

## **MARITIME NEW ZEALAND FUNDING REVIEW – RECOMMENDATIONS**

### **Proposal**

1. I seek the Committee's agreement to amend the Maritime Levies Regulations 2016, Shipping (Charges) Regulations 2014, Ship Registration (Fees) Regulations 2013 and Maritime Security (Charges) Regulations 2016 in order to implement levy and fee changes proposed as a result of the Maritime New Zealand Funding Review 2018/19.

### **Executive summary**

2. Maritime New Zealand (Maritime NZ) is the national regulatory, compliance and response agency for safety, security and marine environmental protection of coastal and inland waterways.
3. Revenue to fund its regulatory and compliance activities is derived mainly from the maritime levy on commercial ships and from fees, the rates for which are set in regulations and reviewed every six years.
4. Maritime NZ's budgeted 2018/19 operating funding is \$58.4 million. Of this \$43.8 million is for regulatory and compliance activities.
5. Maritime NZ has undertaken a review of its funding for 2019/20 through to 2024/25. It released a consultation document on 6 November 2018, which included proposals for maritime levy and fee-funded regulatory and compliance functions.
6. Maritime NZ will require additional revenue to meet the costs of continuing to perform its current functions and activities and to meet additional government and sector expectations. The organisation is approaching the end of a 6-year funding cycle during which the demands placed on the agency have increased.
7. To cover planned activity over the next six years, meet business cost pressures, and replace fee revenue, the forecast total revenue from the maritime levy must increase by \$10 million a year for 2019/20 to 2021/22 and a further \$3 million from 2022/23 and outyears.
8. A key focus of the planned activity is to reinforce Maritime NZ's role as an effective regulator that has the resources and skills necessary to deliver strong, evidence-based, risk-focused safety policy and interventions. The organisation aims to reduce the regulatory and compliance burden and make it as easy as possible for maritime operators to meet their regulatory requirements.
9. The maritime levy and fee proposals are based on a revised methodology for calculating the levy for different categories of ship, a modified approach to recover seafarer certification and routine audit and inspection costs, and a simplified charging structure for chargeable activities.

10. The levy methodology addresses industry and Regulations Review Committee concerns that the rationale for the current methodology is not clear, consistent and transparent.
11. Under the proposed cost recovery changes:
  - a single hourly rate of \$245 (GST incl) would replace five rates of between \$235 and \$313, a significant improvement in transparency of charging and reducing the administrative burden of multiple levies for operators and Maritime NZ
  - a fixed fee of \$368 (GST incl) would replace existing seafarer certification and endorsement fees (which range from \$467 to \$1,105), again a reduction in the administrative burden of multiple fees
  - charges for routine audit and inspection of domestic maritime operators would be discontinued, which will reduce costs for many operators and incentivise positive engagement between regulated parties and Maritime NZ
  - any seafarer certification fees not met by the new fees and all routine audit and inspection costs would be levy funded.
12. International shipping will contribute almost 90 percent of the total increased maritime levy revenue generated under these proposals. This reflects the very different relative commercial scales of domestic and international shipping operations in New Zealand waters.
13. For the domestic maritime sector, operators will pay approximately \$1.4 million a year in additional maritime levies. This will be largely offset by a \$1 million a year reduction in direct charges for audits and for seafarer certification. The net increase of \$0.400 million is shared across some 1,700 domestic maritime operators.
14. For a small number of domestic passenger operators that have a high passenger capacity, levies will rise sharply due to the change in levy methodology. The increase is a product of correcting an anomaly in the existing levy under which most domestic passenger vessels were levied on the basis of size, in contrast to interisland ferries and cruise ships. Despite the levy increases seeming significant, they equate to no more than a few cents per passenger over the course of a year.
15. With a new levy methodology and funding increase, Maritime NZ will be able to provide the following activities:
  - Greater capacity to meet the demand for international engagement, to represent New Zealand's maritime interests abroad.
  - Meet the demand for regulatory reform, so Maritime NZ can be responsive to changes in the maritime sector.
  - Better oversight and maintenance of aids to navigation, a crucial network of 141 buoys, beacons and lighthouses.
  - Improvement and maintenance of maritime distress and safety communications systems.
  - Improved ICT systems integration, applications development, data, analytics and mobility, to reduce administrative costs and free up people to be in the field.
  - Activities to better identify and address systemic risk affecting the sector, including improved information-gathering and targeted interventions.

16. While consultation submissions showed broad support for many of the proposals, objections and concerns were also raised. Levy payers, in particular, tended to the view that levies should be proportionate to the use of Maritime NZ services, despite the levy not being a user charge, or that the Crown should pay for some levy-funded regulatory activities.
17. It is intended that any changes to fees and the maritime levy take effect from 1 July 2019. Delay in implementing the new funding framework will have costs for Maritime NZ that will impact on its ability to carry out some of its functions.

## Background

18. Maritime New Zealand (Maritime NZ) is the national safety, security and environmental regulator in the maritime sector. It is a small agency with less than 250 staff nationally who are responsible for all shipping regulation, all large scale search and rescue activities and all large scale oil response activity (as evidenced during the Rena grounding).
19. Its activities are funded by the Crown, levies imposed on the operators of commercial ships, and fees from those who require certification, approval, recognition, audit, inspection or services.
20. In the 2018/19 financial year, Maritime NZ budgeted approximately \$58.5 million to perform its mandated regulatory, compliance, response, and search and rescue functions. Of that total, \$43.8 million is for regulatory and compliance activities, most of which is funded from levies and fees, with the Crown contributing around 11 percent.
21. It has been six years since the last full funding review of Maritime NZ. The funding currently available to Maritime NZ is largely based on the 2012 operating environment with only a partial update during the 2015 mid-point review.
22. This has required Maritime NZ to make significant trade-offs between competing priorities, even in core areas of regulatory activity. For example, when, in July 2014 the new Maritime Operator Safety System and a new seafarer certification regime were introduced, Maritime NZ had to prioritise the effective implementation of those systems, which required them to redirect resources away from inspecting foreign vessels through Port State Control activity.
23. Over the past six years increased demands have also been placed on Maritime NZ including the introduction of various new regulatory functions, including implementation of international Ballast Water Management obligations, Maritime Labour Convention obligations, reflagging of Foreign Fishing vessels, drug and alcohol testing). These functions have not come with any additional funding. The agency has also not been able to secure any increase in Crown baseline funding to meet cost increases for its Crown-funded functions.
24. As a result, the current effectiveness of Maritime NZ's work is constrained by resource availability.
25. Over the past 18 months, Maritime NZ has undertaken a substantive review of its activities and cost structures, which included a review of efficiencies it can make. In November 2018, it published a consultation document containing funding proposals to meet its anticipated costs for the next six years.
26. The proposals, if adopted, would result in changes to fees and the maritime levy which are collected under regulations made under the Maritime Transport Act 1994. Section 191 of the Act authorises regulations that provide for maritime levies to be paid in respect of ships using New Zealand waters. Levies may fund navigation or safety services, regardless of

whether the services are used for a particular ship prompting a payment, and may be varied based on the characteristics of ships. The Act requires that a Minister recommending such levies consult with the maritime industry as he or she considers appropriate.

#### **Why Maritime NZ needs the funding: risks and benefits**

27. The review undertaken by Maritime NZ shows that the organisation will require additional revenue to meet the costs of continuing to perform its current functions and activities and to meet additional government and sector expectations.
28. There is no other regulator in New Zealand with the responsibilities and range of functions held by Maritime NZ. If it is not adequately funded to perform its statutory obligations then this will have an impact on public safety, maritime security and marine environment protection. The agency is stretched and struggling to put in place enough resources to proactively identify, monitor and address risky operators and activities.
29. The maritime regulatory framework exists to create a safe and equal playing field for all commercial maritime operators. Maritime NZ regularly receives complaints from law abiding operators to investigate alleged activities of unlawful operations – especially in the tourism and charter context. Maritime NZ has also been criticised by agents of foreign operators that it is not readily available 24/7 in all ports to respond to issues that affect their ship turn-around timeframes. Maritime unions and the Port Industry Association have also raised concerns about the lack of Maritime NZ resourcing on matters of port safety, which will be addressed under the new funding framework.
30. The revenue set out in the funding proposals by Maritime NZ is needed for the agency to be able to more effectively identify and regulate the risks in the sector and respond more quickly when things go wrong.

#### *Building an intelligence-led, risk based regulator*

31. As a safety regulator, Maritime NZ is very conscious of the importance of intelligence-led, evidence-based, risk focused regulatory interventions. Access to advanced risk-based analytics will enable it to target its interventions more efficiently and effectively and build a progressively stronger understanding of systemic risk within the maritime sector, and will reduce the risk of regulatory failure.
32. Maritime NZ has established increased intelligence and capability risk-based analytics to support decision-making within existing resource constraints. It has also begun to make the IT infrastructure investments needed to give effect to its regulatory approach. The first milestone in this investment programme was the implementation of a core regulatory and compliance management information system (called Triton) to underpin its domestic Maritime Operator Safety System (MOSS) and seafarer certification (SeaCert) regulatory regimes.
33. Further developing existing capability through additional resourcing is a key component of the funding review. In particular, new IT capability is essential to integrate data and information that at present is derived from a range of separate IT and manual systems. These investments in systems will enable Maritime NZ to transform itself into a modern, intelligence-led regulator.

*Maritime NZ has delivered a significant work programme since 2015*

34. In the three years since the 2015 mid-point funding review, Maritime NZ has, in addition to its BAU regulatory and compliance activities, advanced or delivered the following:
- a comprehensive coastal navigation safety review
  - the implementation of a refreshed Port and Harbour Marine Safety Code
  - the transition of over 1,300 operators and almost 2,400 vessels from the Safe Ship Management System to the new Maritime Operator Safety System
  - re-flagging of foreign charter fishing vessels to the New Zealand ship register
  - implementation of the Maritime Labour Convention 2006
  - a significant review of the Seafarer Certification regime's treatment of already certified seafarers
  - a new international engagement strategy
35. Over the next six years, Maritime NZ forecasts the following increased costs, which will be funded from the maritime levy. Note that Maritime NZ will separately ask the Minister of Transport to request further Crown and FED funding to cover cost increases for work that is Crown-funded (see below). If the requests are unsuccessful, the overhead allocation components and the Crown funded activities cost pressure will have to be recovered from the maritime levy. This will mean maritime levy funded activities consulted on would have to reduce. This may be considered cross-subsidisation, which is not in accordance with the Treasury guidelines on setting charges in the public sector.

*International engagement is an important part of Maritime NZ's work*

36. The shipping industry is an international industry and is regulated under various international conventions to which New Zealand is party. These conventions apply to all ships that operate internationally and various conventions (like those dealing with seafarer rights, collision regulations, ship registration and navigation aids) also apply to all domestic ships. The Safety of Life at Sea (SOLAS) Convention also has numerous provisions which apply to all domestic ships – such as the requirements relating to voyage planning and navigation safety.
37. The International Maritime Organization (IMO) amends and updates the international convention requirements as technology changes and as safety lessons from accidents emerge. Maritime NZ attends the meetings of the IMO on behalf of New Zealand to ensure that New Zealand interests are looked after. This includes making interventions on changes to conventions that could otherwise negatively impact New Zealand maritime operators (domestic and foreign). Resourcing constraints affect Maritime NZ's capacity to engage at the international level on all matters affecting, or potentially affecting, those operating commercially in New Zealand waters.
38. As is indicated in Table 4, costs relating to international engagement are covered by the proportion of maritime levies paid by foreign shipping rather than that paid by the domestic maritime sector.

