Lyttelton Port of Christchurch

07 October 2011

Attention: Jenny Wood

Dear Jenny,

RE: MINISTRY INQUIRY - USE & OPERATION OF FOREIGN CHARTER VESSELS

Lyttelton Port Company (LPC) wishes to provide its support to Independent Fisheries Limited (IFL) in relation to the Ministerial inquiry into the use and operation of Foreign Charter Vessels.

Lyttelton Port has always traditionally been IFL's home port for New Zealand operations. IFL at its peak operated 10 foreign charter vessels from Lyttelton, today IFL operate just two vessels. The two foreign charter vessels, the *Mainstream* and the *Ivan Golubets* call monthly at Lyttelton to discharge fish, change over crew and equipment, bunker and take on provisions.

IFL are a major contributor to Lyttelton Ports fishing trade, a trade which annually generates between $3 to $4M in revenue for the company – this includes revenue from berthage, navigation and wharfage, alongside dry dock hire, bunkering, container stevedoring and reefer monitoring.

Lyttelton Port and IFL are committed to continuing to grow the New Zealand fishing sector in a sustainable and safe manner. LPC is working closely with IFL to develop a new dedicated fishing facility, which includes a new purpose built 5,000m^2 coolstore and heavy duty wharf in Lyttelton Port for future generations.

Prior to the devastating 4 September 2010 earthquake, IFL operated a dedicated 3,000 tonne capacity coolstore facility in the port situated on Z-Berth at the entrance to the Port of Lyttelton's wharf areas. The now destroyed coolstore complex was fully utilised by other port users for the storage of frozen product and added a valuable facility to Lyttelton Port.

The new dedicated fishing facility will ensure that pre Canterbury earthquake service levels are restored in Lyttelton for the fishing industry and will allow IFL and other large charter operators to continue to safely berth vessels and discharge in Lyttelton. An investment of $20M + will be committed between IFL and LPC for this project.

While IFL is a valued customer of LPC, it is important to note that Lyttelton Port has provided services to a large number of foreign charter vessels over the years. It is our belief that restrictions to foreign charter vessel operations in New Zealand would have significant adverse impacts to LPC. LPC's dry dock is the only such facility of its kind in the South Island. It is regularly used by a wide variety of companies, the vast majority being fishing companies currently operating out of New Zealand.

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The ship repair and maintenance works associated with the dry dock supports a wider variety of engineering firms and a decline in the number of foreign charter vessels would have a notable impact on the economic sustainability of the ship repair and maintenance industry in Canterbury.

We wish you well with your inquiry and are happy to provide further assistance if required.

Yours sincerely

PETER DAVIE
Chief Executive