

Regulatory Impact Statement

Maritime New Zealand Funding Review: Proposal for Consultation

Agency Disclosure Statement

This Regulatory Impact Statement has been prepared by the Ministry of Transport.

It provides an analysis of proposed changes to Maritime New Zealand's third party funding arrangements. The proposed changes are discussed in a consultation document to be released for a six week public consultation period. Submissions will be taken into account before final recommendations are made on the proposals.

The Maritime New Zealand Funding Review established that Maritime New Zealand revenue sources, particularly direct charges and a levy (the marine safety charge), are misaligned with the activities and services that each revenue source is intended to fund.

Options for addressing the problem have been considered within the third party funding mechanisms that the Maritime Transport Act 1994 provides for meeting the cost of Maritime New Zealand activities and services.

Impacts on business have been modelled, and equity and ability to pay taken into account in developing the proposal. The proposed funding approach has been developed in consultation with a reference group representing key maritime sector interest groups.

The expected future costs do not include potential changes to regulatory activity that are subject to government decisions on the proposed introduction during 2013/14 of a new maritime operator safety system and a new framework for seafarer qualifications. Any fee or levy changes specific to those proposals will be subject to separate consultation.

The proposal includes assumptions that:

- the current volume of directly chargeable services will continue
- the Crown will provide funding from boating-derived fuel excise duty to address a gap between Crown recreational boating funding and boating-related costs incurred by Maritime New Zealand.

The proposed changes to direct charges would increase costs to individuals and businesses, although the additional costs to businesses will be offset by a reduction in the levy. The proposal will not impair private property rights, or the incentives for businesses to innovate and invest; or override any of the fundamental common law principles (as referenced in Chapter 3 of the Legislation Advisory Committee's *Guidelines on Process and Content of Legislation*). The proposals are consistent with the government's August 2009 *Better Regulation, Less Regulation* statement.

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Background and status quo

Maritime New Zealand's role and funding sources

1. Maritime New Zealand is the regulatory agency for the New Zealand maritime sector. Its functions include advice to government (including development of rules and other regulatory instruments, administration of international convention obligations, maritime security), ship registration, provision of maritime safety services, and compliance functions in relation to maritime qualifications, maritime operations, and recreational boating. Maritime New Zealand's role also includes marine oil spill response and search and rescue coordination, which are funded separately from the above functions and are outside the scope of this proposal.
2. Crown funding of \$6.68 million per annum is appropriated for Maritime New Zealand policy advice (as above), and to cover a contribution towards the cost of Maritime New Zealand compliance functions, mainly services that relate to or provide benefits to recreational boat users.
3. The remainder of Maritime New Zealand's funding for activities subject to this proposal is derived from third party revenue, specifically:
 - direct charges (fees) for regulatory services, imposed by regulations under the Maritime Transport Act 1994 and the Ship Registration Act 1992
 - a levy (the marine safety charge), imposed on commercial ships by regulations under the Maritime Transport Act 1994.
4. Table 1 summarises the purposes of these third party charging mechanisms and the forecast revenue from each for the 2012/13 financial year.

Table 1 – Maritime New Zealand third party revenue 2012/13

Description	Purpose	2012/13 revenue \$000
Direct charges, shipping	Meet costs of regulatory services: <ul style="list-style-type: none"> - seafarer and ship certification, licensing, permits, approvals and exemptions - audits - environmental permits and approvals - costs of regulatory services relating to registration of ships 	1,840
Levy (marine safety charge)	Provide funding for: <ul style="list-style-type: none"> - aids to navigation - distress and safety radio - marine safety information - other ship safety related services 	17,140
Total		18,980

5. Maritime New Zealand direct charges and the marine safety charge were last reviewed in 2008, with subsequent reviews to be carried out three-yearly.
6. To inform the next scheduled funding review, an independent Value for Money Review was undertaken in 2010 by Ernst and Young. The Review found that Maritime New

Zealand broadly delivered value for money but had insufficient cost and revenue allocation information for a robust funding review, and recommended time recording and financial system upgrades to capture the required information.