**Table 1: Expenditure proposed for recovery from the maritime levy 2019/20 - 2024/25**

Operational activities	Estimated cost (over six years) \$million
Proposed reduction in fees revenue	7
Implement a revised maritime levy allocation methodology	0.4
Increase capacity to meet demand for international engagement	5
Meet demand for implementation of the regular flow of regulatory change	7
Identify and treat systemic risk, including providing more support for the Port and Harbour Marine Safety Code and reviewing standards for the performance of ship surveyors	20
Improve ICT systems and processes	12
Specific cost pressures: <ul style="list-style-type: none"> <li>Implement the Ballast Water Management Convention</li> <li>Maintain its Aids to Navigation network and assets</li> <li>Update maritime distress and safety communications assets and arrangements</li> </ul>	5
General business cost pressures attributable to activities funded from the maritime levy – including inflationary pressures, and external contract and asset maintenance cost increases	13
<b>Total over six years</b>	<b>69</b>

39. Revenue from the maritime levy in 2018/19 is \$22.4 million. To cover the planned activity over the next six years, and to replace some fee revenue with levy revenue (see below), Maritime NZ forecasts that maritime levy revenue must increase by \$10 million for the years 2019/20 to 2021/22, and a further \$3 million from 2022/23.
40. From 2019/20 to 2021/22, the forecast average revenue from the maritime levy is \$32.4 million. It is \$35.4 million for each following year.
41. Annual revenue from fees will be about \$1.1 million less than in 2018/19. The reduction is offset by some of the increase in levy revenue.
42. The overall maritime levy revenue increase set out in the table below remains the same as set out in the consultation document. Further financial modelling since the document was released has resulted in small shifts in the indicative revenue and expenditure forecasts set out in the document for some items. The changes relate to the:
  - Total additional funding from the maritime levy for international engagement, regulatory reform, systemic risk activities and ICT
  - Estimated reduction in fee revenue arising from changes in feeable activities
  - Cost pressures attributable to the maritime levy.

**Table 2: Forecast indicative maritime levy revenue 2019/20 - 2024/25**

Forecast indicative increase from 2018/19 total revenue \$million (excluding GST)							
Activity	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 & outyears	6 Year Total
Reduction in fees revenue to be recovered from the Maritime Levy	1.20	1.14	1.17	1.14	1.20	1.20	7.06
General business cost pressures to be recovered from the Maritime Levy	1.31	1.94	2.41	3.35	4.02	4.79	17.82
Additional Maritime Levy funding for international engagement, regulatory reform, systemic risk activities and ICT	6.14	7.43	7.74	7.36	7.70	7.75	44.12
Total increase in expenditure to be recovered from the Maritime Levy	8.65	10.50	11.33	11.86	12.92	13.75	69.00
Proposed Increase in Maritime Levy revenue	10.00	10.00	10.00	13.00	13.00	13.00	69.00
Movement in Cash Reserves due to the difference between the proposed Maritime Levy revenue fixed for each three-yearly period and the estimated annual expenditure.	1.35	-0.50	-1.33	1.14	0.08	-0.75	0.00

Note: totals may appear to not add due to rounding

## Proposals

### *A new methodology for determining the maritime levy*

43. The maritime levy funds the provision of maritime safety services and other services and regulatory services and activities that Maritime NZ and the Director of Maritime NZ undertake in the performance or exercise of functions, duties and powers under the Maritime Transport Act. Levies may fund navigation or safety services, regardless of whether the services are used for a particular ship prompting a payment, and may be varied based on the characteristics of ships.
44. A maritime levy must be paid for each commercial vessel, either annually or by the number of port visits, depending on the type of vessel. The current methodology for allocating the levy burden is based on eight categories of vessels and a revenue target which is the forecast average over three years.
45. However, the criteria for setting the levy in each category are not consistent. For example, some passenger vessels are levied according to passenger capacity and others according to vessel size, without any clear basis for the difference in treatment. Different levy rates apply to first and subsequent port visits for ships levied according to their tonnage, but the basis for this distinction has been lost over time. These factors mean that the methodology is not transparent, as the Regulations Review Committee's recommendations have highlighted and has been of concern to the maritime sector for some time.
46. Maritime NZ's 2015 mid-point funding review found that a levy system based on value, risk, activity or benefits may be better, but did not propose an alternative. Since then, Maritime NZ has commissioned independent consultants, Castalia, to produce a ground-up redesign of the levy system, which is the basis of the current proposal.
47. The proposed method for sharing the maritime levy burden distributes charges according to the risk each vessel brings within Maritime NZ's jurisdiction.

48. The potential impact of something going wrong – the value placed at risk – is approximated for each vessel by its gross tonnage (or length, where gross tonnage is not recorded), passenger capacity and dead weight tonnage (for vessels carrying freight).
49. Based on these criteria, five levy paying categories for vessels are proposed.

**Table 3: Comparison of proposed and current levy impact on categories of levy payers**

Sector	Proposed Sector Share %	Proposed Sector Share \$ of \$32.4m	Current Sector Share %	Current sector Share \$ of \$22.4m	Change in sector shares \$m
Domestic non-SOLAS <24m	2.92	0.947	4.00	1.017	+0.983
Domestic non-SOLAS >24m	3.25	1.053			
Domestic SOLAS	4.78	1.547	5.00	1.118	+0.429
Foreign Passenger	22.34	7.239	23.00	5.100	+2.139
Foreign Cargo	66.71	21.621	68.00	15.150	+6.471
<b>Total</b>	<b>100</b>	<b>32.40</b>	<b>100</b>	<b>22.40</b>	<b>+10.00</b>

Notes:

- Current revenue \$22.4 million for 2018/19
  - Proposed revenue \$32.4 million with effect from 2019/20 to 2021/22 (increases to \$35.4 for 2022/23 to 2024/25)
  - Current domestic non-SOLAS includes NZ fishing vessel and river rafts that are separate levy categories within the current levy scheme
  - Domestic SOLAS includes passenger and non-passenger ships that are separate levy categories within the current levy scheme
  - Totals rounded up
50. The proposed methodology is simple and consistent, and based on a clear measure of the value of what is placed at risk. It addresses the issues previously raised by complaints to the Regulations Review Committee about the maritime levy.
51. Its main effect is that, while foreign cargo and cruise ship operators would pay the largest proportion of the levy, as they do now, operators of domestic passenger vessels would pay a slightly larger share than they have in the past.
52. Specifically, domestic non-SOLAS passenger vessels, such as regional passenger ferries, water taxis and sight-seeing do not, under the current methodology, pay on a passenger capacity basis. The more vessels in an operation and the greater their total passenger capacity, the greater the levy impact. That impact is a consequence of aligning the treatment of all passenger vessels under the methodology.

53. As discussed below, the effect of the levy methodology change on domestic operators costs will be largely offset by the fact that domestic operators would no longer pay audit fees and seafarer certification fees will be reduced.

### ***Services funded from the levy rather than fees***

54. In a significant change, it is proposed that some activities for which Maritime NZ currently charges fees would be funded from the levy and provided without direct charge. These are activities, such as routine audits and inspections, for which Maritime NZ has to provide regulatory and compliance infrastructure for the industry as a whole, and it is appropriate for operators to contribute according to their potential cost to the system (risk) rather than per individual service.
55. In particular, it is proposed that the maritime levy fund:
- 55.1. travel time and costs for offsite visits (for routine audits and inspections and for follow-up visits)
  - 55.2. routine audits and inspections – (if follow-up visits are required – i.e. if compliance issues generate extra work – they will be charged at the hourly rate).
56. Maritime NZ notes the following further issues favour a move from fees to levy funding:
- 56.1. Regulatory and compliance outcomes are improved when Maritime NZ can assist industry participants to comply but charging a fee for such activities discourages operators from seeking assistance and limits free and frank engagement with industry.
  - 56.2. Fees can discourage innovative means of compliance. An industry participant with a new way of doing things will face a longer audit or inspection. If they are charged by the hour, this will cost more. Innovation can benefit both the industry and the public, so disincentives should be avoided.
  - 56.3. The complexity of Maritime NZ's funding model creates a significant administrative cost from having multiple processes and dealing with enquiries.
  - 56.4. Other maritime audits or inspections, of foreign vessel inspections and for Health and Safety at Work, are not charged directly. The proposal would create a consistent approach to the funding of these activities across all sectors
  - 56.5. Retaining the ability to charge for a follow-up audit or inspection provides an incentive to resolve any compliance issues at the time of the initial audit or inspection.

### ***Activities to be funded by the levy***

57. Maritime NZ also proposes to draw on the levy to provide the following activities.
- 57.1. Greater capacity to meet the demand for international engagement.
    - In particular, Maritime NZ wants to improve its capacity to deal with the IMO and international conventions to ensure that New Zealand's interests are taken into account in developing international standards and regulations. This is an important role, as demonstrated through Maritime NZ's action to ensure that new IMO rules for bulk cargo carriers were compatible with the unique operational requirements of the vessels that load iron sand exports at the port Tahāroa offshore terminal.
    - Maritime NZ will also ensure that evaluations and audits continue to designate New Zealand as an 'acceptable' member country with respect to discharging its IMO obligations, e.g. the Standards of Training, Certification and Watching for Seafarers,

1978 (STCW), which enables the transferability of seafarer and other qualifications internationally.

57.2. Meet the demand for regulatory reform.

- Maritime NZ wants to be able to respond effectively when changes to maritime or marine protection rules are necessary. It also anticipates extra regulatory work to accommodate new international requirements such as the Ballast Water Management Convention 2004 and MARPOL (the International Convention for the Prevention of Pollution from Ships 1973/78), and to implement measures to address the risk from alcohol and drugs in the domestic commercial maritime sector.
- In the past, when given new regulatory functions, Maritime NZ has had to seek Crown funding to implement the new regime. Using levy revenue to fund this will ensure that Maritime NZ can undertake new regulatory activities when required.

57.3. Improved ICT systems integration, applications development, data, analytics and mobility.

- Current processes are largely manual and different systems are not integrated. This can tie frontline staff to the office and imposes additional costs. Information held across the organisation is not easily integrated, which is a challenge for evidence-based, risk-focused decision-making.
- Some of the efficiencies from improved systems will, for example, allow Maritime Officers to spend less time (currently approximately 50 percent) on in-office administrative tasks. This will result in Maritime Officers spending a greater proportion of their time in the field, working with the sector.

57.4. Activities to better identify and address systemic risk affecting the sector.

- Maritime NZ sees risk-based engagement with the sector as the most effective way to improve safety and environmental performance. Enhancing this approach will include information-gathering and targeted interventions such as: a review of the required performance standards for surveyors of ships operated under the Maritime Operator Safety System, with associated support and training; and provision of technical advice and guidance in support of the Port and Harbour Marine Safety Code.
- Maritime NZ considers the need for increased investment in this area to be particularly important to support its ability to be an effective regulator. The further development of the organisation's intelligence functions would assist in this area.

57.5. Better oversight and maintenance of aids to navigation.

- Maritime NZ cannot continue to maintain its network of 141 buoys, beacons and lighthouses within its current budget, and needs additional funds to keep up with inflation and changes to maintenance contracts.

57.6. Improvement and maintenance of maritime distress and safety communications systems.

*General cost pressures*

58. The proposed increase in total maritime levy revenue also addresses cost pressures from inflation, salary adjustments, external contracts and leases over the period to 2025/26 that are attributable to maritime levy funded activities. Inflation has been estimated at 1.77

percent. Salary increases have been estimated at 3 percent per annum (based on external HR advice). The overall forecast cost pressure for the next 6 years is \$13 million.

### ***Division of activities paid for by the maritime levy for domestic and foreign operators***

59. Table 4 shows the overall division of Maritime NZ activities between the foreign and domestic sectors. The range and cost of activities relating either specifically to the domestic sector or shared with the foreign sector significantly exceeds the domestic sector's levy contribution.
60. Furthermore, the proposed removal of audit fees for domestic operators and the reduction in seafarer certification fees will reduce the net impact of the levy for these operators by around \$1 million.

