



## COVERSHEET

<b>Minister</b>	Hon Dr Megan Woods	<b>Portfolio</b>	Energy and Resources
<b>Title of Cabinet paper</b>	Retaining or redeploying New Zealand's coastal shipping capability	<b>Date to be published</b>	3 June 2022

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
April 2022	Retaining or redeploying New Zealand's coastal shipping capability	Office of the Minister of Energy and Resource  Office of the Minister of Transport
6 April 2022	Dev-22-MIN-0079 Minute	Cabinet Office

### Information redacted

**YES**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reasons of:

- Confidential information entrusted to the Government
- Constitutional conventions
- Commercial information
- Confidential advice to Government



# Cabinet Economic Development Committee

## Minute of Decision

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*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

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### Retaining or Redeploying New Zealand's Coastal Shipping Capability

**Portfolios**                      **Energy and Resources / Transport**

On 6 April 2022, the Cabinet Economic Development Committee, having been authorised by Cabinet to have Power to Act [CAB-22-MIN-0115]:

- 1        **noted** that on 15 September 2021, the Cabinet Business Committee noted that closure of the Marsden Point oil refinery is expected to have little impact on fuel supply resilience under most disruption scenarios [CBC-21-SUB-0101];
- 2        **noted** that officials, independent fuel experts Hale and Twomey, and fuel companies believe that a refined fuel import supply chain can provide more supply source diversity and is more resilient to most credible fuel disruption scenarios;
- 3        **noted** that officials are investigating options of increasing minimum levels of fuel stock held in New Zealand [CBC-21-SUB-0101];
- 4        **noted** that Refinery New Zealand ceased refining operations at the Marsden Point Oil Refinery on 1 April 2022;
- 5        **noted** that the coastal fuel tankers are planned to cease operating on the New Zealand coast on 23 March and 11 April 2022;
- 6        **noted** that New Zealand's major fuel retailers see little to no value in retaining these vessels, and even if the vessels were retained, would not use them;
- 7        **noted** that officials believe there is a high demand for skilled maritime workers, meaning many will find alternative employment relatively quickly;
- 8        **noted** that officials believe subsidies to incentive fuel companies to use New Zealand-flagged tankers may breach New Zealand's international commitments not to provide fossil fuel subsidies;
- 9        **noted** that while coastal fuel tankers do not enhance New Zealand's security of supply, they provide crucial sea-time for maritime cadets, and opportunities to do this have been diminishing;

- 10 **agreed** to establish a targeted workforce development and redeployment programme (the programme) for coastal tanker workers, working with coastal shipping employers, unions and tertiary education providers;
- 11 **noted** that the implementation of the programme for coastal tanker workers will be developed by the Ministry of Transport;
- 12 **noted** that the programme would result in an indicative cost to the Crown in the order of \$5 million over a 12 month period;
- 13 **noted** that, in principle, the funding for the programme will be met from existing Vote Transport baselines, with no impact on the operating balance or net core Crown debt;
- 14 **authorised** the Minister of Finance, the Minister of Energy and Resources and the Minister of Transport to agree any fiscally neutral appropriation changes required to support the delivery of the programme, including the creation of an appropriation within Vote Transport, if required.

Janine Harvey  
Committee Secretary

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**Present:**

Hon Grant Robertson (Chair)  
Hon Dr Megan Woods  
Hon David Parker  
Hon Nanaia Mahuta  
Hon Poto Williams  
Hon Damien O'Connor  
Hon Stuart Nash  
Hon Kris Faafoi  
Hon Willie Jackson  
Hon Michael Wood  
Hon Dr David Clark  
Hon Phil Twyford  
Rino Tirikatene, MP

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV