Marine pollution response



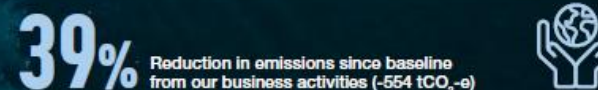
Maritime security



Certification



Our carbon emission reductions



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 the Crown entities that are part of the wider transport sector 'family' of agencies.

Maritime NZ was established in 1993. Maritime NZ has a Director who exercises statutory functions under maritime legislation and rules. In the exercise of these functions the Director is independent and cannot be directed by the Maritime NZ Board or Minister/s. In the case of Maritime NZ the Director is also the Chief Executive.

The operation of Maritime NZ, not covered by the independent functions of the Director, is governed by a Board appointed by the Minister of Transport under the Maritime Transport Act 1994. The Minister of Transport can provide high level expectations relating to Government policy and direction to the Board. The monitoring of how these, and the functions of the agency, are delivered is through the Statement of Performance Expectations, Statement of Intent and Annual Report. Te Manatū Waka (the Ministry of Transport) supports the Minister in the monitoring of Maritime NZ.




Please see **Appendix One** for profiles of our Board and Chief Executive/Director.

We currently have:

- 327 full-time equivalent staff
- A national office in Wellington and four regional hubs in Auckland, Tauranga, Nelson and Christchurch
- Five satellite offices
- Two operational response hubs accommodating the Rescue Coordination Centre New Zealand in Lower Hutt, 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 current 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

We deploy a wide range of capabilities to deliver on our regulatory functions (i.e. leadership, facilitation, partnership, regulatory tools, monitoring, investigation and enforcement, guidance and education, investment and delivery of maritime safety services and infrastructure).

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 leads the development of most of the maritime rules and transport instruments, working closely with Te Manatū Waka. The Rules need to be signed off by the Minister of Transport or the Associate Minister of Transport where delegated. We also support Te Manatū Waka to maintain and develop New Zealand's maritime regulations and legislation.

Maritime NZ also administers New Zealand's global maritime interests through being an active member of the International Maritime Organization; 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, the Associate Minister of Transport, and other parts of Government to make informed strategic 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:

- **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

One of the three high-level functions that Maritime NZ delivers its Vision through is "Response". The Response function requires the development, implementation, improvement and delivery of capabilities to ensure we are ready to respond to general maritime incidents, marine pollution incidents and Search and Rescue incidents. Maritime NZ is one of the few agencies that has explicit regulatory roles in the national emergency management system, which are exercised for maritime incident responses.

General maritime incident readiness and response is managed through our Response, Security and Safety Services Group but is delivered through a whole-of-organisation approach. Readiness for "Significant" and "Major" maritime incidents¹ requires contributions from across all elements of Maritime NZ and cooperation and partnership with multiple domestic and international parties from government, industry, communities and Iwi.

Maritime NZ continues to progress towards realising its ambition for an integrated maritime incident readiness and response capability as set out in the **Integrated Maritime Incident Readiness and Response Strategy**. We are undertaking work to ensure we are optimising our approach, resources, and capabilities in this space, and setting ourselves up to be as successful as possible.

New Zealand is internationally obliged, under aviation and maritime conventions, to provide 24/7 coordination of 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 system (jointly with the NZSAR Secretariat and NZ Police) that uses modern technology to save lives. While we are a maritime agency, we perform our SAR function across land (where a beacon is set off), air and sea. This recognises the efficiencies in having one function covering all areas, and the fact that the SAR function needs integration with the rest of our maritime incident response.

¹ As defined in the Maritime Incident Readiness and Response Strategy.

This requires the development, implementation, improvement, and delivery of capabilities to respond to general maritime incidents, marine pollution incidents, and SAR incidents. 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
- Provide Maritime Assistance Services; and
- Respond to marine pollution incidents.