Table 4: Division of maritime levy funded activities

Maritime levy funded activities from 2019/20	
For foreign operators Pay 90% of the Maritime Levy \$29.25 million per year	For domestic operators Pay 10% of the Maritime Levy \$3.25 million per year
Port State Control Inspections	Flag state audits and inspections and certification
International engagement	Education, guidance and support
Ballast Water Management inspections	Monitoring
Investigations and prosecutions	Investigations and prosecutions
Operational policy development (including rules and standards)	Operational policy development (including rules and standards)
Distress radio and safety communications systems	Distress radio and safety communications systems
Data analysis	Data analysis
Port and Harbour marine safety code support	Port and Harbour marine safety code support
Port Security	Some seafarer certification costs
Technical advice to Government on international obligations	Targeted campaigns
Aids to navigation	Aids to navigation
Pilotage regulation and oversight	Pilotage regulation and oversight

### ***Maritime Levy rates***

**Table 5a: Maritime levy rates based on proposed budget of \$32.4 million (2019/20 – 2021/2022).**

Frequency	Category	GT/Length	Pax Cap <sup>1</sup>	DWT <sup>2</sup>
Annual	Domestic non-SOLAS < 24m <sup>1</sup>	\$13.8886 (Length)	\$16.0538	\$0.00
	Domestic non-SOLAS > 24m <sup>2</sup>	\$7.5215 (GT)	\$16.0538	\$0.00
	Domestic SOLAS	\$7.1327 (GT)	\$42.7515	\$ 0.4216
Per Port	Foreign Non-Passenger	\$0.1078	\$0.0000	\$0.0087
	Foreign Passenger	\$0.0836	\$1.6848	\$0.0075

**Table 5b: Maritime levy rates based on proposed budget of \$35.4 million (2022/23 – 2024/25)**

Frequency	Category	GT	Length	Pax Cap <sup>1</sup>	DWT <sup>2</sup>
Annual	Domestic non-SOLAS < 24m	\$0.00	\$15.1746	\$17.5403	\$0.00
	Domestic non-SOLAS > 24m	\$8.2179	\$0.00	\$17.5403	\$0.00
	Domestic SOLAS	\$7.7931	\$0.00	\$46.71	\$0.4607
Per Port	Foreign Non-Passenger	\$0.1178	\$0.00	\$0.00	\$0.0095
	Foreign Passenger	\$0.1004	\$0.00	\$2.0248	\$0.0082

Notes:

- Where the variable shows \$0.00 this means:
    1. There are no passengers. Crew and staff is accounted for in GT or Length
    2. The vessels are not large enough to record DWT
  - 'SOLAS' means the vessel is subject to the International Convention for the Safety of Life at Sea (SOLAS)
61. Some domestic non-SOLAS <24m vessels currently regulated by Maritime NZ under maritime rules are engaged in activities that could alternatively be regulated under the Health and Safety at Work (Adventure Activities) Regulations 2016, if in future that were to be considered the best approach to the safety management of such an activity. In that event, with Maritime NZ no longer the regulator, it would not be appropriate to continue to impose the maritime levy on such vessels. A simple amendment to the Maritime Levies Regulations 2016 will be able to accommodate any such development without any need to further amend the levy regulations.

***A new hourly rate for fees***

62. For many services, Maritime NZ charges for the actual time taken, or applies a fixed charge based on an hourly rate. There are currently five different hourly rates, some of which include a component for travel or IT overhead costs.
63. The rates have been reviewed to ensure they continue to reflect costs, and to address Regulations Review Committee recommendations in response to complaints about transparency of fee setting, managing perceived cross-subsidisation, and the accuracy of forecasts, particularly of demand.
64. The proposed hourly rate is based on a careful analysis of the tasks for which fees are charged – calculating the staff time taken and the relevant share of organisational overhead costs, as well as forecast levels of activity.
65. This analysis returned an hourly cost of \$251.76 (including GST). However, comparing this to other estimates, such as data from timesheets or dividing the total organisation cost by total staff hours, suggests that the actual rate should be lower.
66. On this basis, Maritime NZ proposes to charge for the services at a single hourly rate of \$245 (including GST). This rate will also be used to calculate fixed fees for some services.
67. The new hourly rate would replace the five existing hourly rates, as shown in Table 6.

**Table 6: Revised hourly rate structure**

Activity	Current office based hourly rate (GST inclusive)	Current offsite visit hourly rate (GST inclusive)	Proposed hourly rate (GST inclusive)
Work required for MOSS <sup>1</sup>	\$231	\$303	\$245
Seafarer certificates and endorsements (this rate is used to set fixed fees)	\$221		
All other work or services	\$235	\$313	

68. Fees for maritime and marine protection services under the Shipping (Charges) Regulations 2014 have been revised according to the new hourly rate.
69. Adopting the proposed single fixed fee will allow the removal of some 50 variable fees for work and services subject to hourly charges under Schedule 1 of the Shipping (Charges) Regulations 2014. A small number of previously fixed fees have been moved to Schedule 1 from Schedule 2 of the Regulations to better reflect variability in the time involved in undertaking the relevant work.
70. The main impact of the new hourly charge will be to increase the GST inclusive cost of office-based services from \$235 an hour to \$245.
71. Appendix 1 sets out full details of the fee changes, including alterations to the descriptions of some chargeable services.

### ***Single fixed fee for seafarer certificates and endorsements***

72. Previous funding reviews in 2012 and 2015 resulted in the direct recovery of virtually all seafarer certification-related costs through fees. There are currently six fee bands, varying between \$372 and \$1,105, depending on the certificate or endorsement sought.
73. The high cost of many certificates has been identified by industry as a barrier to new entrants and a disincentive to employing New Zealand seafarers. Larger ship operators often pay for their employees' certificates, but smaller ones may not be able to.
74. Additionally, Maritime NZ has found that extra transactions caused by confusion over the correct fee – including enquiries, refunds and pursuit of debts – increase its processing costs.
75. Maritime NZ has proposed that seafarer certification costs be rationalised and shared more evenly across the industry, with some of the costs met from the maritime levy rather than fees, on the basis that the certification system produces collective benefits to the wider industry as well as to individual seafarers.
76. It is proposed that the fee under Schedule 2 of the Shipping (Charges) Regulations 2014 for all seafarer certificates and endorsements be fixed at \$368 (including GST) – based on an

<sup>1</sup> The Maritime Operator Safety System (MOSS) requires commercial operators to operate under a Maritime Transport Operator Certificate issued by the Director.

average processing time of 1½ hours, with any additional costs recovered from the levy. This will also have the effect of reducing the number of fees by 41.

## Ship registration fees

77. Maritime NZ operates the New Zealand Ship Register under the Ship Registration Act 1992, with fees for registration service set by the Ship Registration (Fees) Regulations 2013. A redesign of registration processes, with an emphasis on electronic processes, has produced significant efficiencies. As a result, based on the new \$245 hourly rate for fees, most ship registration fees can be reduced, some by as much as 50 percent. The proposed new fees are set out in Appendix 1.

## Maritime security fees

78. Maritime NZ is the designated authority responsible for implementation of the Maritime Security Act 2004. Fees for the performance of maritime security work and services are specified in the Maritime Security (Charges) Regulations 2016. Applying the new \$245 hourly rate for fees requires changes to those regulations, as set out in Appendix 1.

## Impact on the sector

79. As a result of the proposed changes, most domestic operators will pay less in fees for Maritime NZ activities (for example, routine audits will have no fee, and seafarer certificates will cost less), but will pay a higher annual maritime levy. The higher levy payment is due to the overall revenue increase necessary to cover planned activity over the next six years, meet business cost pressures and replace fee revenue. The net effect for an operator will depend on the details of each operation.
80. A notable increase in net fees and levies affects non-SOLAS domestic passenger ferries. This results from the proposed methodology taking account of the number of passengers carried, and better reflects the risk these operations bring to the maritime system.
81. Levies also increase for foreign vessels, which do not pay fees, but contribute the largest proportion of levy revenue. Table 7 shows examples of proposed fees and levies for various types of operator – as a snapshot rather than a single year or lifecycle of payments.

**Table 7: Example fee and levy changes**

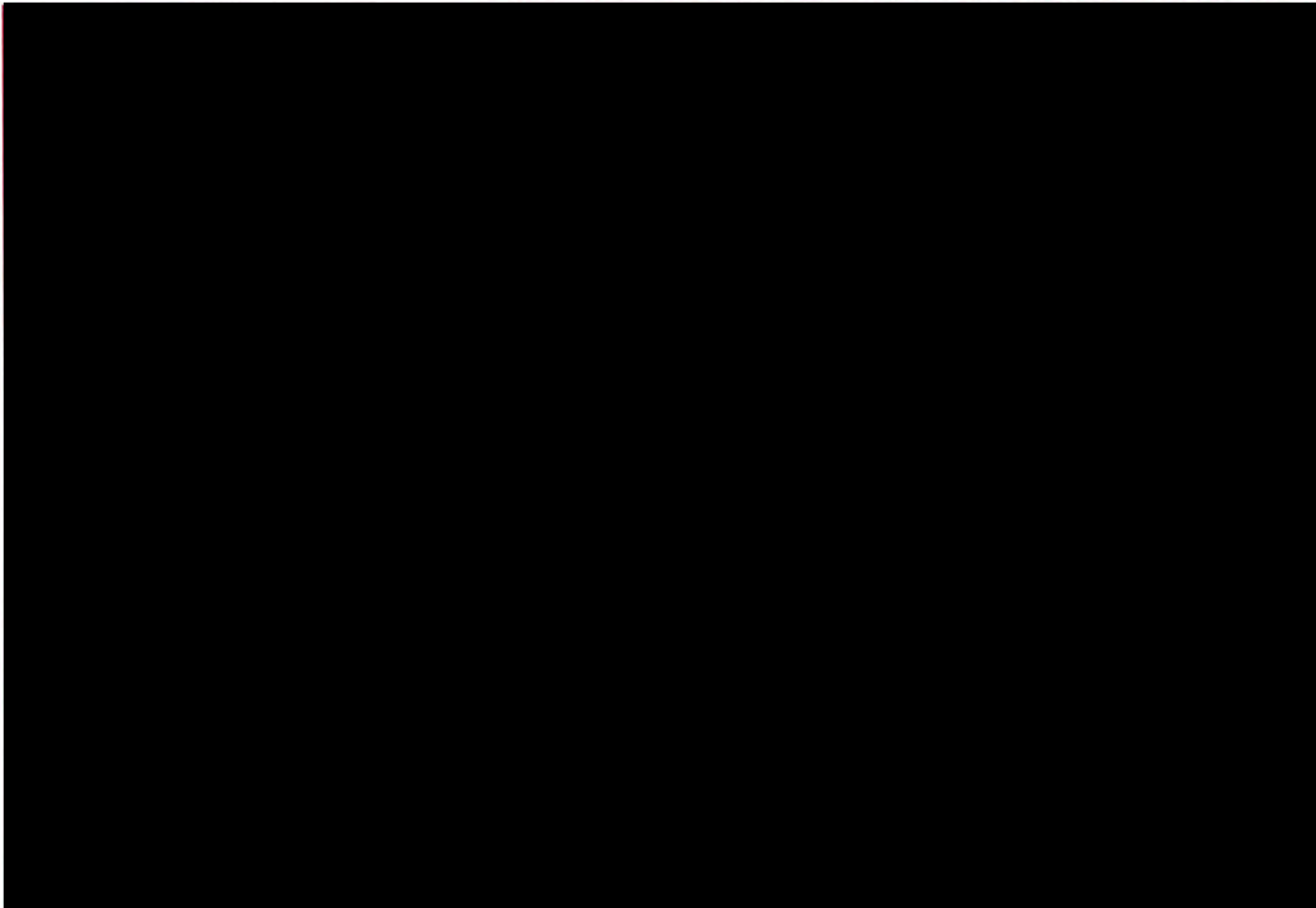
Operator type	Current Fees (GST exclusive)	Proposed Fees (GST exclusive)	Current Maritime levy (GST exclusive)	Proposed Maritime levy <sup>2</sup> (GST exclusive)	Total difference
Owner operator of one commercial fishing trawler Length 42.9 metres, GT 259, Pax 0 and DWT 0	\$769 for Seafarer Certificate (one off)	\$320 for Seafarer Certificate (one off)			<b>\$182 (decrease)</b>
	\$1,537 for one audit (minimum of 3 over a 10 year period)	No fee for audit first visit (minimum of 3 over a 10 year period)  (\$1,986 decrease in fees in a year an audit occurs)	\$2,174	\$3,978	(in a year an audit occurs and one-off seafarer certificate

