Submission

Ministerial Inquiry into Foreign Charter Vessels

TO WHOM IT MAY CONCERN

Port Otago Limited owns and/or operates two cold-store facilities in Dunedin – one as a joint venture with Sealord and one as an independent facility. Port Otago supports the continued operation of Foreign Charter Vessels for the reasons outlined below.

Each year:

1. Up to 28 fishing vessel calls are made at the Port Otago Dunedin wharves
2. More than 90% of the fish product stored in these two facilities each year is caught by Foreign Charter Vessels on behalf of several companies
3. More than 1,700 containers, representing over 35,000 tonnes of fish, are packed and then exported through Port Chalmers

The combined workforce of the two Port Otago stores is 10 permanent staff and up to 10 casual staff at any one time. In addition to direct employment, the two cold-stores, and their associated operation, provide servicing and supply work for a number of Dunedin companies in the engineering, refrigeration, fuel supply and provedoring sectors. Up to 100 full time equivalent jobs would be involved in related, downstream employment. Combining this with the marine and storage/handling revenue derived from this activity by Port Otago makes this a significant contributor to the Dunedin economy.

If Foreign Charter Vessels were not able to operate in New Zealand waters this would cause significant problems for the fishing industry. Over 62% of deep-water fish is caught by Foreign Charter Vessels and New Zealand simply does not have the domestic resources to replace this capability. Several fish species would no longer be economic to catch and there would be considerable loss of export earnings for the country and groups engaged in the industry.

Port Otago is aware that Foreign Charter Vessels are subject to a series of New Zealand regulations and government agency monitoring in the areas of minimum standards for seaworthiness, labour conditions, wages and operating conditions. It appears that the regulatory framework to manage this activity is already in place, if it is appropriately enforced.

For the reasons outlined above, Port Otago Limited supports the continuation of the use of Foreign Charter Vessels to catch fish within New Zealand waters. Any restriction on this activity will have serious impacts on local employment, the fishing industry's viability and New Zealand's foreign exchange earnings. The mechanisms already exist to manage this activity and no additional regulation is required.