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Submission on the Maritime Levy Review 2027–2030

Thank you for the opportunity to provide feedback on the Maritime Levy Review for the period 2027–2030.

The New Zealand Marine Transport Association (NZMTA) represents a broad cross-section of domestic commercial operators, including ferry operators, aquaculture and fishing vessels, workboats, charter operators, and coastal freight vessels across Aotearoa New Zealand.

Our comments are specific to the domestic sector, noting that the dynamics affecting foreign shipping and the cruise sector are not directly comparable to our operating environment.

We acknowledge Maritime NZ's efforts to ensure transparency by consulting well ahead of the 1 July 2027 implementation date, and we recognise the reasons for this early engagement, particularly the need for the cruise sector to incorporate potential levy changes into forward pricing.

We also acknowledge:

- the current fiscal constraints facing the regulator
- the cumulative cost pressures across the maritime sector
- the \$6.3 million in efficiency savings achieved since the previous cycle (representing 16% of all Maritime Levy-funded activity)
- that no increase in staffing or regulatory activity is proposed
- the inclusion of a refund mechanism to prevent over-recovery should cruise or cargo activity exceed forecasts (under Option 3)

These steps demonstrate a responsible approach to cost management and provide a solid basis for constructive engagement.

1. General position – Conditional support for Option 3

After considering the three levy options presented, the NZMTA conditionally supports Option 3.

We agree that Options 1 and 2 would compromise Maritime NZ's ability to operate effectively as the national maritime regulator. The discussion documents make it clear that underfunding would reduce

capacity for rule reform, slow certification processing, limit access to technical expertise and investigative functions, and diminish harm-prevention programmes, ultimately increasing long-term risk across the sector.

Option 3 is the only option that maintains regulatory capability at a level consistent with the needs of domestic operators. However, our support is contingent on Maritime NZ delivering the value and service improvements that operators are paying for. These conditions are set out in Section 4 of this submission.

2. Impacts on Domestic Operators

Domestic operators face a different operating environment from cargo and cruise sectors. The impacts of a levy adjustment include:

2.1 Tight margins and sensitivity to cost increases

Many domestic operators are small or medium-sized businesses with narrow profit margins. Even modest levy increases (\$15 annually for a small fishing vessel or over \$1,200 for a large non-SOLAS passenger vessel) compound across multi-vessel fleets and competitive regional routes.

2.2 Shrinking domestic fleet

As noted in our 2023 submission, the domestic commercial fleet continues to contract. Rising compliance costs (survey, crewing, fuel, insurance, and regulatory changes) have contributed to this trend. More recently, weather events have further impacted seasonal and tourism-based operators. Without improved service performance, further levy increases may exacerbate fleet decline.

2.3 Dependence on regulatory services

Domestic operators interact with Maritime NZ daily through:

- COC and certificate processing
- operator licensing
- vessel surveys and surveyor oversight
- investigations
- maritime officer inspections
- rule reform and technical guidance

Under-resourcing in any of these areas disproportionately affects domestic operators, making predictable and timely regulatory services essential.

2.4 Certification delays

Certification delays remain one of the most disruptive issues raised by our members. Delayed decision-making leads to real financial impacts, lost operating days, crew unable to work, and vessels unable to sail. Improvements promised in the 2024–2027 cycle have not yet been fully delivered and remain a priority.

3. Assessment of Option 3 against sector needs

After reviewing the three options, Option 3 maintains the activities most critical to domestic operators, including:

- completion of certification system improvements (including MyMNZ functionality)
- maintenance of rule development capacity
- retention of technical experts
- adequate maritime officer and inspector coverage
- continuation of harm-prevention programmes
- strengthening of oversight of surveyors and third-party providers
- support for IMO engagement necessary for international alignment

The inclusion of a refund mechanism for over-recovery is welcome. For confidence across the sector, it will be important that the mechanism is transparent, independently auditable, and applied proportionately across all levy categories, including domestic operators.