<sup>2</sup> Based on levy revenue of \$32.4 million

Single vessel commercial fishing business vessel 5.9 metres in length	774 for one Seafarer Certificate  \$952 for one audit (minimum of 3 over a 10 year period)	\$368 for one Seafarer Certificates  No fee for audit first visit (minimum of 3 over a 10 year period)  (\$1,358 decrease in fees in a year an audit and seafarer certificate application occurs)	\$81	\$82	\$1,357 (decrease)  (in a year an audit occurs and one-off seafarer certificate)
Domestic passenger ferry company (non-SOLAS)  16 vessels ranging from 18 metres to 40 metres length and from 150 to 650 passengers per vessel	\$19,743 for 32 Seafarer Certificates (one off)  \$5,217 for one audit (minimum of 3 over a 10 year period)	\$10,240 for 32 Seafarer Certificates (one off)  No fee for audit first visit (minimum of 3 over a 10 year period)  (\$14,720 decrease in fees)	\$19,163	\$112,694	\$78,811 (increase)  (in a year an audit occurs)
Domestic vehicle ferry (non-SOLAS) Passenger capacity 99	\$1,516 for two Seafarer Certificates  \$1,608 per audit (minimum of 3 over a 10 year period)	\$736 for two Seafarer Certificates  No fee for audit first visit (minimum of 3 over a 10 year period)  (\$2,388 decrease in fees in a year an audit and seafarer certificate application occurs)	\$997	\$4,489	\$1,104 (increase)  (in a year an audit occurs and one-off seafarer certificates)
Commercial fishing business, 44 vessels	\$23,509 for 43 Seafarer Certificates (one off)  \$6,957 for one audit (minimum of 3 over a 10 year period)	\$13,760 for 43 Seafarer Certificates (one off)  No fee for audit first visit (minimum of 3 over a 10 year period)  (\$16,706 decrease in fees in a year an audit occurs)	\$64,286.00	\$109,175	\$28,183 (increase)  (in a year an audit occurs and one-off seafarer certificates)
Commercial domestic passenger ferry company (SOLAS), 3 vessels	\$17,977 for 25 Seafarer Certificates (one off)  \$19,000 for three ISM audits (one per vessel)	\$8,000 for 25 Seafarer Certificates (one off)  No fee for audit first visit (minimum of 3 over a 10 year period)  (\$28,977 decrease in fees in a year an audit occurs)	\$595,350	\$557,750	\$66,577 (decrease)  (in a year an audit occurs and one-off seafarer certificates)
Domestic (coastal) commercial container/freight ship GT 9910 DWT 14003	\$6,000 for one audit (minimum of 3 over a 10 year period)	No fee for audit first visit (minimum of 3 over a 10 year period)  (\$6,000 decrease in fees in a year an audit occurs)	\$34,570	\$76,610	\$36,040 (increase)  (in a year an audit occurs)

International Cruise Vessel (SOLAS) GT 110,000, PAX 2500, DWT 15000, 1 port visits	No fees	No fees	\$7,728	\$13,520 per port visit	\$5,792 (increase) (per port visit)
International Container Ship (SOLAS) GT 40,000, PAX 0 DWT 52,000, 2 port visits	No fees	No fees	\$7,717	\$9,529 For two port visits	\$1,812 (increase) (per port visit)

Information withheld under sections 9(2)(b)(ii), 9(2)(f)(iv) and 9(2)(g)(i) OIA



#### Other funding reviews under way

##### *Mid-point review of the Oil Pollution Levy (OPL)*

83. Following Cabinet approval in November last year, Maritime NZ consulted on levy implementation for the period from July 2019 to June 2022. Consultation has been completed and Maritime NZ is proposing new levy rates, which are the subject of a separate Cabinet paper.

<sup>3</sup> Acknowledging that some passengers will be concession ticket ho

84. The Cruise Line Industry Association has noted in submissions on both the OPL mid-point review and the Maritime NZ Funding Review that its sector will see a large increase in government charges as the result of the proposed new oil pollution levy and maritime levy rates in combination with new and increased charges imposed by other border agencies.

### **Alignment with other changes at the border**

85. The Ministry of Transport is one of several Border Sector Agencies<sup>4</sup>, which work together to align their proposals in a border sector work programme. This includes ensuring that the cumulative impacts of each agency's operations (including cumulative costs to travellers and traders from cost recovery charges) are clearly understood.
86. I understand that MBIE will lead the compilation of a report about the range of border sector cost recovery initiatives that are under way, to be provided to Cabinet before the end of the year. This work will provide the context for examining concerns that cruise sector submissions to the Maritime NZ funding review have raised about cumulative government charges.

### **Stakeholder consultation**

87. Maritime NZ began public consultation with the release of a comprehensive discussion document on 6 November 2018. At the request of industry, the public consultation period ran for 10 weeks and closed on 18 January 2019.
88. A dedicated email address received 110 submissions, and Maritime NZ also took account of other relevant emails received during the consultation, and comments made at four industry meetings and meetings with specific stakeholders.
89. Maritime NZ identifies the following main themes in the submissions.
- 89.1. The proposed methodology for calculating the maritime levy is not fair and is not authorised under legislation or government guidelines.
- 89.2. The Crown should pay more of the funding required by Maritime NZ. A view was put forward that that compliance requirements under New Zealand regulations (not just the maritime regulations) are too high or much higher than in other jurisdictions, which is a decision made by the New Zealand Government, so the costs should be met by the Crown.
- 89.3. Lack of information and the impact of the proposals on the industry in the consultation document.
- 89.4. The view that fees and levies are high compared to other maritime regulators because Maritime NZ is inefficient.
90. The following proposals were generally well received, to the extent that submissions addressed them:
- 90.1. Replacing multiple hourly rates with a single hourly rate of \$245 for all services, and using the same rate as the basis for calculating fixed fees
- 90.2. Recovering travel time and costs from the maritime levy rather than through hourly charges

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<sup>4</sup> Border Sector agencies include the Ministry for Primary Industries, New Zealand Customs Service, the Ministry of Business, Innovation and Employment (MBIE), the Ministry of Transport and the Department of Internal Affairs.

- 90.3. A fixed fee of \$368 for all seafarer certificates and endorsements, with any further related costs to be recovered through the maritime levy
- 90.4. Recovering the costs of routine audits and inspections from the maritime levy rather than through fees.
- 91. Coastguard New Zealand sought confirmation that its search and rescue vessels will be exempt from the levy under the levy regulations or that funding provided to it from fuel excise duty would be increased to offset the cost of the levy<sup>5</sup>, otherwise funding available for emergency response would be reduced.
- 92. While outside the scope of the consultation proposals, 19 submissions from people involved in seafarer welfare services, expressing concern that the proposal to raise additional funding from the maritime levy does not include the raising of funds for seafarer welfare services. Some suggested the introduction of a new 'welfare' levy on visiting ships.

## Response to stakeholder concerns

### *Levy methodology and allocation*

- 93. Some submitters were concerned about: **Information withheld under sections 9(2)(b)(ii) and 9(2)(f)(iv) OIA**
  - 93.1. The maritime levy allocation. Several of New Zealand's largest domestic non-SOLAS passenger vessel operators, [REDACTED] are among the most affected operators and have objected to the proposed methodology, essentially on the grounds that their sector has a strong safety record and the proposed methodology does not account for mitigated risk or sector performance.
  - 93.2. A disproportionate levy liability for foreign passenger vessels.
  - 93.3. A limited connection between levy liability and the amount of Maritime NZ services and activities that the levy payer consumes or benefits from.
  - 93.4. Foreign operators' contribution to the levy is too high.
  - 93.5. The Oil Pollution Levy (OPL) methodology should be used for the maritime levy.
  - 93.6. The cumulative impact of government charges for the cruise sector.

### *Comment*

- 94. Section 191 of the Act authorises regulations that provide for maritime levies to be paid in respect of ships using New Zealand waters.
- 95. The proposed methodology was recommended by independent economic advisors (Castalia) because it is administratively cost-effective, risk-based, simple and transparent. Under the current methodology each vessel is levied on one factor (gross tonnage, Passenger capacity or dead weight tonnage) and no recognition is given to vessels that are charged on an annual basis not being used 365 days per year and passenger vessels not always being full.
- 96. With regard to the correlation between the levy and a levy payer's use of Maritime NZ services, the levy is not a user charge. The levy does not have to provide a direct benefit to an individual or organisation for a specific service. Levies may fund navigation or safety

<sup>5</sup> Coastguard New Zealand receives funding under section 9(1) of the Land Transport Management Act (see footnote 1) for rescue services that it provides to support maritime search and rescue operations coordinated by the Rescue Coordination Centre New Zealand.

services, regardless of whether the services are used for a particular ship, and may be varied based on the characteristics of ships.

97. Foreign and New Zealand SOLAS operators are the primary risk exacerbators of the international safety regulatory regime, which Maritime NZ administers. As a result, the burden for meeting these costs would fall more heavily on this sector. Maritime NZ oversees the provision of navigation aids, marine safety information, inspections and enforcement. This includes significant engagement at and advice to the UN technical body responsible for international shipping regulation, the IMO
98. The OPL methodology cannot be used for the wider group of maritime levy payers without significant administration cost. The OPL relates to one purpose – oil pollution response capability in accordance with an international convention – and the payer group is small with reasonably similar sized vessels. Whereas, the maritime levy meets the cost of providing not one single service, but a variety of services and functions for the maritime regulatory system. It also applies across a very wide range of vessel sizes and types and a much larger payer group. This makes using national and international risk data for accidents or incidents and mitigated risk for each very different sub-group and by function very difficult and more costly.
99. Cruise sector concerns over the impact of cumulative government charges are outside the scope of the Maritime NZ funding review but can be taken into account in the Government's Border Agency Group's work referenced in paragraphs 77 and 78.

#### *Crown Contributions*

100. The proposals in the consultation document were largely supported, however the industry does not want to pay for them and suggest that the Crown should pay more.
101. The Transport Regulatory System Funding Principles, in addition to the principles in the Treasury and OAG guidelines, include that:

**“Crown funding is limited to certain functions:** Crown funding should be limited to functions with broad, indirect or very widely distributed benefits. In the transport regulatory system, Crown funding will cover most Ministry activities and fewer regulator activities”
102. The approach applied by Maritime NZ in identifying the funding source is consistent with the Transport Sector Funding Principles. Most of the regulatory system costs are met by industry under the maritime levy. The additional funding for international engagement, regulatory reform, systemic risk activities and ICT costs are proposed as levy funded as they are club goods.
103. The Crown meets the public good costs of:
  - 103.1. Maritime NZ dealing with, for instance, ministerials, OIAs, legislative programmes, requests for advice from Ministers, responding to maritime sector complaints to the Regulations Review Committee, Crown entity accountability and monitoring obligations and reporting, and contributes to rules development
  - 103.2. the Ministry of Transport in dealing with regulatory stewardship, legislative and regulation changes, system oversight, Crown entity monitoring, and significant policy issues that relate to or affect the maritime sector.

104. The costs that Maritime NZ incurs in executing functions and providing services are provided for by section 191 of the Act and reflect current regulatory settings. The decision on the level of compliance requirements reflects Government policy and has been made by Parliament through law. Concerns about the levels of compliance requirements across the New Zealand economy are not a matter that Maritime NZ can address through the funding review.

*Lack of information and impact of the proposals*

105. Many submissions stated that not enough detail was provided in the consultation document.
106. Maritime NZ adopted an 'open-book' approach to the consultation. The 'open-book' approach under the Treasury guidelines allows the consultation document to provide a summary of the proposals with more detailed information available at the request of the public. The public consultation information provided by Maritime NZ stated this and further details were provided to submitters as requested. As the costs of all proposals are interdependent to maximise efficiencies across services provided – a specific, detailed breakdown of each was not possible to the exclusion of others.
107. Over the past 15 months Maritime NZ has undertaken organisation-wide volume forecasting, assessment of tasks and effort relating to fees, what the costs are and whether there are further efficiencies that can be achieved to reduce costs without additional funding.