In 2021/22, New Zealand's SAR sector responded to nearly 3,000 incidents resulting in 150 lives saved, 715 people rescued, and 799 people assisted. This is an increase from the previous financial year in all areas. The number of lives assisted has increased markedly over the past five years, which is a reflection of the rise in recreational and adventure-based activities over this period. This trend is mirrored in the increase in beacon registrations over time, with all beacon-related cases triaged through RCCNZ. Since the start of the COVID19 pandemic, we have also seen a general rise in on-water activities, which explains the overall increases in 2021/22.

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**.

Marine oil pollution response capability requires the development, maintenance and administration of the national marine oil spill response strategy, including international cooperation, ensuring that oil spill response plans are developed and maintained at the national, regional government and operator level to give effect to the strategy. Work includes the regular training for and exercising of oil spill response plans at the national, regional and operator levels, and the provision of sufficient resources to effectively implement the strategy and associated contingency plans. In the event of a major marine oil spill the team leads the pollution response component of the general incident response.

Maritime NZ's Marine Pollution Response Service (MPRS) has started a new, three-year training programme for members of the National Response Team (NRT) and Regional Oil Spill Responders. Approximately 400 trained, regional responders nationwide work for councils, other government agencies and the oil and gas industry. The NRT has about 140 members, also drawn from a range of organisations. Their role is to coordinate and conduct the response for a major oil spill incident.

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 communications service.
- Administering the **emergency locator beacon** detection network for land, sea and air.
- 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.

Preventing harm from occurring

We have a range of other capabilities we use to deliver regulatory outcomes and to prevent harm from occurring:

- **We lead, partner, facilitate and engage with key stakeholders** (operators, unions, industry bodies, other Government agencies, NGOs, and local government) to develop initiatives that reduce harm. Much of this is delivered through strategic multi-year programmes we call **harm prevention programmes**, which aim to prevent harm occurring in different parts of the maritime domain. These programmes use a range of the different interventions that are led by Maritime NZ or sector players (e.g. rules, education, enforcements, training, investment etc.)
- **Develop Education and Guidance** to inform, educate and influence commercial operators, seafarers, recreational boaties and other maritime sector stakeholders to comply with the law and to act safely, securely and in support of environmental protection.

- **Investment:** Maritime NZ provides funding to the Seafarer Welfare Board and grants funding through our recreational craft harm prevention programme. Through provision of this funding we work to ensure those receiving the money provide efficient and effective services that deliver on outcomes.

Please see below for more detail on our harm prevention programmes.

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.

In 2021 we engaged with stakeholders, undertook workshops with staff, and talked to other regulators about what good looked like in relation to our regulatory functions and where our gaps were in relation to capacity, capability, systems, processes, operating model and practices.

This led to us identifying a number of areas we wanted to work on and the development of Te Korowai o Kaitiakitanga, our organisational strategy. We are currently building the different elements of Te Korowai. Progress to date has involved:

- Investing more resources in our Certification (now called Regulatory Licensing) team to reduce application processing timeframes and improve our licencing performance more generally. This has already resulted in improved processing times and a reduction in an existing backlog of licensing applications. However, further support will be needed to make this progress sustainable and to deliver other future improvements needed.
- We have refocussed the small number of resources we have who can undertake large ship inspections so that they only undertake these types of inspections and placed them in a new Maritime Inspections team with a specific focus on Port and Flag State Control so we can better oversee the standard of ships, shipping, and crew safety.
- We are putting in place the staff, processes and arrangements for the establishment of a small centralised Notifications and Enquiries team to improve our notifications and enquiries response processes and timeframes.
- We have established a new Harm Prevention and Engagement team and approach to support a strategic and pro-active approach to addressing the causes of harms in different parts of the maritime domain and to provide leadership on engagement practices and processes
- We've improved our arrangements for big regulatory reform projects by converting a temporary and project specific team into a permanent Regulatory Reform Projects team. This in both an efficiency measure and an investment in building and maintaining our capacity to deliver significant regulatory reforms
- We've enhanced our back end support capacity for front line staff, including more operational policy capacity and increased capacity to monitor their performance and plan their work. This means interactions with our front line staff are at a frequency appropriate to risk and of a nature that represents best value for the maritime sector.
- We have nearly completed the work on our values, vision, principles and outcomes.
- We are progressing work on Whiria te tangata (weaving the cloak). This is our culture and capability strategy and has 5 pillars. These include:
 - The development of a **Te Ao Māori Strategy and Capability Programme**. This work will close our current capability gap through a systems-wide approach led by strategy and leaders that embeds Te Ao Māori (te reo, tikanga concepts, philosophies and practices alongside our obligations under Te Tiriti O Waitangi) authentically and sustainably. This deliberate approach helps ensure that risks, issues and opportunities are managed appropriately, given that Treaty partners have critical interests in our work and in key focus areas for us like recreational boating safety.
 - Our **Diversity, Equity and Inclusion programme** this stream of work develops initiatives to ensure through, recruitment, pay, career progression, culture, thinking and delivery, we are embracing diversity of culture, gender, sex, religion and approach.

- **Internal emissions reduction plan.** This work has established an emissions baseline, targets, measurement and a work plan to ensure we are meeting public sector targets on emissions reduction.
- **Our internal health and safety strategy.** It is critical that our staff come home healthy and safe and that as a health and safety regulator we role model good health and safety. This work looks to ensure we have the right culture and capability to manage health and safety and we have identified our critical risks and have effective controls in place.
- **Connectivity work:** one of the key areas focus identified with staff was that we often worked in siloes. We are undertaking work to ensure we have the right systems, incentives, processes and culture to ensure we are integrated and are more than the sum of our parts.

This work above has been enabled in part through a HSWA budget bid (which resourced some of the practice and harm prevention work and added capacity into our legal and investigations area), and a re-organisation which resulted in re-deployment and dis-establishment of staff, and other efficiencies.

However, in some areas we have identified risks where we have made limited progress (e.g. third party monitoring), or we have been able to undertake initial start-up only but have insufficient capacity to really address the risk (e.g. maritime inspections and notifications and enquiries teams), or we face resourcing constraints which means we do not have a sustainable funding base to maintain the improvements we have been able to make longer term (e.g., licensing). A successful outcome to our upcoming funding review (discussed more fully in the strategic areas of focus section below) will be critical to ensure the benefits of the changes we have made can be sustained and that other key regulatory risks identified can be fully addressed.

Te Korowai o Kaitiakitanga

The **Kaitiakitanga**, or guardian, ensures the oceans and waterways of Aotearoa are safe, secure, clean and sustainable. A visible representation of our guardianship is the **Manaia**.

A key element of Te Korowai is our **taniko** – a method of decorative weaving. On our **taniko** is a **poutama**, which symbolises a climb made by Tane-nui-a-rangi who climbed to the heavens to receive 3 baskets of knowledge and 2 stones of whatukura (mana).

The steps resemble the progress and ongoing advancement in our leadership journey as an organisation and investment in the emergence of **rangatira** (our leaders of the future).



Our Vision and Purpose
Te tirohanga me te kaupapa

Our Principles
ā tātou whangonga pono

Our Values
ā tātou whangonga pono

Our Levers
Whakatiriwhana
(Engagement/Education/Enforcement/
Investment & Infrastructure)

Our Approaches
ā tātou huarahi

**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 4 year voyage
Te whā tau te haerenga

In the middle of the poutama is a V meeting another V. This represents the ancestral meeting house (**Wharenui**) and the gathering or bringing together of all whānau, iwi and cultures. We can only deliver our guardianship role by working collaboratively with our partners.

Each of the feathers in Te Korowai is not strong by itself. But, woven together they reflect beauty and strength.

Our individual groups will not be strong if we do not weave together our teams and capabilities into an effective and connected regulator.

