**Tuesday, 30 November 2010**

**Antonia Anisy**

Adviser **Ministry of Transport – Te Manatū Waka**T: +64 4 439 9312 | [www.transport.govt.nz](http://www.transport.govt.nz/)

Dear Antonia

**Re : Proposed voyages by M.V.Orion**

**Dunedin – Jackson Bay – Fiordland – Stewart Island – Dunedin; 21–28 December 2010**

**Lyttelton – Wellington – Napier – Whangaroa – Auckland; 17–25 February 2010**

**Auckland – Bay of Islands – Auckland; 25–27 February 2010**

**Auckland – Roberton Island – Bay of Islands – Tauranga – Picton – Ships Cove – Napier – Auckland; 27 February – 7 March 2010**

I am writing in response to your request for advice as to whether there are any New Zealand ships available to carry out any of these voyages, also taking into account passenger capacity, operational capability, and the nature and quality of the service provided.

The NZ Marine Transport Association is a national organisation who represents NZ registered vessels operating as Passenger/NonPassenger vessels in NZ Restricted Limits.

These limits surround the area in which the proposed service is to be operated.

The MTA has a number of members who operate overnight passenger vessels capable of operating in any of the areas. These largest of these vessels are capable of carrying up to 66 passengers.

In particular the MV Affinity operates in Fiordland, Stewart Island and the Marlborough Sounds. She is a luxury vessel capable of carrying 16 passengers overnight.

When the operator of this vessel made and received his application for resource consent from Environment Southland he was told that there would be **no more consents issued** as the area was already being visited by the maximum number of vessels that the area could handle without damaging the environment. He objects to the Orion being given the right to operate in these areas in the strongest possible terms.

Another of our members also applied for a resource consent to operate in Fiordland and after an expenditure of $125,000.00 was denied for the same reasons as outlined above.

It seems extremely unfair that a foreign vessel can with no apparent recognition of the local vessels satisfying the market, be given permission to cruise this area. Just one cruise of the Orion could remove a third of the passengers the local vessels attract in one year. In particular Affinity focuses on the 50+ market, the same as Orion say that they propose to market to.

While the conditions on the Orion may be far of a more luxurious nature than Affinity, that should not be a reason for allowing that vessel into these waters. **The market is already being met.** In fact the prices being charged by the operators of M.V.Orion are less than the local vessels which only adds to the competition.

MTA understands that the Orion operated in Fiordland last season and landed passengers ashore, as mentioned on their website, expedition log 03-12 February 2010.

We represent several NZ companies that operate in Fiordland, who are required to have a resource consent from Environmental Southland to operate there and face severe restrictions on where they can go, what they can do and how often they can cruise there. Consent is also required from the Department of Conservation to guide passengers ashore.

We further understand that Orion and Coral Express have obtained resource consents from Environment Southland but do not have a landing permit from DOC

Affinity’s operation in the Marlborough Sounds attracts a very small market and if the Orion is allowed to cruise there as well, particularly with their aggressive pricing policy, the opportunity to develop the business that that company has already built up will be badly restricted.

At Ship cove, to invade the area with 100 passengers ashore at one time, will destroy the ambiance of the place for the Orion passengers, and for the general public who are likely to be there at the same time, this will spoil the feeling of wilderness that usually exists there

The birds at Motuara Island bird sanctuary will fly away from the track to the bush at the other end of the island where they can’t be seen, destroying the experience for other visitors to the Island.

If the Orion is permitted to land large numbers of people at these historical and wilderness places it will effectively destroy the experience for smaller groups.

Affinity can take 100 people to these areas spread over numerous cruises and have very little negative effect on the environment.

Affinity have been operating for the last 15 years and claim that the current climate is by far the hardest they have experienced, with passenger numbers down by 50% on previous years.

They maintain that if Orion is allowed to operate on the New Zealand coast she will saturate the market effectively taking from them those few passengers they attract.

They employ 7 New Zealanders and maintain that if they lose their market share it could well threaten the existence of their 15 year old company.

The voyages being undertaken out of Auckland are in direct competition with a vessel operated by a member of the Marine Transport Association that, while only carrying 22 passengers, are actually proposing to run cruises on the same days and the same routes as those that Orion is advertising.

These are overnight cruises and the company a struggling to compete pricewise with Orion. This is again due to the aggressive pricing policy employed by the foreign vessel who has obviously researched the market to ensure their pricing plan is pitched at an attractive level.

Additionally there is an operation working out of the Bay of Islands that is having difficulty filling cruises in what would normally be a flush market.

After careful consideration of the wording of Sub-section (2) of Section 198 of the Maritime Transport Act 1994 the NZ Marine Transport Association is of the view that the Minister is required to be satisfied that ;

“*there are no ships of any of the kinds described in paragraph (a), (b), (c), or (d) of subsection (1) of this section available to carry any coastal cargo.”*

MTA submit that there are ships *“of any kind able to carry coastal cargo (passengers)”* that can undertake the work that M.V.Orion is proposing and that the Minister should not permit a foreign flagged vessel that has no demise charter to undertake this work.

The reality is that in each of the areas that Orion proposes to conduct their cruises there are New Zealand flagged vessels operating providing an identical service, albeit at a less luxurious level and with passenger numbers that are less than they propose.

We further submit that these areas are environmentally sensitive and should not be flooded with large numbers of passengers to the extent that M.V.Orion proposes.

If it is the intention of the Minister to authorize the M.V.Orion or any other vessel under subsection 2 section 198 of the Maritime Transport Act 1994, then it is the submission of the Marine Transport Association that all other statutes, by-laws, concessions and rules are complied with so that existing operators conduct their business on a level playing field. This includes the DOC concession in Fiordland.

Thank you for the opportunity to present this submission to you.

Alan Moore

Executive Officer

N.Z.Marine Transport Association (Inc.)