*Efficiency*

108. Some submitters, such as the New Zealand Shipping Federation, raised specific concerns about Maritime NZ efficiency, stating that:

"The operations of Maritime NZ are similar to operations in other jurisdictions so there is an easy comparison that can be made as to both service levels and pricing. One concern is that the services levels, which are slow by world standards, reflect over-processing of relatively simple functions. We wonder whether the over-processing arises from insufficient understanding about the relative risks arising from the different processes.

We are also concerned at the growing headcount, especially at management level rather than delivery personnel, and the increases in charge-out rates."

109. Maritime NZ notes that FTE count has grown from 205 in 2014/15 to 246 in 2018/19 across all functions and services, including RCCNZ, oil pollution and maritime incident response, and regulatory and compliance – a 20.2 percent increase. This increase is largely due to the introduction of additional functions and services resulting from:
- 109.1. changes to the regulatory framework (such as the introduction of MOSS and SeaCert)
  - 109.2. the expanded responsibilities under the Health and Safety at Work Act 2015<sup>6</sup>
  - 109.3. the introduction of additional international obligations (such as the amendments to SOLAS, MARPOL and the introduction of the Maritime Labour Convention).
110. Details of this growth and the additional functions and services were set out in the consultation document. The consultation document also set out efficiency measures taken

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<sup>6</sup> Funding for Maritime NZ's Health and Safety at Work activity is recovered from the Health and Safety at Work levy and was increased in 2016.

by Maritime NZ over the past three years to reduce costs and improve quality and timeliness. The increase in FTE count is not because Maritime NZ is inefficient.

111. Service delivery and processing times are not slower than in all other jurisdictions. Direct comparisons with some jurisdictions (such as the UK or Canada) must be approached with caution because the government policy does not apply the 'user-pays' model and many services are government-subsidised.

#### *Domestic search and rescue vessels*

112. Maritime NZ considers that the regulations should continue to exempt vessels only if they become liable to the maritime levy because they enter New Zealand waters for the specific purpose of providing search and rescue or emergency assistance. In contrast, vessels used routinely in search and rescue and emergency operations, like other vessels, bring risk to the system, are regulated accordingly and the levy is intended to meet Maritime NZ's costs as regulator. Cost pressures on search and rescue providers should therefore be addressed through a relevant funding mechanism, such as section 9(1) of the Land Transport Management Act, not through the maritime levy system.

#### *Seafarer welfare services*

113. The submissions concerning funding of seafarer welfare service were out of scope for the review, and the 'welfare' levy proposed in a number of these submissions would require legislative change.
114. Maritime NZ has therefore referred these matters to the Ministry of Transport, which is leading the consideration of seafarer welfare services in the context of New Zealand's responsibilities as a party to the Maritime Labour Convention, 2006.

#### **Departmental consultation**

115. This paper has been reviewed by Maritime NZ, the Ministry of Business, Innovation and Employment, WorkSafe New Zealand, the New Zealand Customs Service, the Ministry for Primary Industries, the Ministry of Foreign Affairs and Trade, the Ministry for the Environment, and the Treasury. The Department of the Prime Minister and Cabinet has been informed.

116. [REDACTED] sections 9(2)(g)(i) or 9(2)(h) OIA

#### **Financial implications**

117. The proposals have no financial implications for the Crown.

#### **Human rights implications**

118. There are no human rights implications from release of the consultation document.

## Legislative implications

119. Amendments to the Maritime Levies Regulations 2016, Shipping (Charges) Regulations 2014, Ship Registration (Fees) Regulations 2013 and Maritime Security (Charges) Regulations 2016 will be necessary to implement the proposal.

## Cost recovery Impact Assessment

120. Maritime NZ completed a Cost Recovery Impact Statement (CRIS)
121. The Cost Recovery Impact Statement and associated supporting material has been assessed by the Ministry of Transport RIS Panel, and assessed as meeting the quality assurance criteria. The paper thoroughly details the reasoning for the proposed funding changes.

## Gender implications and Disability perspective

122. The proposals have no gender implications, or implications for people with disabilities.

## Publicity

123. Following Cabinet agreement to this paper I intend to release it on the Ministry of Transport website.

## Proactive Release

124. The proactive release of this paper and any associated papers will be within 30 days of the Cabinet decision.

## Recommendations

125. The Minister of Transport recommends that the Committee:

### *Maritime levy*

- a) **note** that Maritime NZ has reviewed the levy allocation methodology for setting maritime levies under the Maritime Levies Regulations 2016 to address industry and Regulations Review Committee concerns that the rationale for the current methodology is not clear, consistent and transparent
- b) **agree to amend** the categories of levy payers and the levy rates for each three-year period under the Maritime Levies Regulations 2016, as set out in Tables 5a and 5b, to recover a target revenue of \$32.4 million a year for 2019/20 to 2021/22 and \$35.4 million from 2022/23
- c) **agree** that the Maritime Levies Regulations 2016 be amended to ensure that the maritime levy will not apply to any vessel that is regulated under the Health and Safety at Work (Adventure Activities) Regulations 2016
- d) **agree** that vessels used routinely for search and rescue and emergency assistance purposes should not be exempted from the maritime levy

## *Fees*

- e) **agree** that a single GST inclusive hourly rate of \$245 apply to all activities chargeable on an hourly basis under Schedule 1 of the Shipping (Charges) Regulations 2014), as set out in Appendix 1
- f) **agree** that a single GST inclusive fixed fee of \$368 apply to all SeaCert ('seafarer certification') certificates and endorsements under Schedule 2 of the Shipping (Charges) Regulations 2014, as set out in Appendix 1
- g) **agree** that, subject to recommendation f), fixed fees based on the \$245 hourly rate replace fixed fees in Schedule 2 of the Shipping (Charges) Regulations 2014, as set out in Appendix 1
- h) **agree** that fixed fees based on the \$245 hourly rate replace the fixed fees in the Schedule to the Ship Registration (Fees) Regulations 2013, as set out in Appendix 1
- i) **agree** that fixed fees based on the \$245 hourly rate replace the hourly rates specified in Schedule 2 of the Maritime Security (Charges) Regulations 2016, as set out in Appendix 1
- j) **agree** that for the Schedule to the Ship Registration (Fees) Regulations 2013 and Schedule 2 of the Maritime Security (Charges) Regulations 2016 the \$245 hourly rate to apply to services for which no fixed fee is specified
- k) **invite** the Minister of Transport to issue drafting instructions to the Parliamentary Counsel Office to amend the Maritime Levies Regulations 2016, Shipping (Charges) Regulations 2014, Ship Registration (Fees) Regulations 2013 and Maritime Security (Charges) Regulations 2016 to give effect to recommendations b) to j) with effect from 1 July 2019, with any necessary consequential or savings provisions.

Authorised for lodgement

**Hon Phil Twyford**  
**Minister of Transport**

## Maritime NZ proposed amendments to fees

- Shipping (Charges) Regulations 2014 – Schedule 1 Charges payable for work and services subject to hourly rate
- Ship Registration (Fees) Regulations 2013 – Part A (all fixed fees except for 'other work and services')
- Maritime Security (Charges) Regulations 2016 (all fixed fees except for 'other work and services')

Proposed amendments to fees under the Shipping (Charges) Regulations 2014 -Schedule 1 Charges payable for work and services subject to hourly rate				
All fee-able activities	Proposed changes	Current fee	Proposed fee	Change (Green=reduce Red=increase)
Recognition of foreign vessels on charter or demise charter - office based	Rename Recognition of foreign vessels on charter or demise charter	\$235	\$245	\$10
Recognition of foreign vessels on charter or demise charter - offsite (first visit)	Remove	\$313		
Vessel detentions and seizure of maritime products - office based	Rename Vessel detentions and seizure of maritime products	\$235	\$245	\$10
Vessel detentions and seizure of maritime products - offsite (first visit)	Remove	\$313		
Passenger ship safety certificate - office based	Rename Passenger ship safety certificate	\$235	\$245	\$10
Passenger ship safety certificate - offsite (first visit)	Remove	\$313		
Cargo ship safety certificate - office based	Rename Cargo ship safety certificate	\$235	\$245	\$10
Cargo ship safety certificate - offsite (first visit)	Remove	\$313		
Cargo ship safety radio certificate - office based	Rename Cargo ship safety radio certificate	\$235	\$245	\$10
Cargo ship safety radio certificate - offsite (first visit)	Remove	\$313		
International load line exemption certificate - office based	Rename International load line exemption certificate	\$235	\$245	\$10
International load line exemption certificate - offsite (first visit)	Remove	\$313		

Exemptions from maritime rules - office based	Rename - Exemptions from maritime rules or marine protection rules	\$235	\$245	\$10
Exemptions from maritime rules - offsite (first visit)	Remove	\$313		
Appointment of overseas surveyors - office based	Rename - Appointment of overseas surveyors	\$235	\$245	\$10
Appointment of overseas surveyors - offsite (first visit)	Remove	\$313		
Approval/acceptance of safety equipment - office based	Remove There is also 'Approval / Acceptance of Maritime Product' - the definition of a maritime product under the MTA includes safety equipment.	\$235	\$245	\$10
Approval/acceptance of safety equipment - offsite (first visit)	Remove as above	\$313		
Assessment of applications under Resource Management Act 1991 affecting navigation - office based	Rename Assessment of applications under Resource Management Act 1991 affecting navigation	\$235	\$245	\$10
Assessment of applications under Resource Management Act 1991 affecting navigation - offsite (first visit)	Remove	\$313		
Other survey/vessel certificates (SOLAS and non-SOLAS) (excluding MOSS) - office based	Rename Other survey/vessel certificates (SOLAS and non-SOLAS)	\$235	\$245	\$10
Other survey/vessel certificates (SOLAS and non-SOLAS) (excluding MOSS) - offsite (first visit)	Remove	\$313		
High-speed craft safety certificate - office based	Rename High-speed craft safety certificate	\$235	\$245	\$10
High-speed craft safety certificate - offsite (first visit)	Remove	\$313		
Permit to operate high-speed craft - office based	Rename Permit to operate high-speed craft	\$235	\$245	\$10
Permit to operate high-speed craft - offsite (first visit)	Remove	\$313		
Authorised person certificate - office based	Rename Authorised person certificate	\$235	\$245	\$10
Authorised person certificate - offsite (first visit)	Remove	\$313		
Muster list approval - office based	Rename Muster list approval	\$235	\$245	\$10
Muster list approval - offsite (first visit)	Remove	\$313		
Approval of crew accommodation plans - office based	Rename Approval of crew accommodation plans	\$235	\$245	\$10
Approval of crew accommodation plans - offsite (first visit)	Remove	\$313		

Approval/acceptance of maritime products - office based	Rename Approval/acceptance of maritime or marine protection products	\$235	\$245	\$10
Approval/acceptance of maritime products - offsite (first visit)	Remove	\$313		
Light craft compliance certificate - office based	Rename Light craft compliance certificate	\$235	\$245	\$10
Light craft compliance certificate - offsite (first visit)	Remove	\$313		
Safety case approval - office based	Rename Safety case approval	\$235	\$245	\$10
Safety case approval - offsite (first visit)	Remove	\$313		
Maritime safety audits and inspections (excluding MOSS and IPSCI) - office based	Rename Maritime safety audits and inspections and follow-up visits (excluding any IPSCI inspections)	\$235	\$245	\$10
Maritime safety audits and inspections (excluding MOSS and IPSCI) - offsite (first visit)	Remove	\$313		
Moderation of examinations by Director - office based	Rename Moderation of examinations by Director	\$235	\$245	\$10
Moderation of examinations by Director - offsite (first visit)	Remove	\$313		
Recognition of non-New Zealand certification/qualification not otherwise provided for - office based	Rename Recognition of non-New Zealand certification/qualification not otherwise provided for	\$235	\$245	\$10
Recognition of non-New Zealand certification/qualification not otherwise provided for - offsite (first visit)	Remove	\$313		
Application for approval to issue industry-specific certificates - office based	Rename Application for approval to issue industry-specific certificates	\$235	\$245	\$10
Application for approval to issue industry-specific certificates - offsite (first visit)	Remove	\$313		
Erection or alteration of navigational aids - office based	Rename Erection or alteration of navigational aids NB Relates to Fixed Charge for Harbour navigational aid consent which is proposed for removal.	\$235	\$245	\$10
Erection or alteration of navigational aids - offsite (first visit)	Remove	\$313		
Test for commercial jet boat driver licence - office based	Rename Test for commercial jet boat driver licence	\$235	\$245	\$10
Test for commercial jet boat driver licence - offsite (first visit)	Remove	\$313		
Specified limits permit - office based	Rename Specified limits permit	\$235	\$245	\$10
Specified limits permit - offsite (first visit)	Remove	\$313		