*Ehara taku Toa I te toa takitahi
Ko taku toa he toa takitini
My success is not mine alone,
it is that of the collective.*

Nō te rere moana Aotearoa
MARITIME
NEW ZEALAND

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.

Maritime NZ funding review and Budget 23

Funding review

As part of the transport regulatory system and funding review cycle, a Maritime NZ funding review is underway. It was initially scheduled before the COVID-19 pandemic but subsequently delayed. The review considers 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 areas where we can better address regulatory risks raised with us by stakeholders; areas where we lack resource; or, more simply, areas where we can do things more efficiently.

9(2)(f)(iv)

- [Redacted]
- [Redacted]
- [Redacted]

9(2)(f)(iv)

[Redacted]

Budget 23

9(2)(f)(iv)

[Redacted]

9(2)(f)(iv)

9(2)(f)(iv)

Preventing harm in the maritime sector

Maritime NZ is in the process of making Harm Prevention a more consistent and deeply integrated part of our operating model. Harm Prevention is an approach underpinning programmes of work for key sub-sectors (e.g. ports) or strategic areas that, critically, are designed *in partnership* with the sector. Some of our work currently 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 Maritime NZ to collectively achieve better sector outcomes ('virtual' teams).
- Building integrated intelligence programmes to develop an understanding of critical risks and 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 to address the key causes of harm for a sector, which are owned by both the sector and Government.

² As per the requirements under the ISPS Code an amendment of the SOLAS Convention 1974.

We are piloting this approach initially for the ports and harbours and recreational craft sub-sectors. These are discussed in more detail below. 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. We are also intending to commence a focus on the domestic commercial sector throughout 2023.

There are two other key initiatives that have been in operation for some time and deliver safety outcomes through partnership.

The safe movement of ships in ports and harbours is facilitated by the operation of the *Port and Harbour Marine Safety Code*. It is a voluntary code of practice developed by Maritime NZ in 2004 in partnership with Regional Councils and Port Operators. The Code's purpose is to ensure the safe management of ships navigating in New Zealand port and harbours, including the prevention of injury to people, loss of life, property and damage to the marine environment. The Code promotes a systems approach to the management of safety to ensure that risks are identified and managed in a structured and sustainable way between all parties that have responsibility for navigation safety within our harbours. The Code is implemented through an MOU between Maritime NZ, 17 Regional Councils (and/or Unitary Authorities), and the 15 Port Companies. The Chief Executive of Maritime NZ chairs the Steering Group of the Code and Maritime NZ hosts the Code's Secretariat.

We also deliver the *Pacific Maritime Safety Programme* (PMSP)³ which includes community education and awareness, legislative support, maritime training, domestic vessel safety and sea ch and rescue/marine pollution response to seven Pacific Island countries - Cook Islands, Kiribati, Niue, Samoa, Tokelau, Tonga and Tuvalu. The Ministry of Foreign Affairs and Trade funds our work in this space and given the outcomes delivered by the programme has provided funding certainty for another four year period.

Port Health and Safety Harm Prevention

Following the tragic fatalities at the ports in Lyttelton and Auckland in April 2022, Hon Michael Wood (then Minister for Workplace Relations and Safety, Minister of Transport), requested -

1. The Port Health and Safety Leadership Group (PHSLG)⁴ to provide advice on what actions could be taken to address health and safety harms at ports, including what, if any, regulatory standards are needed; and
2. The Transport Accident Investigation Commission (TAIC) to undertake an independent review into the two deaths to provide system insights and recommendations by an independent party that has a good working knowledge of the sector.

Maritime NZ and WorkSafe also conducted joint HSWA related port assessments.

The ministerial advice provided by the PHSLG identified six short to medium term actions to improve health and safety outcomes in the port sector. The actions are:

- Develop an Approved Code of Practice on Stevedoring.
- Implement the Fatigue Risk Management System Good Practice Guidelines;
- Extend Maritime NZ's Health and Safety at Work Act (HSWA) designation on ports.
- Address workforce sustainability issues and skills.
- Improve incident reporting, notifications, insights and learning, and develop ways for good practice to be shared across the sector.