7. Upgraded systems implemented in February 2011 have generated the information necessary to fully understand the relationship between the costs of Maritime New Zealand activities and services, funding sources, and the amount that the relevant recipients or beneficiaries are contributing towards those costs.

Funding Review analysis of actual costs of Maritime New Zealand activities and services

8. The Maritime New Zealand Funding Review’s analysis of data from the upgraded time-recording and financial data has established that the:
 - direct charges specified in existing regulations are far below actual service delivery costs, and do not cover all transactions that should be cost-recoverable
 - the Crown funding provided for recreational boating-related costs does not cover the full costs that Maritime New Zealand incurs for boating-related activities and services¹
 - levy revenue from the marine safety charge is used to meet both the shortfall in cost recovery for regulatory services and the funding gap for recreational boating activities and services.
9. Table 2 shows the differences between forecast 2012/13 revenue from these funding streams and the forecast 2012/13 costs of the activities and services that each is intended to fund.

Table 2 – 2012/13 revenue and cost forecast

Funding mechanism	Purpose	2012/13 revenue \$000	2012/13 cost \$000	Surplus/ (shortfall) \$000
Direct charges, shipping	Meet costs of regulatory services and ship registration services	1,840	5,500	(3,660)
Levy	Funding of shipping safety services	17,140	11,684	5,456
Crown funding	Meet recreational boating-related costs	1,274	3,070	(1,796)
Total		20,254	20,254	

10. As Table 2 shows, the levy is supporting not only services for which costs should be recovered through direct charges, but also activities and services that relate to recreational boating.
11. The net effect is that \$5.456 million of levy revenue is unavailable to pay for more or better services to levy payers, to be returned by way of a levy reduction, or to offset any increase in relevant Maritime New Zealand costs. Because most levy revenue comes

¹ Recreational boat users benefit from access to Maritime New Zealand aids to navigation, distress and safety radio system and safety information, and impose operational costs for enforcement, accident investigation and prosecutions, but recreational boats are statutorily exempt from marine safety charges.

from foreign ships that rarely use directly chargeable Maritime New Zealand services, they gain no benefit from the use of levy revenue to subsidise the provision of those services.

12. This outcome is inconsistent with the intended structure for third party funding of Maritime New Zealand activities and services under the Maritime Transport Act 1994. The levy (marine safety charge) is levied on all commercial ships to pay for safety services where it is not feasible to measure and charge for individual usage. Direct charges are intended to recover the costs of regulatory services provided in the form of individually identifiable transactions. Using marine safety charge revenue to meet costs incurred in providing services under the Ship Registration Act 1992 is outside the scope of the levy.
13. It is evident, that a radical change in the current arrangements to correct the anomalies identified by the Funding Review could have significant impacts on those who pay direct charges, on some industry sub-sectors, and on third party revenue sustainability for Maritime New Zealand.

Problem definition

14. Maritime New Zealand's third party revenue sources and expenditure are misaligned with the intended structure for third party funded activities and services under the Maritime Transport Act 1994.

Objective

15. The objective is to place Maritime New Zealand's third party funding on a sustainable, equitable basis that is consistent with the purposes of the relevant funding mechanisms provided for by the Maritime Transport Act 1994.

Regulatory impact analysis

16. In developing a funding approach that would achieve the objective, the Funding Review considered regulatory and non-regulatory options.

