

# New Zealand Shipping Federation submission on enhancing the resilience of critical infrastructure

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## Introduction

1. The New Zealand Shipping Federation (NZSF) welcomes the opportunity to submit on the Department of Prime Minister and Cabinet's (DPMC) discussion document on *enhancing the resilience of Aotearoa New Zealand's critical infrastructure*.
2. NZSF represents domestic coastal shipping operators from the Cook Strait ferries, bulk carriers and container vessels, and Chatham Islands Shipping. A full list of members is on the last page of this submission.
3. If there are any questions relating to the submission below, please contact the Executive Director of the New Zealand Shipping Federation, John Harbord, at [execdirector@nzsf.org.nz](mailto:execdirector@nzsf.org.nz)

## The role of domestic coastal shipping

4. Coastal shipping provides an essential capability in ensuring resilient domestic supply chains, and provides resilience in the event of natural or environmental events and disasters.

### **Ensuring resilient, diverse domestic supply chains**

5. A domestic coastal shipping service is important to maintaining New Zealand's domestic supply chains, and will be essential for the future as part of a multi-modal network alongside road and rail.
6. Demand for coastal freight shipping is already growing, having increased 50% over the last ten years. Looking to the future, the Ministry of Transport forecasts that total freight volumes will increase 50% by 2040. We cannot put all of that increased volume on our roads, meaning domestic supply chains will need a coastal shipping capability.
7. Domestic operators based here in New Zealand provide additional resilience and reliability, in that they are less susceptible to global disruption in scheduling.
8. The long-term trend in shipping globally means domestic coastal shipping will be essential in the future. The international import/export ships being built are almost twice the size of the ships currently visiting New Zealand<sup>1</sup>. These new

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<sup>1</sup> Many ships visiting New Zealand are around 3,500 TEU (20-foot equivalent unit; the old container size. A truck carries one TEU; two if the truck also carries an additional trailer). The newer ships being built are up to 6,500 TEU.

ships will not be able to visit many New Zealand ports, especially regional ports, which are not deep enough for such large vessels. Because these ships carry so much more freight, they will visit less frequently.

9. This means in the future domestic coastal shipping will be essential to:
  - move freight to and from our regional ports to the larger, deep-water import/export ports
  - service maritime freight in between the visits by the new, larger import/export ships
  - service regional hub ports like Wellington that lack the deep water to handle the larger new ships being built.
10. It is imperative, then, that the Government does not put the current domestic industry at risk. The experience has been that when a domestic service exits the industry, it never comes back and the resource is lost.

### **Providing resilience in the face of natural and environmental events**

11. It is imperative New Zealand retains a domestic coastal shipping capability for the resilience it provides in the event of natural or environmental events or disasters. For example, in the Kaikoura earthquake, Kaikoura's road and rail access was destroyed. Coastal shipping provided the only means of supplying the local community until road and rail access could be restored.
12. This year, coastal shipping moved freight between Gisborne and Napier following Cyclone Gabrielle and the resulting damage to the roading and rail infrastructure.
13. The international import/export ships that sail the New Zealand coast are too large to service most of our regional ports. The domestic fleet, which includes smaller-sized ships, is the only available capability that can provide this resilience.

### **Resilience risks – Lack of on-vessel crane capability**

14. In New Zealand there is no coastal shipping vessel that can service our more shallow regional ports which has its own crane onboard. While our ports proved resilient during Cyclone Gabrielle, if a regional port suffered some damage to a wharf that meant heavy cranes could not be deployed on the wharf, then any coastal ship delivering essential supplies could not easily unload its cargo.

### **Resilience risks – Port infrastructure**

15. New Zealand has 13 internationally connected sea ports. There are additional sea ports of small scale and activity that service our regional economies. The most significant of these are on the West Coast of the South Island and

Whanganui. There is also a port servicing the iron sand trade on the Waikato coast.

16. 99% of New Zealand's exports pass through our international-connected ports. A similar volume of our imports enters New Zealand through those same ports. All of the ports mentioned above should be regarded as critical infrastructure.
17. A key concern is resilience of infrastructure and multi-modal transport networks in our ports. There is evidence that for a variety of reasons, some ports have not invested in maintaining the assets needed to support a diverse range of shipping, or are not planning to do so. For example:
  - The wharf in Whanganui has deteriorated to the point where cranes can no longer be safely deployed on it.
  - Lyttleton's initial development plans included growing out from their current site with a focus on container freight and cruise ships. Wharf facilities suitable for bulk freight, e.g., fertiliser, were planned to be converted into a marina, with no plans to build new bulk freight facilities. This would mean bulk freight like cement, gravel, etc., which would be critical to any rebuild, would no longer be able to be delivered into one of New Zealand's key deep-water ports.
18. If we are to have resilient, diverse supply chains then we need ports that service a diversity of freight types, rather than being narrowly focused on container freight and the cruise industry. Port planning for infrastructure should be part of the New Zealand Infrastructure Commission's overview to ensure we build the right berths and/or facilities for the future.
19. To minimize the risk posed by events, we need to plan for more resilient ports. This will require investment in more resilient road and rail linkages into ports, and investment in sufficient rolling stock to enable rail to shift capacity quickly to address pressure that might be experienced in parts of the system. There is a strong case for extending rail links to Northport in Whangarei. It would also be prudent to designate road access to ports as state highways to ensure proper investment and maintenance.
20. Current planning laws undermine port resilience. Consenting process are lengthy, costly, and provide little or no certainty of outcome.
21. A port-specific issue exists regards the renewal of Coastal Occupancy Permits under the Resource Management Act. Many of these are due to expire in 2026. These allow ports to control the area of water and land used by the port and to enforce the security of this area. It is essential that these permits are rolled over or extended.
22. With the volume of trade growing and with ports occupying a finite land area, inland ports are also of growing importance in New Zealand. The access to these inland ports and links between these and the sea ports they service needs to be regarded as critical infrastructure also.

23. The sector notes that the ports are just one step in a complicated supply chain that links producers and consumers. As part of this supply chain, we are very dependent on sea freight operators. The amount of New Zealand Government regulation impacting shipping lines is growing, and this invariably increases costs. The Shipping Federation does not challenge the need for regulation, but suggests that regulators consider cost implications associated with the introduction of any proposed new regulation. The case for new regulation needs to be strong.

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## Chatham Islands Shipping



## Coastal Bulk Shipping

CoastalBulk  
Shipping

## Holcim



## NIWA



## Interislander



## Silver Fern Shipping



## StraitNZ



## Swire Shipping



Swire Shipping operates Pacifica Shipping  
and Golden Bay Cement