In addition, a multi-year harm prevention programme will be developed. The Minister of Transport is releasing the Port Sector Insights Picture and Plan at a press conference on the 15th of March.

³ The PMSP is a Ministry of Foreign Affairs and Trade programme, funded through the International Development Cooperation programme and delivered by Maritime NZ.

⁴ The PHSLG membership is the Chief Executives from Ports of Auckland; Northport; ISO Stevedoring Ltd; C3 Ltd; Maritime NZ (Chair) and WorkSafe NZ; the Chair of the Port Industry Association; the National Secretary of the Maritime Union of New Zealand; and the President of the Rail and Maritime Transport Union.

In the meantime work is underway on; developing of an Approved Code of Practice for stevedoring; implementing fatigue guidance; s(9)(2)(f)iv

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).

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. A newly established Safer Boating Forum Leadership Group, chaired by Maritime NZ, is currently developing a new Recreational Craft Strategic Framework for 2022 – 2025. Maritime NZ and the Forum deliver a range of initiatives focused on reducing the number of fatalities and serious injuries from recreational boating, including *Kia Mataara*.

Kia Mataara behaviour change campaign

We launched the second phase of our *Kia Mataara* recreational craft safety behaviour change campaign in November 2022. *Kia Mataara* broadly translates as 'be vigilant, be aware, be responsible', and is a key tool in Maritime NZ's harm prevention approach. It aims to reduce harm by persuading boaties to take action before heading out on the water. It was developed in collaboration with Safer Boating Forum members. Forum members can use campaign materials and amplify them through their own channels.

The original campaign encouraged boaties to respect the sea, their whānau, passengers, fellow boaties and water lovers. The five ways to be safe on the water - [the boating safety code](#) – is a core campaign element. Research conducted for us shows the campaign has a strong over 40% campaign recall amongst boaties over the past three quarters since it launched in January 2022.

In the second phase, we're building on this awareness and encouraging people to take sustained, proactive action by following three simple rules – check the marine weather forecast, wear a lifejacket and take two forms of waterproof communication.

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 approach to ensuring that everyone connects to and enjoys the water safely. Our participation in this group reflects our view that our focus on recreational craft safety plays a strong part in ensuring improvements in safety outcomes across our primary focus area of safety in, on and around the water.

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.

Part 91 review and proposed mandatory wearing of lifejackets on smaller craft

Another key initiative to improve recreational boating safety is the current review of Part 91 of the Maritime Rules. s(9)(2)(f)iv

9(2)(f)(iv)

9(2)(g)(i)

Maritime NZ analysis shows that between 2015 and 2020, the lives of 50 people may have been saved if the Rules requires lifejackets to be worn on small recreational craft.

9(2)(g)(i)

Other key Maritime NZ initiatives in this area include:

- A comprehensive research and analysis programme to understand why and where, and to whom harm is occurring.
- 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.

Recreational Safety and Search and Rescue Review

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.

Maritime NZ is a member of the Advisory Group supporting the review. We are well placed to provide expert input to the review given we manage the Rescue Coordination Centre New Zealand (RCCNZ), and have oversight of safety in the recreational craft area along with meeting our international search and rescue obligations. We are also members of the wider water safety leadership group, Wai Ora Leaders.

While we are confident that the current coordination services we provide as part of the NZSAR system (RCCNZ, maritime safety services) are working well, domestically and internationally and have good interface with our critical maritime response role; 9(2)(g)(i)

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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.