Single voyage permit - office based	Rename Single voyage permit	\$235	\$245	\$10
Single voyage permit - offsite (first visit)	Remove	\$313		
Approval of training course - office based	Rename Approval of training course	\$235	\$245	\$10
Approval of training course - offsite (first visit)	Remove	\$313		
Inspection of training provider - office based	Rename Inspection of training provider	\$235	\$245	\$10
Inspection of training provider - offsite (first visit)	Remove	\$313		
Conduct of examinations and assessments by Director - office based	Rename Conduct of examinations and assessments by Director	\$235	\$245	\$10
Conduct of examinations and assessments by Director - offsite (first visit)	Remove	\$313		
Maritime transport operator certificate (MOSS) - office based	Rename Maritime transport operator certificate	\$235	\$245	\$10
Maritime transport operator certificate (MOSS) - offsite (first visit)	Remove	\$313		
Audit and inspection of maritime transport operation (MOSS) - office based	Rename Audit and inspection of maritime transport operation	\$235	\$245	\$10
Audit and inspection of maritime transport operation (MOSS) - offsite (first visit)	Remove	\$313		
Audit and inspection of recognised surveyor (MOSS) - office based	Rename Audit and inspection of recognised surveyor	\$235	\$245	\$10
Audit and inspection of recognised surveyor (MOSS) - offsite (first visit)	Remove	\$313		
Certificate of surveyor recognition (MOSS) - office based	Rename Certificate of surveyor recognition	\$235	\$245	\$10
Certificate of surveyor recognition (MOSS) - offsite (first visit)	Remove	\$313		
Extension of scope of certificate of surveyor recognition (MOSS) - office based	Rename Extension of scope of certificate of surveyor recognition	\$235	\$245	\$10
Extension of scope of certificate of surveyor recognition (MOSS) - offsite (first visit)	Remove	\$313		
Renewal of certificate of surveyor recognition (MOSS) - office based	Rename Renewal of certificate of surveyor recognition	\$235	\$245	\$10
Renewal of certificate of surveyor recognition (MOSS) - offsite (first visit)	Remove	\$313		

Addition of category or activities in MTOP (MOSS) - office based	Rename Addition of category or activities in MTOP	\$235	\$245	\$10
Addition of category or activities in MTOP (MOSS) - offsite (first visit)	Remove	\$313		
Removal of category or activities in MTOP (MOSS) - office based	Rename Removal of category or activities in MTOP	\$235	\$245	\$10
Removal of category or activities in MTOP (MOSS) - offsite (first visit)	Remove	\$313		
Exemptions from marine protection rules - office based	Remove - Now covered by fee for Exemptions from maritime rules or marine protection rules	\$235	\$245	\$10
Exemptions from marine protection rules - offsite (first visit)	Remove	\$313		
Vessel detentions and seizure of marine protection products - office based	Rename Vessel detentions and seizure of marine protection products	\$235	\$245	\$10
Vessel detentions and seizure of marine protection products - offsite (first visit)	Remove	\$313		
Approval/acceptance of marine protection product - office based	Rename Approval/acceptance of marine protection product	\$235	\$245	\$10
Approval/acceptance of marine protection product - offsite (first visit)	Remove	\$313		
Dump permits - office based	Rename Dump permits	\$235	\$245	\$10
Dump permits - offsite (first visit)	Remove	\$313		
Dispersant approval - office based	Rename Oil Spill Control Agent Approval	\$235	\$245	\$10
Dispersant approval - offsite (first visit)	Remove	\$313		
Certificates of insurance - office based	Rename Certificates of insurance	\$235	\$245	\$10
Certificates of insurance - offsite (first visit)	Remove	\$313		
Shipboard marine oil spill contingency plans - office based	Rename Shipboard marine oil spill contingency plans	\$235	\$245	\$10
Shipboard marine oil spill contingency plans - offsite (first visit)	Remove	\$313		
Oil transfer site marine oil spill contingency plans - office based	Rename Oil transfer site marine oil spill contingency plans	\$235	\$245	\$10
Oil transfer site marine oil spill contingency plans - offsite (first visit)	Remove	\$313		

Discharge management plan - office based	Rename Offshore Oil Spill Contingency Plan	\$235	\$245	\$10
Discharge management plan - offsite (first visit)	Remove	\$313		
International oil pollution prevention certificate (IOPPC) - office based	Rename International oil pollution prevention certificate (IOPPC)	\$235	\$245	\$10
International oil pollution prevention certificate (IOPPC) - offsite (first visit)	Remove	\$313		
Marine environment protection audits and inspections - office based	Rename Marine environment protection audits and inspections	\$235	\$245	\$10
Marine environment protection audits and inspections- offsite (first visit)	Remove	\$313		
Other work or services - office based	Rename Other work or services	\$235	\$245	\$10
Other work or services - offsite (first visit)	Remove	\$313		
Temporary Maritime Event approvals (speed uplifts and reservations) per Rule 91	Proposed new fee		\$245	
International tonnage certificate	Moved from Schedule 2	\$235 fixed	\$245	n/a <sup>7</sup>
International load line certificate	Moved from Schedule 2	\$235 fixed	\$245	n/a
New Zealand load line certificate	Moved from Schedule 2	\$235 fixed	\$245	n/a
New Zealand load line exemption certificate	Moved from Schedule 2	\$235 fixed	\$245	n/a
Continuous synopsis record	Moved from Schedule 2	\$470 fixed	\$245	n/a
Charge per person for a change in person exercising privileges and responsibilities under MTOP (MOSS)	Moved from Schedule 2	\$453 fixed	\$245	n/a
Compass adjuster	Moved from Schedule 2	\$541 or \$884 fixed	\$245	n/a

<sup>7</sup> These fees go from fixed to an hourly rate so may or may not increase or decrease.

Proposed amendments to fees under the Shipping (Charges) Regulations 2014 Schedule 2 Fixed charges for work and services				
All fee-able activities	Proposed changes	Current fee	Proposed fee	Change (Green=reduce Red=increase)
Qualified deck crew		\$774	\$368	\$406
Skipper restricted limits		\$995	\$368	\$627
Skipper restricted limits endorsed less than 24m		\$995	\$368	\$627
Skipper coastal/offshore (with pre-assessment)	Rename Skipper coastal/offshore	\$541	\$368	\$173
Skipper coastal/offshore (without pre-assessment)	Remove	\$884		
Master yacht less than 24m (with pre-assessment)	Rename Master yacht less than 24m	\$541	\$368	\$173
Master yacht less than 24m (without pre-assessment)	Remove	\$884		
Marine engineer class 6 (with pre-assessment)	Rename Marine engineer class 6	\$541	\$368	\$173
Marine engineer class 6 (without pre-assessment)	Remove	\$884		
Marine engineer class 5 (with pre-assessment)	Rename Marine engineer class 5	\$541	\$368	\$173
Marine engineer class 5 (without pre-assessment)	Remove	\$884		
Marine engineer class 5 steam (with pre-assessment)	Rename Marine engineer class 5 steam	\$541	\$368	\$173
Marine engineer class 5 steam (without pre-assessment)	Remove	\$884		
Marine engineer class 5 motor and steam (with pre-assessment)	Rename Marine engineer class 5 motor and steam	\$541	\$368	\$173
Marine engineer class 5 motor and steam (without pre-assessment)	Remove	\$884		
Marine engineer class 4 (with pre-assessment)	Rename Marine engineer class 4	\$541	\$368	\$173
Marine engineer class 4 (without pre-assessment)	Remove	\$884	\$368	\$516
Passenger endorsement		\$486	\$368	\$118

Cook Strait endorsement		\$486	\$368	\$118
Less than 24m endorsement		\$486	\$368	\$118
Less than 500 gross tonnage endorsement		\$486	\$368	\$118
500 – 3 000 gross tonnage endorsement		\$486	\$368	\$118
Square-rigged endorsement		\$486	\$368	\$118
High-speed vessel endorsement		\$486	\$368	\$118
Temporary seasonal endorsement		\$486	\$368	\$118
Steam endorsement		\$486	\$368	\$118
Deck watch rating (with pre-assessment)	Rename Deck watch rating	\$625	\$368	\$257
Deck watch rating (without pre-assessment)	Remove	\$995		
Engine room watch rating (with pre-assessment)	Rename Engine room watch rating	\$625	\$368	\$257
Engine room watch rating (without pre-assessment)	Remove	\$995		
Able seafarer deck (with pre-assessment)	Rename Able seafarer deck	\$625	\$368	\$257
Able seafarer deck (without pre-assessment)	Remove	\$995		
Able seafarer engine (with pre-assessment)	Rename Able seafarer engine	\$541	\$368	\$173
Able seafarer engine (without pre-assessment)	Remove	\$884		
Electro-technical rating (with pre-assessment)	Rename Electro-technical rating	\$625	\$368	\$257
Electro-technical rating (without pre-assessment)	Remove	\$995		
Integrated rating (with pre-assessment)	Rename Integrated rating	\$541	\$368	\$173
Integrated rating (without pre-assessment)	Remove	\$884		

Watchkeeper deck of ships less than 500 gross tonnage in near-coastal area (with pre-assessment)	Rename Watchkeeper deck of ships less than 500 gross tonnage in near-coastal area	\$625	\$368	\$257
Watchkeeper deck of ships less than 500 gross tonnage in near-coastal area (without pre-assessment)	Remove	\$995		
Watchkeeper deck (STCW 95) (with pre-assessment)	Rename Watchkeeper deck (STCW 95)	\$710	\$368	\$342
Watchkeeper deck (STCW 95) (without pre-assessment)	Remove	\$1,105		
Watchkeeper deck (with pre-assessment)	Rename Watchkeeper deck	\$710	\$368	\$342
Watchkeeper deck (without pre-assessment)	Remove	\$1,105		
Chief mate on ships less than 3 000 gross tonnage (with pre-assessment)	Rename Chief mate on ships less than 3 000 gross tonnage	\$467	\$368	\$99
Chief mate on ships less than 3 000 gross tonnage (without pre-assessment)	Remove	\$774		
Chief mate (with pre-assessment)	Rename Chief mate	\$625	\$368	\$257
Chief mate (without pre-assessment)	Remove	\$995		
Master on ships less than 500 gross tonnage in near-coastal area (limited to coastal area) (with pre-assessment)	Rename Master on ships less than 500 gross tonnage in near-coastal area (limited to coastal area)	\$541	\$368	\$173
Master on ships less than 500 gross tonnage in near-coastal area (limited to coastal area) (without pre-assessment)	Remove	\$884		
Master on ships less than 500 gross tonnage in near-coastal area (with pre-assessment)	Rename Master on ships less than 500 gross tonnage in near-coastal area	\$541	\$368	\$173
Master on ships less than 500 gross tonnage in near-coastal area (without pre-assessment)	Remove	\$884		
Master on ships less than 500 gross tonnage (with pre-assessment)	Rename Master on ships less than 500 gross tonnage	\$541	\$368	\$173
Master on ships less than 500 gross tonnage (without pre-assessment)	Remove	\$884		
Master on ships less than 3 000 gross tonnage (with pre-assessment)	Rename Master on ships less than 3 000 gross tonnage	\$625	\$368	\$257
Master on ships less than 3 000 gross tonnage (without pre-assessment)	Remove	\$995		
Master (with pre-assessment)	Rename Master	\$625	\$368	\$257
Master (without pre-assessment)	Remove	\$995		

