



SEMAPHORE

Newsletter of the Maritime Law

Association of Australia and New Zealand



Northland Drydock Business Case Tender

New Zealand's Te Manatū Waka Ministry of Transport was due to award a tender for the development of a Northland drydock business case as this edition of *Semaphore* went to publication.

An October supplier briefing session document prepared by the Ministry noted that the country's two existing drydocks were too old and insufficient in size to handle New Zealand's larger vessels.

It observed that the alternative of having those ships – namely, inter-island ferries, coastal carriers and some ocean-going fishing vessels – continue to travel to Sydney or Singapore to drydock came with several issues for their operators.

Those included:

- cost – the New Zealand Shipping Federation estimates NZ\$800,000 in fuel costs to Singapore alone, plus crew and opportunity costs (four days sailing time to Sydney, 12 days to Singapore)
- carbon emissions – limited opportunity to retrofit green technologies and hull cleaning/hull coatings requiring journeys abroad
- resilience issues – essential vessels may be abroad during natural disasters (Navy and ferries), worsened by difficulties in securing spots in Sydney

Whereas, noting that development of a suitable modern, New Zealand facility would support both local industry and coastal shipping, it has targeted investigation of a 250-metre drydock with shipyard (ship maintenance facility) in the preferred location of Northport.

"[Transport Minister Michael Wood] expects this business case to be the 'authoritative' document' on the matter, covering and combining all the issues and enabling Ministers to make any future decisions," stated the document.

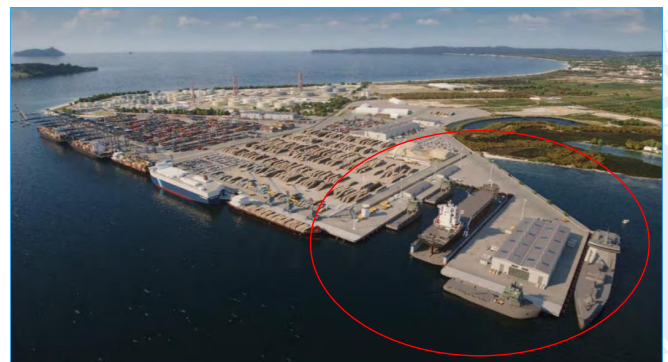
Requirements

Ministers were said to be interested in understanding what conditions would need to be in place to enable the drydock to perform as a standalone commercial proposition.

"[There is] need to test potential demand, how it might be paid for, who could own/govern it and what may be needed from Government to enable the project."

Consultants would need to engage with a variety of stakeholders.

"[Including] regional and local body representatives, iwi/hapū (for example, Patuharakeke), Ministers, Northport, New Zealand Defence Force/Navy, the New Zealand Shipping Federation, potential commercial users (for example, KiwiRail, Bluebridge)."



Artist's impression from Northport's "Vision for growth"

A project advisory group would need to be established.

“The successful respondent may need to support the establishment and servicing of this group.”

The Ministry is intending to award the contract in late December with the subsequent report due to be delivered by May 31 next year.

December 2022