Non-regulatory options

17. Maritime New Zealand implemented non-regulatory action in February 2012 to fully collect existing direct charges that the Value for Money Review found were either not being recovered or only partially recovered (estimated impact \$0.500 million in 2012/13). Maritime New Zealand has made \$0.500 million in cost savings recommended by the Value for Money Review, and expects efficiency improvements in corporate and regulatory services to reduce annual delivery costs for chargeable services by \$1.000 million by 2018/19. These cost changes have been factored into future revenue projections but their combined effect cannot resolve the much larger gap between existing direct charges and the actual cost of the services provided.
18. After taking into account cost savings and efficiency gains, and applying the funding principles (refer Appendix 1) the Funding Review has established that the following changes to Maritime New Zealand's future funding structure would be required:
 - direct charges should recover an additional \$2.830 million per annum
 - Crown funding for activities and services relating to recreational boating should increase by \$1.400 million to bridge the existing gap between funding and costs
 - levy revenue should reduce by \$4.860 million.

19. Those changes can only be achieved through regulatory action to increase direct charges and reduce levy rates under existing regulations. The Funding Review has undertaken detailed analysis of the impact on levy rates and direct charges.
20. In calculating the levy rates, the Review included an assumption that funding from recreational boating-derived fuel excise duty will become available under section 9(1) of the Land Transport Management Act 2003² to address the \$1.4 million gap in Crown funding for recreational boating. Should that assumption not eventuate, revenue required from levies would be approximately 11 percent higher than is indicated in Appendix 3.
21. Three options for implementing the necessary alterations to existing charges were identified by the Funding Review, and have been evaluated against the objective and the funding principles in Appendix 1:
 - Option 1 – immediate transition to revised charges and levy
 - Option 2 – three year transition period
 - Option 3 – six year transition period.
22. Table 3 compares the impact of each option on GST exclusive direct charge rates and revenue from direct charges and levies. Details of levy rate changes are included at Appendix 3.

Table 3 – Comparative effects of options

Direct charges \$/hour Revenue \$000 /p.a.	2012/13 (baseline)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Option 1³							
Direct charge rate	90	235	235	235	205	205	205
Direct revenue	1,840	4,952	4,952	4,952	4,670	4,670	4,670
Levy revenue	17,140	12,548	12,548	12,548	12,280	12,280	12,280
Total revenue	18,980	17,500	17,500	17,500	16,950	16,950	16,950
Option 2							
Rate of charge	90	125	165	205	205	205	205
Direct revenue	1,840	2,800	3,650	4,670	4,670	4,670	4,670
Levy revenue	17,140	14,700	14,040	12,890	12,670	12,480	12,280
Total revenue	18,980	17,500	17,690	17,560	17,340	17,150	16,950
Option 3							
Direct charge rate	90	125	145	160	175	190	205
Direct revenue	1,840	2,800	3,210	3,510	3,810	4,120	4,670
Levy revenue	17,140	14,700	14,480	14,050	13,530	13,030	12,280
Total revenue	18,980	17,500	17,690	17,560	17,340	17,150	16,950

² Section 9(1) provides for the Ministers of Transport and Finance to appropriate boating-derived fuel excise duty for recreational boating safety and safety awareness and maritime safety services that benefit the users of pleasure craft. Estimated annual fuel excise duty from recreational boating has been estimated at over \$25 million (NZIER, 2009).

³ Full current cost of services applied until next funding review 2015/16, and year six rate brought forward to 2016/17, as for Option 2.

23. Table 4 summarises the evaluation of each option against the objective and funding principles.

Table 4 – Analysis of options for transition path to achieve full cost recovery

	Authority for charges and levy	Equity – charges reflect benefits	Ability to pay	Accountability and transparency	Sustainability	Efficiency-value for money
Option 1	✓✓✓ Maritime New Zealand funding arrangements would move immediately into line with cost recovery principles and statutory funding model	✓✓✓ Costs are fairly distributed among maritime operators Levy payers gain full benefits without delay	××× Minimal opportunity to adjust to large increase in direct charges Impacts greatest on individuals and smaller domestic operators Operators of foreign ships unaffected as direct charges rarely apply	✓ New time recording and financial systems provide strong cost and revenue allocation data Data shared with Sector Reference Group 3 yearly review cycle	××× Revenue risks from reduced demand, avoidance behaviour high debt recovery costs	× Full fees in place before efficiency gains
Option 2	✓✓ Maritime New Zealand funding arrangements would take 3 years to fully align with cost recovery principles and statutory funding model	✓✓ Costs are fairly distributed among maritime operators Levy payers would not receive the full benefit of levy reductions for 3 years	✓ Longer adjustment period will reduce impacts on individuals and smaller operators	✓ As above	×× Revenue risks from reduced demand, avoidance behaviour high debt recovery costs	× Full fees in place before efficiency gains fully realised
Option 3	✓ Maritime New Zealand funding arrangements would take 6 years to fully align with cost recovery principles and statutory funding model	✓ Costs are fairly distributed among maritime operators Levy payers would not receive the full benefit of levy reductions for 6 years	✓✓ Long transition period will minimise impacts on individuals and smaller operators	✓ As above	✓✓ Lower revenue risk from reduced demand, avoidance behaviour high debt recovery costs	✓✓ Provides the opportunity for Maritime New Zealand to fully realise efficiency gains before moving to full cost recovery

Overview of impacts – all options

24. The hourly rate upon which all Maritime New Zealand direct charges are based would increase from \$90 to \$205 (GST excl). For common transactions that typically involve around 3 hours of chargeable time, this represents an increase of \$335. For a less frequent but complex, time-consuming transaction, such as initial ship registration, the cost could increase from \$1800 to \$5000 (GST excl).
25. Most direct charges relate to transactions that occur at intervals of several years or on isolated occasions, rather than as a recurring annual cost.
26. The impact of increasing direct charges would be most significant for New Zealand's domestic sector, comprising individuals and small to medium sized operators who are required to seek Maritime New Zealand certification, permits, audits and inspections. The nature and size of businesses in this sector means that they have limited ability to pass increased costs on to customers.
27. The impacts at an operator level were modelled using 'example companies', which represent what an example operator in each sector might expect if they were paying the direct charges shown. Appendix 2 summarises the modelling to show the impact on example companies in key maritime sectors, based on current (2012/13) costs and full cost recovery. For modelling purposes, periodic charges have been annualised.
28. Unlike vessel operating companies that pay both direct charges and the levy, individuals paying increased direct charges will not have the benefit of any offsetting levy reduction.
29. The most significant potential increases in charges are likely to involve marine protection documents, notably dumping permits and discharge plan approvals for offshore installations. The Environmental Protection Agency will take over this approval role by 1 July 2014 under the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012. In the meantime, it is necessary for Maritime New Zealand to fully recover the costs of this function as the Maritime Transport Act 1994 does not provide for levy revenue from the marine safety charge to be used to meet the costs of environment protection services.
30. Dumping proposals average two a year, with their complexity and cost varying greatly. A typical proposal may cost \$4,000 – \$10,000 but a proposal for disposal of dredged spoil from a port or marina can cost up to \$100,000 if it involves complex environmental impacts and monitoring requirements. New discharge management plan approvals for offshore installations (on average two per annum) cost in the order of \$10,000 to process, with up to 40 amendments to existing plans costing around \$1,000 each.

Option 1 – Immediate transition to full cost recovery

31. The levy would immediately cease to meet any part of the cost of directly chargeable services, and the full benefit would be passed on to levy payers without delay. However, increasing direct charges in one step to balance the levy reduction raises ability to pay issues for individuals and domestic vessel operators, who would have minimal opportunity to adjust to the increase.
32. While substantially higher direct charges would not be expected to compromise businesses' commercial viability, the changes would not be incurred in isolation from other cost pressures. In the current economic environment, Option 1 is likely to be perceived as unreasonable, with a high risk that charges will be resisted or avoided. Unwillingness or inability to pay, and avoidance of charges, would compromise the ability to generate sufficient revenue from direct charges to compensate for the reduction in levy revenue.

33. An immediate move to full cost recovery would initially impose the full cost of directly chargeable services before Maritime New Zealand has been able to realise cost reductions from the efficiency gains that it expects to make by 2015/16.
34. With subsidisation from marine safety charges eliminated in a single step, Maritime New Zealand's revenue would immediately become heavily dependent on direct charges at a time when the maritime sector is under financial pressure. Moving to full cost recovery without first being able to gauge the impacts on demand for services would create significant revenue risk. Already, Maritime New Zealand's experience since full application of existing fees in February 2012 indicates some initial resistance from affected parties, with fewer transactions and lower revenue than expected.
35. Exposing Maritime New Zealand to this revenue risk would be inconsistent with the objective of ensuring sustainable funding for the organisation.

Option 2 – Three year transition to full cost recovery

36. A three year transition to full cost recovery by 2015/16 would moderate the ability to pay issues that an immediate shift to full cost recovery would present for businesses and individuals and allow time for the domestic groups that pay most direct charges to adjust to the increased costs. However, it would mean that the benefits of reduced levies would be partly deferred for vessel operators. Operators of foreign ships, which do not incur direct charges, would receive no offsetting benefit from a slower transition to higher direct charges.
37. Maritime New Zealand would still face financial risk if a reduction in demand for directly chargeable services were to have any significant impact on projected revenue.
38. Maritime New Zealand's expected efficiency gains will take six years to be fully realised. Under a three year transition, costs would be under-recovered by fees for the years 2015/16 to 2018/19, and the levy rate is higher to fund the under-recovery.
39. A three year transition would provide the opportunity to gauge the impact of increased charges on revenue before the next scheduled three yearly funding review.

Option 3 – Six year graduation to full cost recovery

40. The six-year transition will mean that those affected will have ample time to adjust to the changes, without the more pronounced impact of a shorter transition period. The full benefit of efficiency gains would have been realised by the time fees for directly chargeable services moved to full cost recovery in year six. The full benefit of lower levy rates would not be available to ship owners for three years.
41. As identified in relation to Options 1 and 2, there is uncertainty about the impact of fee increases on demand for Maritime New Zealand services, and the effect on the projected revenue necessary to compensate for reduced levy revenue. A six year transition will allow time to monitor and understand such effects.
42. With Maritime New Zealand funding scheduled for three yearly reviews, the next review will be able to assess progress at the mid-point of the six year transition period. This information would inform any adjustments necessary to address undue or unforeseen impacts before the proposed direct fee increases and levy reductions are fully implemented.

Conclusions and recommendations

43. Option 1 raises ability to pay issues for domestic vessel operators and individuals that would face heavy immediate or short term increases in costs, and the impact of such a

sharp change in approach raises significant potential revenue risk for Maritime New Zealand.

44. Such outcomes would be incompatible with the objective and the funding review principles. Sector Reference Group input to options for consultation indicated that an immediate step change was not seen as realistic. The consultation document therefore does not include Option 1. While Option 2 allows time to partly mitigate the impacts of change, it still raises ability to pay and revenue risks, and could see fee payers being required to pay the full cost of services that were less than fully efficient.
45. The preferred option is to implement full cost recovery over six years, which would reduce the risk to revenue sustainability, allow efficiency gains to be fully reflected in fees for direct services, and would mitigate the impacts of an abrupt change on small to medium businesses and individuals.

Consultation

46. The Maritime New Zealand Funding Review (as for the preceding Value for Money Review) has been undertaken with engagement of a Sector Reference Group, comprising representatives from across the maritime sector. The Group's role is to provide information and insight both from a wider sector perspective and from individual sub-sectors. The funding principles summarised in Appendix 1, supporting data for the review, and funding options, have all been tested with the Group.
47. The funding review process has been governed by a steering group including the Chair and the Director of Maritime New Zealand, the Chief Executive of the Ministry of Transport, and the Treasury's Infrastructure Manager.
48. There will be a six week public consultation process on the proposals presented in the Maritime New Zealand Funding Review consultation document. Submissions on the proposals will be taken into account before final recommendations are made to government on the proposals.