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, jet boats, and tugs.
- 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 is, however, 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.

s(9)(2)(f)iv) yet formal approaches from commercial operators wanting regulatory support from Maritime NZ for new emissions reduction technology are present now

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 the review of recreational craft rules in Part 91 mentioned above, and also:

- Vessel design, construction and equipment rules under 40 series (a highly complex, multi-year programme).
- Over the longer term, looking at the need for reform in our Seafarer Certification and MOSS rules
- Omnibus rule updates that reflect changes made to international maritime instruments by the International Maritime and Labour Organisations.

The rules programme delivered major changes in 2021/22 with some significant projects completed. As a consequence, the Rules Programme is currently under review and we anticipate seeking your approval of the forward work plan in the next few months.




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 indicate 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 frameworks 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.

Appendix One: Board members & Chief Executive

Maritime NZ currently has a six-member board appointed by the Minister of Transport. The Board has a governance role in accordance with the Crown Entities Act 2004, and appoints the Director of Maritime NZ, who has independent statutory powers under the Maritime Transport Act 1994.

	<p>Jo Brosnahan, QSO – Maritime NZ 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>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>
	<p>Danny Tuato'o</p> <p>Danny is a Partner with MWIS Lawyers in Whangarei.</p> <p>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.</p> <p>Danny is a Member of the Institute of Directors and was appointed to the Maritime New Zealand Board in August 2020.</p>

	<p>Lesley Haines - (Chair, Audit & Risk Committee)</p> <p>Lesley has an extensive public sector background, including leadership of advisory and regulatory functions in the Treasury, the Ministry of Business Innovation and Employment and the Department of the Prime Minister and Cabinet. As a director she serves on the board of BRANZ (Building Research Association of New Zealand), and as a trustee of Motu, New Zealand's premier economic research organisation. Lesley holds a Masters in Economics from Australian National University.</p>
	<p>Mike Purchase</p> <p>Mike is Head of Business, Vodafone NZ Ltd.</p> <p>Mike has been involved in the telecommunications and technology industry for the last 33 years. The last 22 of which have been in Executive roles. Well versed in organisational change, talent management and governance, Mike brings strong sales, technical, commercial and strategic experience.</p> <p>Joining Vodafone after their acquisition of WXC in 2015, Mike has senior executive experience and is a skilled relationship and people manager. He held senior positions for multinationals along with large New Zealand corporates, such as New Zealand Post and Telecom, before becoming a shareholder in WXC, employing over 70 people in the NZ Telecommunications Industry.</p> <p>Prior to this Mike worked for Reuters Ltd in offshore positions in South Africa, London and Australia with responsibilities for the East Asia markets.</p> <p>Outside of work Mike was involved in Coastguard volunteering, having previously held a Rescue Vessel Masters Certificate and Maritime NZ Skippers license. Mike previously chaired the board of Coastguard New Zealand in the role of President.</p> <p>Well organised and driven by a constant improvement mentality, Mike has a proven track record of driving projects and positive change. He has a philosophy of collaboration to achieve results and is a strong communicator. His experience in both large corporates and volunteer-based organisations, provides him broad experience in applying this approach for results.</p>
	<p>Annabel Davies (Future Director)</p> <p>Annabel Davies is Chief Sustainability & Risk Officer with Pamu.</p> <p>Annabel has a Bachelor of Resource Studies (BRS) from Lincoln University, she later trained as a management system auditor, and attained a post-graduate Certificate in Risk Management and Human Potential for a Digital Economy. Annabel has over thirty years of experience working across a range of sectors including local government, infrastructure, energy, and the private sector.</p> <p>Annabel's most recent roles were at Trustpower where she led transformational projects, risk, stakeholder relations, climate change strategy, and drove the company's Environmental, Social, Governance ('ESG') improvement initiatives at a senior level.</p> <p>Prior to joining Trustpower in 2013, Annabel ran her own successful consultancy practice, offering environmental and audit services for a range of clients, including those in infrastructure and water projects. She was also involved in the start-up of the global environmental company ERM in NZ where she developed and led the sustainability and assurance practice. She also spent some years working for Watercare Services Ltd on large consenting projects.</p>



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.