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11 April 2020

Keith Manch
Director and Chief Executive
Maritime New Zealand
By email: keith.manch@maritimenz.govt.nz

COVID19 - Economic assistance

Dear Keith,

I am writing on behalf of members of the NZ Marine Transport Association to seek your assistance with respect to the impact of COVID-19 on the domestic fleet.

The NZ Marine Transport Association represents the interests of commercial maritime operators and businesses, with over 1500 members around New Zealand. Our mission is to ensure a strong and robust industry that contributes significantly to the New Zealand economy.

As the Government continues to consider ways in which to temporarily assist the airline, travel and other targeted industries impacted by the COVID-19 or coronavirus epidemic, the NZ Marine Transport Association would like to discuss how Maritime New Zealand may be able to assist the maritime charter, ferry and tourism operations suffering from cancellations and reduced attendance and tourism activity.

We are currently working with our members to establish the impact of the pandemic but wish to reiterate that many of our operators are dependent on local and international tourism and financial support and assistance is needed to protect their revenue streams and continue to survive. The government wage subsidy has been a life-line for keeping many of these operations in business short-term, but we still have a long road ahead.

For this reason we would like to discuss additional solutions with Maritime NZ. For clarity, this discussion would relate to operators *specifically* affected by the current and long term down-turn in international and domestic tourism plus the work boat fleet (non-passenger). This enables us to focus our attention where it is most needed. The fishing and aquaculture industries, by and large, are functioning at reasonable capacity with exports and domestic demand relatively good.

Assisting the passenger and non-passenger sector will offer the best chance for the fleet to recover, which in turn, provides a positive flow-on affect for the entire maritime industry, including boat builders, surveyors, engine and equipment suppliers who are also dependent on the success of our NZ fleet.

Possible Solutions:

1. Revocation of Maritime Levy

Our understanding is that invoicing from Maritime NZ for the Maritime Levy is due to go out to operators in June/July 2020. We are seeking a revocation of the 2020/21 annual levy charge for the domestic passenger and non-passenger vessels. These operators are heavily impacted by COVID-19 and with winter approaching, will have little opportunity to benefit from limited local tourism even once restrictions are lifted.

From our estimates, the maritime levy accounts for 11% of the Maritime Levy revenue (approx. \$3.5m) of which approximately 41% is contributed by NZ non passenger and domestic passenger vessels (excluding Cook Strait). Could Maritime NZ recover this portion of the levy from the government and refrain from charging this sector?

2. Survey extensions

We would also like to request an extension to renewal survey and Certificate of Survey expiry dates for up to 6 months, without charge. If an operator is not using his vessel commercially for several months and safety is therefore not compromised, he should not be forced to pay the slipway and surveyor costs until later in the year. We appreciate that Maritime NZ have a provision for 3 month extensions on many other compliance certificates, but we feel this is not long enough and still comes with surveyor costs.

Additionally, many operators may choose to pull out of MOSS due to the lack of work and income. To re-enter at a later date poses problems for some of the older vessels in the fleet, where original plans and records may not be available. Would Maritime NZ consider allowing such vessels to put their MOSS system 'on-hold' for 12-24 months until the economy and international tourism picks up again?

3. Industry Initiatives:

Upskilling our seafarers

The MTA are working on a project to upskill the workforce during lockdown and the next stage of restricted operations. There are dozens of SRL's and Deckhands out of work and we feel that this would be the ideal time to work with larger operators to help these seafarers gain high speed craft endorsements and complete QDC training. This may involve discussions with Work and Income for wage subsidies and maritime schools. We would like to form an industry working group and invite Maritime NZ to work with us on this project.



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Domestic Tourism

Our charter fleet may need to rely solely on domestic tourism to get through the next 1-2 years where border closures prevent international tourism. To that end, the MTA would like to work with the Maritime NZ, TIA and the NZ Tourism Board to promote the maritime sector in marketing initiatives aimed at New Zealanders who might otherwise travel overseas. The coming months are a great opportunity for kiwis to invest in local fishing charters, sightseeing, company team building activities, whale-watching and other water based activities for their family holidays.

Keith, in summary, we are looking for solutions to assist operators being faced with long-term financial losses through the down-turn in international tourism. Our objective is to ensure that the fleet and wider maritime community including surveyors, boat builders and suppliers, survive the economic impact of the pandemic.

If Maritime NZ are able to assist directly with operators and through engagement with other government agencies, we would greatly appreciate it.

Furthermore, if you have any information you would like to share about the work you are doing to support operators around the country, we would love to share this with our members.

Thank you for your consideration and if you have questions or wish to arrange an online meeting, please contact me anytime.

Kind regards,

Margaret Wind
Executive Director
New Zealand Marine Transport Association