Implementation

49. The Ministry of Transport will lead the legislative change process to enable implementation of the proposals outlined in the paper. Amendments to the following regulations would be necessary:
 - Marine Safety Charges Regulations 2000
 - Shipping (Charges) Regulations 2000
 - Ship Registration (Fees) Regulations 1992
50. The proposal to phase fee increases over a number of years is designed to mitigate impacts on fee payers and the risks of avoidance, bad debts and increased collection costs presented by a single step to full cost recovery.
51. Rationalised fee schedules and a move to a single hourly rate as the basis for all fees will simplify the fee structure and improve its transparency.
52. The revised fees and levy will be implemented through Maritime New Zealand's existing fee and levy collection system, and will involve no new processes or increased compliance costs for affected parties.
53. Affected parties will receive several months' notice of any changes, which if adopted would not come into effect until 1 July 2013. Maritime New Zealand will keep

stakeholders informed of changes through its website, publications and the sector reference group.

Monitoring, evaluation and review

54. Monitoring, evaluation and review of any changes to Maritime New Zealand's direct charges and levies that may result from this proposal will be undertaken as part of the existing three-year review cycle for Maritime New Zealand funding.
55. The costs do not include potential changes to regulatory activity that are subject to government decisions on the proposed introduction during 2013/14 of a new maritime operator safety system and a new framework for seafarer qualifications. If implemented the proposals may alter costs and the allocation between fees and the levy. Fee or levy changes specific to the proposals will be subject to separate consultation.

Funding principles

The funding options have been developed by applying the funding principles, listed below, to activity and cost data generated by the Maritime New Zealand Funding Review.

- a. Authority – this relates to Maritime New Zealand having the statutory or legal basis for the outputs/services delivered and for the imposition of direct charges and marine safety charges.
- b. Efficiency – this relates to Maritime New Zealand using funding in a way that achieves value for money
- c. Equity – this relates to ensuring that those who benefit from an activity are those who should pay for the activity.
- d. Accountability – about Maritime New Zealand being able to show transparently to Parliament, the maritime sector, and to taxpayers how funding is expended (and generated in the case of direct charges).

The funding principles have been developed using the Treasury and Office of the Auditor General guidelines. A sector reference group, made up of industry representatives, has agreed the funding principles and have provided input to their application to the cost and activity data.

The principles also include specific recognition of each sector's ability to pay for the combination of fees and levies will be required, and that it may be appropriate to transition to higher fees over time. Recognition is also given to that it may be more appropriate to allocate higher costs to larger commercial entities than to small to medium sized entities.

Marine Safety Charge and fee impacts - key vessel operating sectors

Notes

1. This Appendix shows the combined impact of fee and levy changes on example vessels or example operators in each key sector.
2. For international ship categories, which are not subject to fees, the table shows the impact of levy changes for an example vessel in that category.
3. New Zealand vessel and operator numbers are shown to indicate the relative sizes of each sector, and are not an average.
4. The impacts may vary from operator to operator, ship to ship, and year to year depending on the pattern of periodic (non-regular) payments.

International cruise ship (2000 passenger capacity) which makes 3 voyages and 18 port visits per year (Note: averaged over 7 cruise ships of about 2,000 passenger capacity)

Number of vessels	7	
Total fees and levies paid		
Current 2012/13	Full cost recovery	Impact – increase or (decrease)
\$118,800	\$90,720	(\$28,080)

International container ship (40,000 dead weight tonnes) which makes 6 voyages and 17 port visits per year

Number of vessels	10	
Total fees and levies paid		
Current 2012/13	Full cost recovery	Impact – increase or (decrease)
\$46,100	\$35,180	(\$10,920)

International container ship (14,000 dead weight tonnes) which makes 12 voyages and 61 port visits per year