Chief mate yacht (with pre-assessment)	Rename Chief mate yacht	\$625	\$368	\$257
Chief mate yacht (without pre-assessment)	Remove	\$995		
Master yacht less than 500 gross tonnage (with pre-assessment)	Rename Master yacht less than 500 gross tonnage	\$541	\$368	\$173
Master yacht less than 500 gross tonnage (without pre-assessment)	Remove	\$884		
Master yacht (with pre-assessment)	Rename Master yacht	\$541	\$368	\$173
Master yacht (without pre-assessment)	Remove	\$884		
Electro-technical officer (with pre-assessment)	Rename Electro-technical officer	\$541	\$368	\$173
Electro-technical officer (without pre-assessment)	Remove	\$884		
Marine engineer class 3 (STCW 95) (with pre-assessment)	Rename Marine engineer class 3 (STCW 95)	\$710	\$368	\$342
Marine engineer class 3 (STCW 95) (without pre-assessment)	Remove	\$1,105		
Marine engineer class 3 (with pre-assessment)	Rename Marine engineer class 3	\$710	\$368	\$342
Marine engineer class 3 (without pre-assessment)	Remove	\$1,105		
Marine engineer class 2 on ships less than 3 000 KW (with pre-assessment)	Rename Marine engineer class 2 on ships less than 3 000 KW	\$510	\$368	\$142
Marine engineer class 2 on ships less than 3 000 KW (without pre-assessment)	Remove	\$884		
Marine engineer class 2 (with pre-assessment)	Rename Marine engineer class 2	\$625	\$368	\$257
Marine engineer class 2 (without pre-assessment)	Remove	\$995		
Marine engineer class 2 endorsed chief engineer (with pre-assessment)	Rename Marine engineer class 2 endorsed chief engineer	\$541	\$368	\$173
Marine engineer class 2 endorsed chief engineer (without pre-assessment)	Remove	\$884		
Marine engineer class 1 (with pre-assessment)	Rename Marine engineer class 1	\$625	\$368	\$257
Marine engineer class 1 (without pre-assessment)	Remove	\$995		

<b>GMDSS radio operator</b>		\$663	\$368	\$295
<b>Radio officer</b>		\$663	\$368	\$295
<b>Advanced deckhand–fishing (with pre-assessment)</b>	Rename Advanced deckhand–fishing	\$625	\$368	\$257
<b>Advanced deckhand–fishing (without pre-assessment)</b>	Remove	\$884		
<b>Mate fishing vessel–limited (with pre-assessment)</b>	Rename Mate fishing vessel–limited	\$625	\$368	\$257
<b>Mate fishing vessel–limited (without pre-assessment)</b>	Remove	\$995		
<b>Mate fishing vessel–unlimited (with pre-assessment)</b>	Rename Mate fishing vessel–unlimited	\$625	\$368	\$257
<b>Mate fishing vessel–unlimited (without pre-assessment)</b>	Remove	\$995		
<b>Skipper fishing vessel–limited (with pre-assessment)</b>	Rename Skipper fishing vessel–limited	\$467	\$368	\$99
<b>Skipper fishing vessel–limited (without pre-assessment)</b>	Remove	\$774		
<b>Skipper fishing vessel–unlimited (with pre-assessment)</b>	Rename Skipper fishing vessel–unlimited	\$467	\$368	\$99
<b>Skipper fishing vessel–unlimited (without pre-assessment)</b>	Remove	\$774		
<b>Basic tanker endorsement</b>		\$486	\$368	\$118
<b>Advanced tanker endorsement</b>		\$486	\$368	\$118
<b>Compass adjuster (with pre-assessment)</b>	Rename Compass adjuster. Move to Schedule 1	\$541	See Schedule 1	
<b>Compass adjuster (without pre-assessment)</b>	Remove	\$884		
<b>Commercial jet boat driver licence</b>		\$354	\$368	\$14
<b>Pilot licence</b>		\$663	\$368	\$295
<b>Pilotage exemption certificate</b>		\$663	\$368	\$295
<b>Harbour navigational aid consent</b>	Remove NB Relates to hourly rate for Erection or alteration of navigational aids which is retained. This is a duplicate fee.	\$235		

New Zealand barge safety certificate		\$235	\$245	\$10
Minimum safe crewing document		\$470	\$245	\$225
New Zealand ship safety certificate and record of equipment		\$235	\$245	\$10
Diving compliance certificate		\$470	\$368	\$102
Fishing compliance certificate		\$470	\$368	\$102
Commercial jet boat operator certificate		\$470	\$368	\$102
Commercial rafting compliance certificate		\$470	\$368	\$102
Approval as medical practitioner or assessor or examiner		\$663	\$490	\$173
Maritime transport operator certificate (initial fee) (MOSS)	Rename Maritime transport operator certificate (initial fee)	\$781	\$814	\$33
Certificate of surveyor recognition (initial fee) (MOSS)	Rename Certificate of surveyor recognition (initial fee)	\$929	\$968	\$39
Renewal of certificate of surveyor recognition (initial fee) (MOSS)	Rename Renewal of certificate of surveyor recognition (initial fee)	\$681	\$710	\$29
National certificate of competency or certificate of proficiency renewal		\$486	\$368	\$118
National certificate of competency or certificate of proficiency transition		\$372	\$368	\$4
National endorsement renewal		\$486	\$368	\$118
STCW certificate of competency or certificate of proficiency renewal		\$774	\$368	\$406
GMDSS renewal		\$486	\$368	\$118
STCW certificate of competency or certificate of proficiency transition		\$592	\$368	\$224
STCW endorsement renewal		\$486	\$368	\$118
STCW-F certificate of competency or certificate of proficiency renewal		\$486	\$368	\$118
Replacement certificates and licences		\$486	\$368	\$118

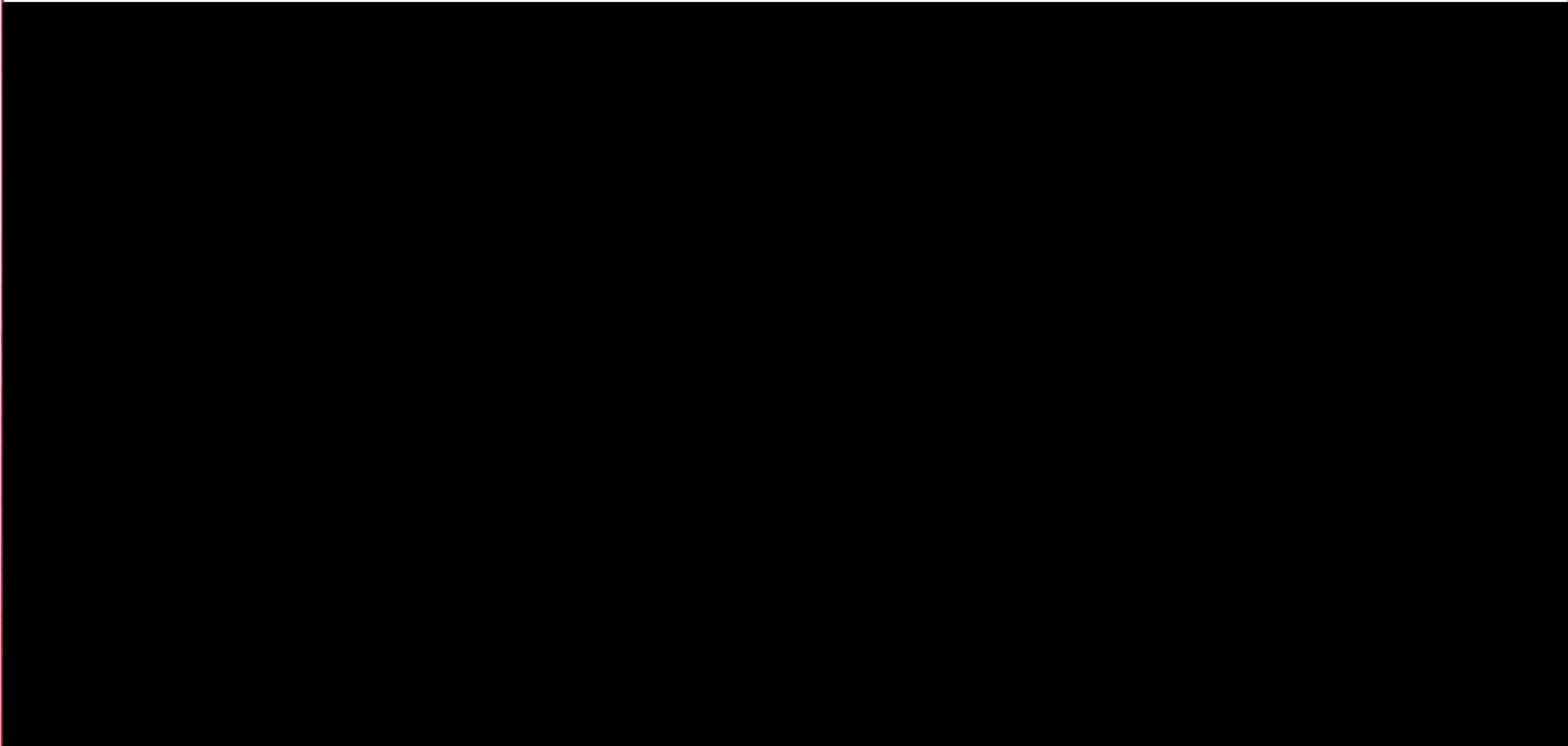
Foreign certificate recognition (under MOU) (with pre-assessment)	Rename Foreign certificate recognition (under MOU)	\$467	\$368	\$99
Foreign certificate recognition (under MOU) (without pre-assessment)	Remove	\$774		
Foreign certificate recognition (outside MOU) (with pre-assessment)	Rename Foreign certificate recognition (outside MOU)	\$625	\$368	\$257
Foreign certificate recognition (outside MOU) (without pre-assessment)	Remove	\$995		
Pre-assessment services charge (if not otherwise specified)	Remove It is proposed this is not a fee-able activity	\$398		
Marine engineer class 3 foreign qualification sea service acceptance		\$111	\$245	\$134
Non-SOLAS ship international voyage		\$470	\$490	\$20
Change of full name of maritime transport operator (MOSS)	Rename Change of full name of maritime transport operator	\$270	\$245	\$25
Addition of primary port or harbour from which operation is conducted under MTOP (MOSS)	Rename Addition of primary port or harbour from which operation is conducted under MTOP	\$367	\$368	\$1
Removal of primary port or harbour from which operation is conducted under MTOP (MOSS)	Rename Removal of primary port or harbour from which operation is conducted under MTOP	\$124	\$245	\$121
Addition of category or activities in MTOP (initial fee) (MOSS)	Rename Addition of category or activities in MTOP (initial fee)	\$371	\$368	\$3
Removal of category or activities in MTOP (initial fee) (MOSS)	Rename Removal of category or activities in MTOP (initial fee)	\$186	\$245	\$59
Extension of scope of certificate of surveyor recognition (initial fee) (MOSS)	Remove Extension of scope of surveyor recognition will not have an initial fee but will be charged at an hourly rate which is already provided for in Schedule 1.	\$929		
International tonnage certificate	Move to Schedule 1	\$235	See Schedule 1	
International load line certificate	Move to Schedule 1	\$235	See Schedule 1	
New Zealand load line certificate	Move to Schedule 1	\$235	See Schedule 1	
New Zealand load line exemption certificate	Move to Schedule 1	\$235	See Schedule 1	
Continuous synopsis record	Move to Schedule 1	\$470	See Schedule 1	
Charge per person for a change in person exercising privileges and responsibilities under MTOP (MOSS)	Move to Schedule 1	\$453	See Schedule 1	