Option 3 also aligns with the sector's preference for a stable, risk-based regulator that is adequately funded to deliver consistent service.

4. NZMTA conditions for supporting Option 3

4.1 Certification improvements (seafarer & operator)

NZMTA's support is contingent on meaningful progress in certification performance. By mid-2026, we seek:

- a clear roadmap outlining the full delivery of MyMNZ certification functionality
- published target processing times, including 90% timeliness standards
- greater transparency for operators regarding application status
- a defined escalation and triage process for complex cases unresolved beyond 60 days

Improving certification remains one of the most important outcomes for domestic operators, and progress in this area is essential to justify any levy increase.

4.2 Senior-level engagement

The NZMTA appreciates the positive and constructive engagement with Maritime NZ over the past review cycle. Recent forums and industry discussions have produced more tailored and practical outcomes for domestic operators, and we see real value in maintaining this momentum.

To support transparency and ensure levy-funded services meet sector needs, we request that this structured senior engagement framework continues. Specifically, we seek:

- quarterly meetings with NZMTA and sector bodies
- regular updates on rule reform, certification performance, and digital transformation
- routine reporting on key operational performance metrics

This level of engagement has proven effective and remains an essential component of a modern, risk-based regulatory system.

4.3 Return on investment for levy payers

Domestic operators must see clear and measurable benefits from a levy increase. Key expectations are mentioned above and include:

- demonstrable improvements in certification timeliness
- sustained rule reform capability
- enhanced investigation transparency
- consistent, nationally aligned regulatory decision-making
- strengthened oversight and auditing of surveyors
- clear cost allocation and transparent reporting of levy-funded outcomes

A levy increase is only justifiable where these improvements are evident.

4.4 No decline in service levels during the transition (2025–2027)

The transition period leading up to the 2027 levy cycle should not result in reduced capability or service performance. Operators are particularly keen to see continuity in certification processing, consistent regulatory support, and steady progress on the improvements already underway. Maintaining stable service delivery during this period will be important for operator confidence and commercial continuity.

4.5 Strengthened oversight of surveyors

Survey-related costs and inconsistencies remain a significant contributor to domestic fleet attrition. We continue to seek:

- more frequent and robust auditing of surveyors
- improved transparency of survey costs and methodologies
- clearer and more accessible escalation pathways for operators

Enhanced oversight will support both safety outcomes and fleet sustainability.

5. Comments on Other Matters

5.1 Oil Pollution Levy

NZMTA supports the proposal to retain the Oil Pollution Levy at current levels. We acknowledge that the fund's reserves are strong, that efficiencies have already been achieved in its management, and that relying on reserves during this period is an appropriate approach.

5.2 Cost control and efficiency

We welcome the \$6.3 million in efficiency savings identified to date and support Maritime NZ's ongoing commitment to prudent cost management. We see real value in maintaining this momentum as levy settings evolve.

5.3 Reserves and solvency

We support Maritime NZ maintaining reserves above legislated minimums and simply emphasise the importance of ensuring this approach does not delay or diminish the certification and regulatory improvements signalled in the previous review.

6. Conclusion

The New Zealand Marine Transport Association conditionally supports Option 3, as it is the only option that maintains the regulatory capability needed for a safe, stable, and productive maritime sector.

Our conditional support reflects three core expectations:

1. delivery of the certification improvements signalled in earlier reviews
2. continued and strengthened senior-level engagement with industry
3. a clear return on investment for domestic operators through improved regulatory performance

While a levy increase must be matched by demonstrable outcomes, we believe Option 3 provides the strongest foundation for achieving them.

We value our constructive relationship with Maritime NZ and welcome ongoing collaboration. NZMTA would appreciate the opportunity to meet with MNZ early in 2026 to discuss implementation expectations and how best to communicate these to members ahead of the next levy cycle.

Yours sincerely,

Margaret Wind

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