Number of vessels	5	
Total fees and levies paid		
Current 2012/13	Full cost recovery	Impact – increase or (decrease)
\$47,470	\$36,230	(\$11,240)

New Zealand large non-passenger operator (2 ships with total deadweight tonnes of 84,000)

Number of operators	7	Number of vessels	10
Total fees and levies paid			
Current 2012/13	Full cost recovery		Impact – increase or (decrease)
\$ 252,178	\$201,811		(\$50,367)

New Zealand interisland ferry operator carrying passengers (say 2 ferries with combined passenger capacity of 2,800)			
Number of operators	2	Number of vessels	5 (1 foreign flagged)
Total fees and levies paid			
Current 2012/13	Full cost recovery		Impact – increase or (decrease)
\$792,883	\$612,905		(\$179,978)

Deepwater fishing fleet operator (2 ships with combined gross tonnes of 3,080)			
Number of operators (approx)	21	Number of vessels (approx)	52
Total fees and levies paid			
Current 2012/13	Full cost recovery		Impact – increase or (decrease)
\$ 14,639	\$9,413		(\$5,226)

Inshore fishing operator (2 vessels with combined length overall of 30 metres)			
Number of operators (approx)	200	Number of vessels (approx)	1130
Total fees and levies paid			
Current 2012/13	Full cost recovery		Impact – increase or (decrease)
\$900	\$1,273		\$373

Domestic passenger operator (2 ferries with combined length overall of 31 metres)			
Number of operators (approx)	1200	Number of vessels	1348
Total fees and levies paid			
Current 2012/13	Full cost recovery		Impact – increase or (decrease)
\$ 941	\$1,140		\$199

Commercial jet boat operator (operating in enclosed waters) (3 jet boats with combined length overall of 18 metres)			
Number of operators (approx)	45	Number of vessels (approx)	116
Total fees and levies paid			
Current 2012/13	Full cost recovery		Impact – increase or (decrease)
\$902	\$1,892		\$990

Comparison of existing (2012/13) and proposed levy rates and revenue by vessel category as at the end of the six year transition period⁴

Category of ship	Basis of payment	Current rate (GST excl)	Revenue 2012/13 (\$000)	Fully adjusted future rate (GST excl)	Fully adjusted revenue (\$000)
Foreign non-passenger ship (summer load line)	First port visit per voyage	11.84 cents per deadweight tonne	11,910	9.03 cents per deadweight tonne	8,730
	Subsequent port visits per voyage	4.02 cents per deadweight tonne		3.07 cents per deadweight tonne	
Foreign non-passenger ship (no summer load line)	First port visit per voyage	17.25 cents per unit of gross tonnage		13.16 cents per unit of gross tonnage	
	Subsequent port visits per voyage	4.31 cents per unit of gross tonnage		3.29 cents per unit of gross tonnage	
Foreign passenger ship	Each port visit	\$3.30 multiplied by passenger capacity	2,880	\$2.52 multiplied by passenger capacity	1990
New Zealand non-passenger ship	Annual	\$2.86 per deadweight tonne	340	\$2.12 per deadweight tonne	250
New Zealand passenger ship	Annual	\$277 multiplied by passenger capacity	990	\$205.35 multiplied by passenger capacity	730
New Zealand fishing ship	Annual	Greater of – a) \$15 multiplied by the overall length b) \$4.50 per unit of gross tonnage	520	Greater of – a) \$8.27 multiplied by the overall length b) \$2.48 per unit of gross tonnage	290
Any commercial ship or river raft not included in another category	Annual	Greater of – a) \$18.75 multiplied by overall length b) \$5.63 per unit of gross tonnage	500	Greater of – a) \$10.33 multiplied by overall length b) \$3.10 per unit of gross tonnage	280
Total revenue			17,140		12,270

⁴ Assumes \$1.4 million necessary for recreational boating activity is no longer funded from the levy