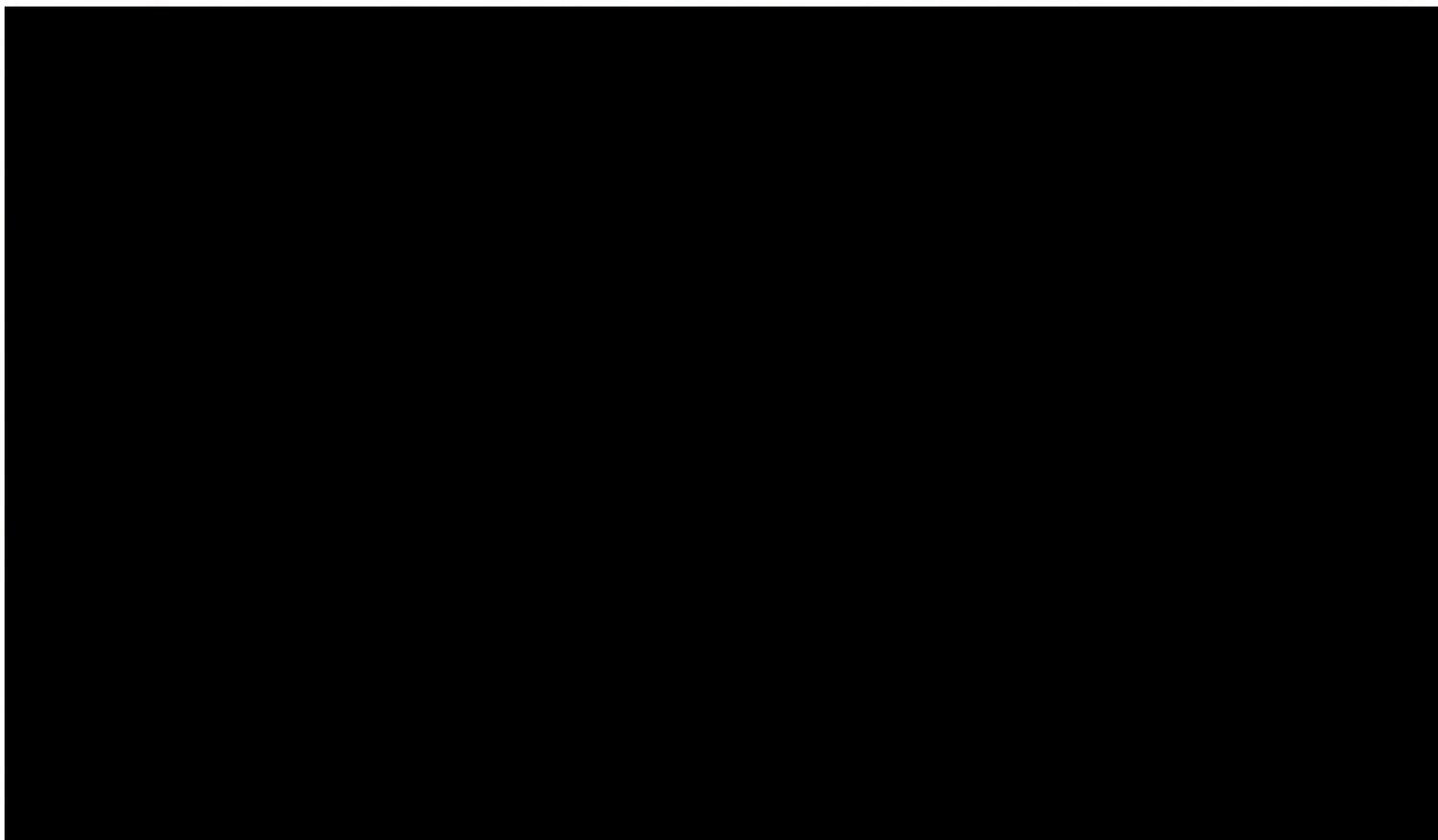
Proposed Amendments to the Ship Registration (Fees) Regulations 2013 – Part A (all fixed fees except for ‘other work and services’)				
All fee-able activities	Proposed changes	Current fee	Proposed fee	Change (Green=reduce Red=increase)
Initial registry—new build ship exceeding 24 m		\$4,230	\$2,450	\$1,780
Initial registry—new build ship not exceeding 24 m		\$3,525	\$1,715	\$1,810
Initial registry or re-registry—existing ship exceeding 24 m		\$5,405	\$2,940	\$2,465
Initial registry or re-registry—existing ship not exceeding 24 m		\$4,935	\$2,205	\$2,730
Initial registry—demise charter ship		\$5,405	\$3,430	\$1,975
Provisional certificate of registry		\$2,350	\$490	\$1,860
Exemption from Part A registration (s 6(3) of Act)		\$2,350	\$1,470	\$880
Temporary pass		\$1,645	\$245	\$1,400
Transfer of ship or shares in ship		\$1,410	\$613	\$798
Transmission of ship or share in ship by operation of law		\$1,410	\$613	\$798
Replacement certificate of registry		\$470	\$245	\$225
Caveat		\$705	\$980	\$275
Change of ship's name or port of registry		\$470	\$245	\$225
Change of ship's name and port of registry		\$705	\$368	\$338
Alterations to ship		\$705	\$613	\$93
Appointment or change of representative person		\$235	\$245	\$10

<b>Change of name or nationality of owner, mortgagee, charterer, or representative person</b>	\$353	\$490	\$137
<b>Endorsement of master's details on certificate of registry</b>	\$235	\$245	\$10
<b>Registration of mortgage</b>	\$470	\$490	\$20
<b>Alteration of terms of mortgage by endorsement</b>	\$470	\$368	\$103
<b>Variation of priority of mortgages</b>	\$470	\$368	\$103
<b>Transfer of mortgage</b>	\$470	\$368	\$103
<b>Transmission of mortgage by operation of law</b>	\$470	\$368	\$103
<b>Discharge of mortgage</b>	\$294	\$245	\$49
<b>Certified transcript of registry</b>	\$235	\$245	\$10
<b>Certified copy of document</b>	\$235	\$245	\$10
<b>Computer printout of registry details</b>	\$235	\$245	\$10
<b>Inspection of Register</b>	\$118	\$245	\$127
<b>Copy of list of ships over 100 gross tons or 24 metres in length</b>	\$235	\$245	\$10
<b>Other work or services</b>	New fee mirrors equivalent in Shipping (Charges) Regulations		\$245 per hour

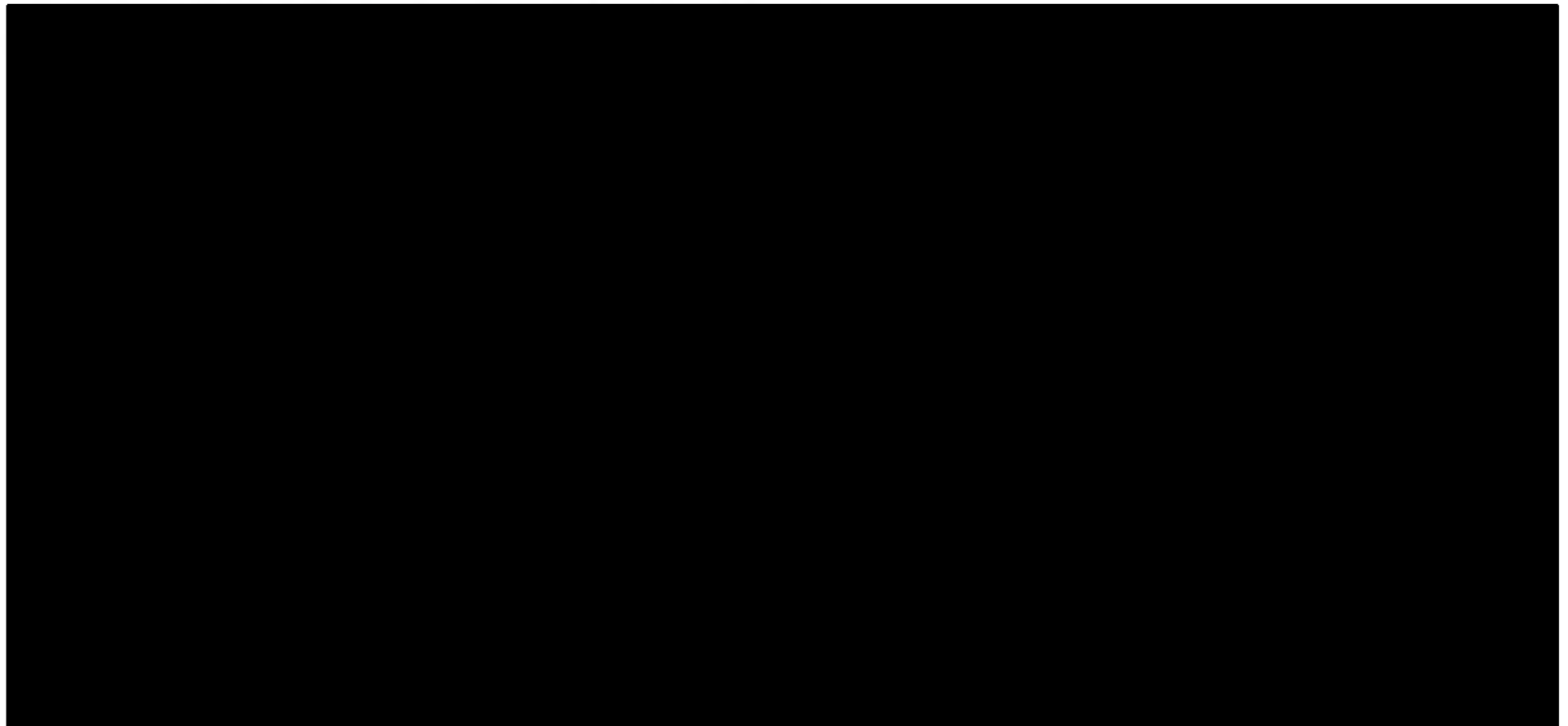
Proposed Amendments to the Ship Registration (Fees) Regulations 2013 – Part B (all fixed fees except for ‘other work and services’)				
All fee-able activities	Proposed changes	Current fee	Proposed fee	Change (Green=reduce Red=increase)
Initial registration		\$1,175	\$368	\$808
Provisional certificate of registration		\$940	\$368	\$573
Renewal of registration (within 6 months before expiry)		\$940	\$245	\$695
Re-registration (within 6 months after expiry)		\$1,175	\$245	\$930
Replacement certificate of registration		\$470	\$245	\$225
Change of ship's name		\$470	\$245	\$225
Change of registered owner's name		\$353	\$368	\$15
Certified transcript of registration		\$235	\$245	\$10
Certified copy of document		\$235	\$245	\$10
Computer printout of registration details		\$235	\$245	\$10
Inspection of register		\$118	\$245	\$127
Other work or services	New fee mirrors equivalent in Shipping (Charges) Regulations		\$245 per hour	

Proposed Amendments to the Maritime Security (Charges) Regulations 2016 (all fixed fees except for 'other work and services')				
All fee-able activities	Proposed changes	Current fee	Proposed fee	Change (Green=reduce Red=increase)
Approvals under the Act or regulations made under the Act - office based	Rename Approvals under the Act or regulations made under the Act	\$235	\$245	10
Approvals under the Act or regulations made under the Act - Offsite (first visit)	Remove	\$313		
Audits - office based	Rename Audits	\$235	\$245	10
Audits - Offsite (first visit)	Remove	\$313		
Inspections - office based	Rename Inspections	\$235	\$245	10
Inspections - Offsite (first visit)	Remove	\$313		
Security assessments - office based	Rename Security assessments	\$235	\$245	10
Security assessments - Offsite (first visit)	Remove	\$313		
Security plan testing - office based	Rename Security plan testing	\$235	\$245	10
Security plan testing- Offsite (first visit)	Remove	\$313		
Ship detentions - office based	Rename Ship detentions	\$235	\$245	10
Ship detentions - Offsite (first visit)	Remove	\$313		
Other work or services	New fee mirrors equivalent in Shipping (Charges) Regulations		\$245 per hour	





Withhold Appendix 2 in full - sections 9(2)(b)(ii), 9(2)(g)(i) and 9(2)(f)(iv) OIA



Withhold Appendix 2 in full - sections 9(2)(b)(ii), 9(2)(g)(i) and 9(2)(f)(iv) OIA

